

THE HOLBROOK CLUB

MINUTES OF THE ANNUAL GENERAL MEETING HELD AT THE CLUB ON TUESDAY 30th JULY 2019 COMMENCED AT 7.00 PM

Those Present: Simon Charman, Paul Finn, Carole Charman, Ray Sutton, Diane Sutton, Tom Chapman, Ben King, Bernie Owen, Angela Wright, Barry Wright, John Maher, Amy Tucker, Darren Rundle, Elaine Overington, Ian Munslow, James Wright, Lucinda Brock, Gavin Hockley, Samantha Hockley, Andy Overington, Jon Booth & Chris Fairchild (22 eligible voting Members).

1. Apologies for Absence

These were received from: Tim Turner (1 in all).

2. Minutes of Last Year's AGM

The minutes of the last AGM held on 31st May 2018 were accepted by those present as accurate & correct, & were duly signed by the Club Chairman, Simon Charman.

3. Club Chairman's Report

No questions were raised.

4. Presentation of the 2018 Club Accounts

The 2018 Club Accounts (copies of which were distributed to Members during the meeting) were presented by Gavin Hockley

Overview

Despite another year of increased turnover, higher costs have resulted in an increased loss of £113k for 2018. The main reasons being:

- A continued erosion in memberships (general subs and pay as you play).
- Increasing costs of supplies and wages.
- Increased investment made in Club equipment and maintenance and the resulting depreciation.
- Shortfall in anticipated council funding.

Detailed Information

- **Turnover** grew by £31k (35%) from 2017.
 - Bar income up £47k (19%) and Kitchen by £5k (5%) mainly due to FIFA World Cup, which made up for some of the loss of the Fake Festival in 2018.
 - The loss of Fake Festival resulted in an £8k (27%) reduction in entertainment income.
 - Overall membership subs were down by £7k (2%). Growth in early 2018 increased income but was eroded later in the year by increased local competition, leaving overall membership down by 300 from 2017. This had a knock-on effect that contributed greatly to reducing "pay as you play" income by £14k (30%)
- **Cost of Sales** increased by £68k (18%) from 2017.
 - Bar costs increased by £24k (12%) but that still left a £67k profit from the bar which was a net increase £23k (51%) from 2017.
 - Kitchen costs increased by £9k (10%) which led to the kitchen making a profit of £6k, but that was down £4k (40%) from 2017.
 - Gym and classes costs increased by £30k (45%) from 2017 to accommodate the anticipated growth and update some old equipment.

- The net effect is a £37k (7%) reduction in the **Gross Profit** from 2017.
- **Overheads** increased by £38k (6%) from 2017. This is predominantly the effect of small rises in all areas of cost with the only exceptions being;
 - A £13k (16%) increase in reception costs due mainly to the purchase and set up of the new membership and till system.
 - A £9k increase in depreciation.
- The **Balance Sheet** (Net Worth) reduced by £113k, as expected, during 2018 but you will note that the Cash at Bank reduced by £133k, despite an expected cash loss of only £54k after adding back depreciation. The main reason for this is;
 - £25k funding received from Carlsberg for the 2018 AV system and blinds was received and included within the 2017 cash balance. As such the 2017 Cash at Bank was over inflated by £25k.
 - A further £17.5k net cash was required to purchase the new AV systems and blinds.
 - Difference between other capital expenditure and financing values received.

Future strategy & actions

The committee is obviously disappointed by the results of 2018. Some of the issues that led to the losses were clearly unexpected and out of the control of the committee. Others have crept in quietly and are more easily addressed. The committee and management team are committed to turning the losses of the prior years into profits and have already taken the following actions in 2019;

- Increased bar fees (particularly to non-members) to appropriately deal with supplier cost increases.
- Increased memberships and class fees to account for rises in staff and other overhead costs.
- Opened the new YourZone45 gym (current membership in excess of 140).
- Reduced third party costs where possible.
- Introduced tighter controls on casual staff hours.
- Increased financial and operational reporting detail (ongoing and continually improving).
- Increased committee involvement and communication with staff on improving the facilities, services and events being offered by The Holbrook Club.
- Engaged with several third parties that are interested in paying to use club facilities/space on long term arrangements. Still ongoing.

The Committee recognises that there is still a lot of work to do. We are continuing to seek further ways to improve the services that we provide and the efficiencies in how we deliver them, within our current financial limitations. The efforts and enthusiasm being shown by all our staff are very much appreciated as a vital part of making this Club a success and we would like to thank them for that. We would to thank all our members for their continued support.

Discussion followed:

The breakdown of lost members was roughly:

- 120 to new gyms in Horsham
- 60 from Rifle section closing due to conversion of the range to YourZone45
- 60 from Basketball, Badminton & Hockey, due to health and safety reasons (the sports hall not being able to be used in the evenings for running sports because of the slippery floor and instruction from our insurers)
- 35 from Archery section due to them not liking the sports hall

It would cost circa £120k to fix the sports hall floor and air handling

Q: Is there any possibility of future investment from HDC?

A: Highly unlikely from many discussions with them

We need cash to give THC a face lift. It may have to be done piece-meal, as cash becomes available.

Renting out the sports hall to a 3rd party (for development as a nursery) might be good in the short-term, but ultimately gives away our 'cash-cow'. We might consider a joint venture with a 3rd party developer, where THC would benefit from profit-sharing.

The Chairman confirmed that Lottery funding is not an option for THC as we charge a membership subscription, and our facilities are therefore not available to those who can't afford it. Other grants might be available, but these are generally £5k or less.

The Club has been working with the LTA to secure funding for floodlighting of our tennis courts. We have had to start the request for funding process from scratch due to change of LTA personnel. It may take a further 8 weeks.

The accounts were adopted unanimously. Proposed by Ben King and seconded by Sam Hockley.

5. Approval of the Two General Committee Representatives who have been elected to serve on the Executive Committee

In accordance with Rule 9.1(b), Mr. Tom Chapman was elected by the General Committee to serve on the Executive Committee. The AGM approved his election. As only one nomination was received from the General Committee, there is one vacancy.

6. Election to the Executive Committee

In accordance with Rule 9.1(a), the following Members retire from the Executive Committee:

Club Chairman	- Simon Charman
Club Deputy Chairman	- Paul Finn
Club Treasurer	- Gavin Hockley
Members' Representatives	- Ben King
	- John Maher
	- Amy Tucker
	- Lucinda Brock
	- Adrian Phillips

John Maher and Adrian Phillips are not offering themselves for re-election.

The other six Committee Members listed above do offer themselves for re-election to the positions shown above.

There was one nomination for the two vacant Members' Representatives positions: Craig Peters.

No further nominations from the floor were offered for the vacancy. The appointment of these 7 Committee Members was proposed "en bloc" by Chris Fairchild & seconded by Elaine Overington.

Thanks go to John Maher & Adrian Phillips for their valued contribution to THC.

The unfilled vacancy will be advertised to the membership in due course.

7. Appointment of Club Accountants

Kreston Reeves are the Club's current accountants. The Executive Committee seeks approval from the general membership to re-appoint Kreston Reeves as accountants for the 2019 financial year.

Proposed by Paul Finn & seconded by Carole Charman.

The reason for the delay in the AGM was because Gavin (our new Treasurer) only joined the Executive Committee on 31st December 2018 and was getting to grips with the accounts. Capitalisation of some items were questioned by the accountants and communication was slow (both ways).

8. Approval of the proposed Constitutional changes:

The Executive Committee propose the dissolution of the General Committee.

The topics currently discussed at General Committee meetings would be better dealt with via direct communication with the Club Office. Any issues can still be escalated to the Executive Committee, via communication with any one of the Club Directors.

A vote was held:

- 16 for the changes
- 0 against the changes
- 5 abstentions

The following Constitutional changes were approved and the Constitution will be updated accordingly.

- Change 8.1

5.2 Eligibility and Rights:

(a) Full Member, being an existing Full Member as at 30th September 2003 whose rights shall be:

- To use any of the general premises and facilities of the Club
- To join any Section of the Club (subject to the rules of the Section)
- To be selected to represent the Club in any competition or other event organised by the Club or any Section thereof
- To be eligible to serve on any Section Committee
- To be eligible to vote at any General Meeting of the Club
- ~~To be eligible for election to the General Committee and/or the Membership Committee~~
- To be eligible for election to the Executive Committee
- To be eligible for election as a Club Officer.

(d) Affiliate Member, being any other person ~~elected by the Membership Committee~~ as at 30th September 2003 whose rights shall be:

- The same as those of a Full Member.

(e) Honorary Member, being any person who has rendered exceptional service to the Club and whose nomination for this category of membership has been ~~recommended by the Membership Committee and~~ ratified by the Executive Committee whose rights shall be:

- The same as those of a Full Member

- Change 8.2

9. Management of the Club

9.1 Executive Committee

The Club premises, buildings and grounds shall be managed and controlled by the Executive Committee in accordance with the terms of the Lease between The Holbrook Club and the landlord.

The management of the Club shall be vested in an Executive Committee consisting of the following nine elected members:

- Club Chairman
- Club Deputy Chairman
- Club Treasurer
- ~~Two Club Members elected from the General Committee~~
- ~~Four~~ Six Club Members elected at Annual General Meeting

At the point of election, no more than two of the elected members of the Executive Committee can belong to the same Club Section

The Executive Committee will be subject to the provisions of these rules and any further regulations that may be agreed from time to time in General Meetings of the Club.

(a) Elected Members at the Annual General Meeting

The Club Chairman, Club Deputy Chairman, the Club Treasurer and ~~four~~ six Club Members will be elected at the Annual General Meeting to serve on the Executive Committee until the next A.G.M.

~~(b) Elected Members from the General Committee~~

~~At the General Committee meeting preceding the Annual General Meeting, two of its members will be elected to serve on the Executive Committee. These two members will then be approved by those Club Members present at the Annual General Meeting. The two elected General Committee members will then serve until the next A.G.M.~~

Subsequent paragraphs in 9.1 of the Constitution will then be re-lettered accordingly

- Change 8.3

~~11. Club Committees~~ Executive Committee

~~11.1 Executive Committee.~~ The Executive Committee will meet at least once a month to manage Club affairs.

The Executive Committee may set up either permanent or temporary committees or subcommittees to handle various aspects of the running of the Club. Such committees will report and be directly responsible to the Executive Committee.

The Executive Committee may invite experts who have a particular knowledge of a matter under discussion to attend any meetings. A Quorum at Executive Committee meetings will consist of no less than five voting elected members.

11.2 General Committee

~~The General Committee will consist of one representative of each officially approved Section of the Club. Each Section will have one vote and the quorum for a meeting shall be 40% (rounded down to the next whole number) of the number of approved sections.~~
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~~This committee will elect its own Chairman and Deputy Chairman from amongst its number and annually it will elect two of its members to serve on the Executive Committee; these two representatives to be approved at the next Annual General Meeting.~~

~~The General Committee will meet as necessary but no less than three times in a twelve month period to discuss Club matters and to prepare, where appropriate, proposals for presentation to the Executive Committee. The General Committee will report directly to the Executive Committee.~~

11.3 Casting Vote — Procedure

~~The Chairman of each Club Committee~~ the **Executive Committee** will have an additional casting vote for use at his/her discretion in the event of an equal number of votes being cast for and against any resolution

- Change 8.4

12. Annual General Meeting (A.G.M.)

The A.G.M. shall be held not more than six months after the end of the Club's financial year and not more than fifteen months shall elapse between successive A.G.Ms. Notification of the A.G.M. will be made at least 28 clear days in advance of the date of the meeting.

The purpose of the A.G.M. shall be:

- (a) To receive from the Officers of the Club, the Executive Committee and Accountants, the Chairman's Report, the Club Financial Accounts and a summary of such other reports or operational statements relating to the previous calendar year's business as appropriate and to propose the approval and adoption of such reports, accounts and statements.
- (b) To transact any other business included in the Notice convening the meeting.
- (c) To elect the Officers of the Club.
- (d) To elect ~~four~~ **six** members to serve on the Executive Committee.
- ~~(e) To approve the two representatives elected from the General Committee to serve on the Executive Committee.~~
- (fe) To appoint Accountants.

9. Questions from the floor of the A.G.M. were taken by the Executive Committee.

Q1 Advertising – it was suggested we need a lot more advertising, and about 3 months in advance of the event.

A1 An entertainment sub-committee has been set up – Paul Finn, Ben King, Sam Hockley & Eddie Holland. Improvements will happen.

It was reported that we lost a lot of our email marketing database due to GDPR. A suggestion from the floor was that some elements of GDPR were open to interpretation, and perhaps we had been over-cautious in our approach. We followed the advice we were given. **ACTION: Craig Peters to relook at the rules**, to see if there is an easy way of re-establishing a marketing database.

Q2 Is there any flexibility to increase use of the TV in the lounge bar?

A2 No, it was agreed at the AGM last year that we want to create a quiet space and will only use that TV to show sport when there is a function in the man hall. We want to be consistent, and won't turn it on for any other reason. This is working well.

Thanks to Ben for setting-up and improving the screen-usage document.

Q3 How many Yourzone45 members were converts from existing gym?

A3 30% approx. (so about 50 so far).

- There is still potential for growing membership without the need to increase staff numbers.
- Thanks to staff for getting this up and running. We are now breaking even.

Q4 Any news on HFC Capital Gains Tax?

A4 Our landlord (HFC) has a potential estimated Capital Gains Tax liability of circa £600k to £800k. If any of that liability is not claimed by HMRC, it will be split between HDC (2/3) & THC (1/3). HFC has only recently submitted their tax return. It is unclear when we will know the outcome.

Q5 What are our plans for the future?

A5 a) We are looking at opportunities to rent out space/facilities to 3rd parties.

b) possible joint venture to convert the sports hall to a soft play and/or nursery.

Both of these would require HFC approval as the sublet would be for more than the standard 12 months.

c) We will consider any good opportunities that arise that require a small investment.

d) We need to become smarter at events booking, gathering data from past events to understand which are most profitable.

Q6 Are there plans to encourage more youth players at the Club?

A6 The demand for team sports has been diminishing for several years now, with a lack of youth players coming through to replace retiring players. There are also fewer volunteers coming forward to organise youth-team sports. Should we be advertising our facilities in local schools? The Sports sub-committee will look at any opportunities. **ACTION: Sports Sub-committee**

Q7 In the past we have held an open day when all sports were free to encourage new members. Could we consider repeating this?

A7 **ACTION: Club Office**

Q8 Have we thought about creating a (permanent) coffee lounge with sofas?

A8 Yes, it has been considered, and there is some support for the idea. However, we will need to consider opening hours, staff costs and set-up costs. We previously made a loss on a coffee vending machine. **ACTION: Executive Committee**

Q9 Horsham Training Centre has closed; have we reached out to local businesses to offer our meeting rooms?

A9 No, not yet. We do already have meeting rooms booked during the day. But obviously more would be better. With GPDR it may be difficult to get a list of Horsham Training Centre clients.

Q10 Can we have a pool table?

A10 No. We used to have one, but the issues were storage, damage and keeping it level.

Meeting closed at 8.30pm.

Signed

Date

Simon Charman
The Holbrook Club Chairman