

Minutes of AGM of Queen Mary Reservoir Sailing Club Limited

held at the Clubhouse and by video conferencing Zoom meeting on 4th November 2021 at 20:00

1. Apologies for Absence

There were apologies from Chris Simon and Paul Stainsby

2. Minutes of previous meeting

The minutes of the previous meeting were accepted as being a true record and were signed by the Commodore.

Proposed by Richard Steele, seconded by Michael Pryer and passed unanimously.

3. Matters arising

There were no matters arising.

4. Commodore's Report

After the uncertainty and lockdowns caused by Covid, the Club lost many members in 2020. A key focus for 2021 was a membership drive. 2021 started with a further lockdown but as soon as the Club re-opened we ran a survey. We asked members what additional activities and facilities would make the club more attractive to those considering joining and encourage existing members to stay.

The Club already offers a wide range of activities and the key idea put forward was to create a visible pathway through all the training, experience building and racing on offer. This has been done, is on the website and is proving a valuable resource. The success of Club racing can make it seem intimidating to join so a Rookie Racing series was inaugurated and ran on selected afternoons in the summer and autumn. This has been very successful not only in attracting new members to start racing but also has created a development opportunity for new race officers.

Additional activities suggested were around keelboating and we have run a very successful Introduction to Keelboat Racing with another one in plan. Wing foiling has arrived at the club and is proving popular, the survey suggested it needed more promotion which has been done. For windsurfers, a coaching programme was requested and for dinghy sailing more pursuit races, all of which have been offered in 2021.

Top of the list for facilities was an improvement to rigging and launching. An astroturf rigging area has been installed which has proven effective for windsurfers and foilers. More and stronger mats have been added to the bank to protect both people and kit, with yet more in plan. These too have been very well received by all. In 2022 we will look at the possibility of transforming launching by building a slipway from the East side dock area – but the work can only start when the dredging has finished.

More outdoor seating was requested and has been provided both by the clubhouse and also along the windsurf cages. This has proven popular with parents watching the sail past at the end of junior courses and with windsurfers resting between

sessions on the water. Necessary repairs have been completed and the whole site has been tidied up with a second large skip about to be filled and taken away.

The training school was its busiest ever with a bumper Easter and a terrific summer hosting more than 1200 young sailors. The flow from the school and other sources has resulted in membership being up over 100 on 2020, with standard membership at its highest since 2018 and select membership at a record high.

During the year Club racing saw big turnouts with over 130 boats entering the Wednesday Evening series and often 50 boats on the Sunday start line. This has been in no small part due to the efforts of the main fleet captains: Tony Woods ILCA, Andrew Cole RS400 and Julie Harrison RS200. Angus Davies is taking on the role of RS Aero fleet captain, it is the fastest growing class in the UK and we hope to see more joining us and racing.

We hosted a number of high profile events which were not only successful in their own right but attracted new members, notably the ILCA Super Grand Prix and the ILCA Masters, both won by Club member Orlando Gledhill. We also hosted the London Youth Games again this year, and the RYA Junior Championships.

Our club members have had notable success at events away from the club. Andrew and Jill Peters were 1st at the 50th anniversary Cherub Nationals. Sebastian Kempe was 3rd at the ILCA youth worlds, Marshall King was 1st Corinthian in the J70 class at Cowes Week and Mark Little was the overall ILCA Masters National Champion.

Team 15 youth windsurfing continues to flourish under the dedicated and expert guidance of Paul Stainsby and Theresa Mayer with Connor Barr coming 7th in the 3.5m² fleet, Harriet Slipper 6th in the 5.8 m² fleet and Johnny Barr 3rd in the 7.8 m² fleet at the Regional Junior Windsurfing Championships.

Our adult windsurfing has gone from strength to strength with the active encouragement of Chris Perry the fleet captain. He has championed new and improved facilities and attracted high profile coaches to run training sessions at the club, notably our own Simon Winkley and visiting coach Simon Bornhoft.

Saturday Club has had another successful and busy year with 76 members taking part in winter zoom meetings and summer sailing. 24 members took part in our annual trip to Weymouth. Russell Akester handed over his role as leader to Alison Phillips who has now become co-organiser alongside David Bithell. Alison is also running mid week sailing sessions on Wednesday mornings – cakes mandatory!

Sailability saw a slow start to 2021 with schools and adults alike cautious about returning to sail with us. Operations manager Allan Logan introduced a new risk assessment process and gradually all our schools and most of our adults have returned making Thursday a busy day at the club from April to November. Thanks also to Richard Steele who has taken on the role of Chair from Alan Woolford.

Every four years, World Sailing bring out an update to the Racing Rules of Sailing and our Principal Race Officer Liz Pescod worked hard with sailing secretary Janet Hawkins to bring all our race documentation up to date, and to simplify it in the process. Liz has also moved initial Race Officer training online which has been very effective. We now have 12 new candidates progressing well towards sign off as Assistant Race Officer. My thanks to them both and to all who have been on the Committee Boat this year in any capacity.

The office administration team led by Caroline Fitzwater has also had a busy year supporting the record number of new members and of course attendees. The fickle winds and regular gales have also led to the rescheduling of many courses but almost no cancellations. Our thanks to all the office team involved.

In September our Sailing Principal Paul Adams moved on to become the RYA sailing development officer for the North East of England. We bade him farewell after 15 years with us and thanked him for his great service to the club. Ross Malloy was appointed to take over and has already shown how effective he is in his new role. Hannah Golton has taken over the role of Chief Dinghy Instructor. Ben Lockett left us earlier in the year and Oli Harman has taken over as Chief Windsurfing instructor. This team is to be thanked for many long days acting as Duty Officer so the club can be open to all from early to late.

Covid presented additional challenges but we have created as safe an environment for staff, members and visitors as we can. Several of the staff have either had Covid (and recovered well I am pleased to say) or been asked to self isolate after contact with a Covid case. Despite last minute enforced absences of key people, both staff and volunteers, the club has run a full event programme and only one course had to be cancelled because qualified instructors were not available – a quite remarkable achievement.

Guiding the staff team and Council through all of this has been our highly experienced and effective Club Secretary, Tony Bishop. From building a bounce-back budget, to recruiting to fill all vacancies to managing all the improvements to facilities, Tony has been a tower of strength. We are exceedingly grateful to him for his dedication to the Club and the results that he and his team have achieved for us all.

Looking to 2022, the Commodore said that a key focus would be on retaining the members that had joined in 2021. This would include encouragement to join one of our active communities of like-minded people. A particular focus would be on youth sailing to establish a good pipeline from course to membership to staff roles. We have done this successfully in the past and would benefit greatly from doing it again.

Improvements to the Clubhouse, dinghy park and board storage were next on the facilities agenda. Work was needed on the changing rooms to improve adult / child separation to current standards. The lift's exposed position was not ideal and made it unreliable. A more attractive bar area would encourage members and visitors to stay on after sailing. The dinghy park was almost full and would soon become a constraint on increasing membership. The board storage cages were not wide enough for modern equipment and tended to become overgrown. How this work might be funded would influence what was undertaken in 2022.

Finally the Commodore outlined a programme of social events and talks that the Club might run and invited anyone interested to join a social committee to make these happen. Top of the agenda would be celebrating the 50th Anniversary of the founding of the club over the weekend of 7th and 8th May 2022.

The Commodore concluded by thanking again all the staff and volunteers who have worked so hard and so well together to make 2021 a great year for all.

5. **Hon Treasurer's Report**

The principal financial business of the AGM is to approve the Club's Accounts for the year ended 31st March 2021.

The Hon Treasurer's presentation highlighted the most significant numbers in these and also provided insight into how the Club is performing in the current financial year and the general financial health of the Club.

The year to 31st March 2021 was the year of Covid restrictions and the Club was closed for a total of 6 months, during April and May 2020, November 2020 and again from January to March 2021, so it is no surprise that we again made a financial loss.

Balance Sheet

At the last AGM I forecast that we would make a loss of around £24k but that was before we knew about the January to March closure and in fact our loss was a little over £34k taking our Net Assets in the Balance Sheet down from £444.5k last year to £410k.

When the pandemic first struck in March 2020, the Club's Council and Tony, as Club Manager, took immediate actions to conserve cash. These included placing almost all of the staff on furlough with their payroll costs largely covered by the Government's Coronavirus Job Retention Scheme, claiming all available government assistance, agreeing a rent concession with Thames Water, and saving every other cost we possibly could. Later in the year we applied for and received a "Bounce-back Loan" of £50,000, interest-free for the first year and at a fixed interest rate of 2.5% for the remaining 4 years of the term.

We also had a moratorium on new investments, spending nothing on new boats and boards, and only the bare minimum on other fixed assets, being the outdoor shelter and some marquees to provide outdoor teaching and meeting space so that the sailing school could get operational again, and some laptop computers so that staff could work from home where possible. We also did not replace any of our stock of sails, rigging, wetsuits, buoyancy aids, spare parts, books and RYA certificates.

Therefore, our Fixed Assets went down by pretty much the annual depreciation charges from £569k to £504k, and stock went down from £44k to just under £37k.

In contrast, the combined effects of the cash conservation policy, the government assistance received, taking the Bounce-Back loan and strong sales of training courses in February and March once the Government announced the "Pathway out of Lockdown" caused our cash reserves to swell by just over £100k during the year from £31k at 31st March 2020 to £131k at the latest year end.

We carry a note in the Directors' Report accompanying these, and previous years', accounts which says that we aim to have a cash reserve equivalent to 7.5% of the Club's annual turnover. The turnover for the year was just under £430k of which 7.5% is £32k, so that target has been met.

The long-term creditor of £45,276 is the Bounce-Back loan less the £5k repayable before March 2022 which is included in the current creditors figure of

£25,984. By March 2022, apart from the Bounce-Back Loan, the Club will be completely debt-free for the first time in over 15 years.

Notwithstanding the losses during the last two financial years, our Club remains very solvent with a healthy cash reserve.

The Deferred Income balance of £204,220 is cash the Club had received on or before 31st March 2021 for services it hadn't yet delivered by 31st March and there are four elements making up this total.

The £51,404 is Standard Boat and Board-owning Members who paid their membership fees for the current year ahead of the 1st April due date – thank you to those members who paid so promptly.

The £12,998 arises because the monthly Select Members' Direct Debits, which go through around the 20th of the month, are the fees for the following month.

By far the biggest figure is the £96,888 of training courses sold in advance for summer 2021. In addition to strong sales during February and March there were also courses people bought and paid for in early 2020, before the pandemic started, and which the Club could not deliver in summer 2020 because of the social distancing restrictions, so these were also held over and finally delivered in summer 2021.

Finally, the £42,930 is the unamortised balance of grants the Club received to fund capital projects. It's mainly the unamortised balance of the £75k lottery grant which funded the two new pontoons in 2016. These now 5-year-old pontoons are, as expected, still in excellent condition and we now expect them to last for many more years, so we have reduced both the depreciation rate on these assets, and the amortisation of the grant, to 5% pa.

Profit & Loss Account

Overall, we made a loss of £34,253

The impact of the pandemic on the Club's turnover was to reduce this by almost £253k from £683k in 2019/20 to £430k in 2020/21.

We made substantial savings in our Cost of Sales and Administrative Expenses, totalling around £160,000, which is less than the drop in turnover. However, the Club really benefitted from the £148k of Other Income which is mainly the Government assistance we were able to claim.

Taking a closer look at the Turnover and the Other Income, compared to the previous year, it is clear that Standard Membership Income held up pretty well – we lost a few members during the pandemic closures and some of our members claimed the membership refunds they were entitled to as compensation for the Club closures. However, a very big thank you is due to the large number of Standard Members who so generously helped the Club by allowing us to keep their membership fees in full, notwithstanding the forced closures.

Select Membership is a different situation because the Select Members all pay in advance by monthly Direct Debit and, after the first year of membership, Select Members can end their membership at any time without consequences, simply by cancelling their Direct Debit. When the first national lockdown started, our

concern was to ensure that the Select Members did not cancel their Direct Debits in large numbers, so we were pro-active in writing to them to tell them that we would automatically suspend their Direct Debits during the enforced Club closures. The really good news is that this strategy succeeded in retaining the vast majority of our Select Members and that this category of membership is now thriving once again.

We did give the Select Members the option of donating to the Club the value of their saved Direct Debits but only a few did this and that is why we suffered a much sharper fall in Select Membership income. We would, of course, be delighted to hear from any Select Members who'd still like to make such a donation.

Covid restrictions severely impacted the Club's ability to hold open meetings and other Events, and Venue Hire and Sailability Income were also both down a bit, but the biggest fall in income was in training income, down by £126k from £316k to £190k.

During the summer of 2020 the QM staff team did an incredible, and very innovative, job to safely deliver all the training courses possible, working in the very challenging environment of not being able to use indoor space and having to respect social distancing restrictions. However, double-hander courses simply could not be safely delivered so the training income still fell significantly short of the prior year figure.

The Other Income includes the £103k of Coronavirus Job Retention Scheme Grants which was claimed to support our team of instructors and office staff, both during the total closures and throughout the recovery periods afterwards when we didn't need all of them full time. We were also able to claim a total of £41,157 of other Government grants.

Cost of Sales are all the direct costs of providing the services to our members and to the training school customers and by far the biggest item of cost is the wages and salaries of the Club staff.

During the closures savings were made on most of the costs and, as we've already noted, part of the wages and salaries were covered by the Job Retention Scheme Grants.

Administrative Expenses benefitted from us being able to agree a 6 months' rent holiday with Thames Water to help with the closure periods and, in line with all businesses in the hospitality, sport and leisure sectors, we further benefitted from a year of no Business Rates.

Again we made savings on all the other costs wherever we could, for example by cancelling the cleaning contract whilst the Clubhouse was closed.

Current Financial Year and longer term trend in profitability

If 2020/21 was the year of Covid, 2021/22 has, so far, been the year of recovery. The successes of our drive to recruit new members and the very busy spring, summer and autumn enjoyed by our sailing school feed through into a much increased projected Operating Income of £805,000.

Operating Expenses are also projected to have increased significantly. However, if we make the comparison with 2019/20 (because 2020/21 was so impacted by Covid) we see that whilst projected Operating Income is up by around 9.5%, projected Operating Expenses have only increased by around 5%. In 2021/22 we're therefore looking at an increased Operating Profit of about £80k and a modest return to profit overall. We must keep in mind that the Club's biggest Operating Expense by far is staff wages and salaries so please see the comments below on the potential impact of recently announced increases in the National Minimum Wage.

In order to provide a meaningful comparison and look at trends over a 5-year period, we've focused on "Operating Profit" which we've calculated before adjustments for depreciation of fixed assets and amortization of capital grants financing those fixed assets, and from which we've also stripped out several exceptional items of income and expenses during the past few years. Operating Profit is therefore a measure of the surplus generated by the Club from its usual activities which is available for reinvestment in the Club's assets, namely the Clubhouse, improvements to launching facilities and replacement club boats, boards and powerboats.

We are a not-for-profit club, committed to reinvesting for the benefit of members and we have started to do this again. Part of the increased cash balance we had at 31st March 2021 has been spent on the astroturf and the new blue launching mats and we also bought a new fleet of Topper dinghies for the sailing school, which helped to generate some of that extra income in the summer, and we invested in some much-needed new windsurfing kit for use by Select Members.

The meeting was then shown a chart plotting the 5-year history of Operating Income and Operating Expenses, with the margin between the two being the measure of those profits available for reinvestment.

The crunch in the last Covid-affected year was clear to see but of greater interest is the longer-term relationship between Operating Income and Operating Expense. Whilst the gap between these two is projected to widen to £80,000 this year, this money doesn't go very far towards making improvements to our Club – in fact it barely covers the £72k depreciation on the existing assets, our measure of the annual cost of asset replacement, let alone provide funds for further improvements. How to fund further improvements is something Council is now actively considering.

The likely impact of Inflation and the recently announced increases in the National Minimum Wage

The Bank of England is now forecasting price inflation of 4% for this year and QMSC is not immune to the increases in gas and electricity prices, fuel costs for the powerboats and to other operating cost increases.

But, with our biggest costs being wages and salaries, it is the recently announced increases in the national minimum wage which will have the greatest impact. Our base instructor pay rates for the zero-hours staff are closely aligned with the minimum wage and we have pay scales for more qualified instructors, and those taking on greater responsibilities, which are calculated as a differential over the minimum wage rates. So when we see rate increases of 6.6% and 9.8%, or even 4.1%, being announced, on top of a history of above inflation increases, we must carefully evaluate the impact – it's great news for our staff, but a challenge for

Council when considering next year's pricing for both training courses and membership fees.

We are just starting consideration of the Club's 2022/23 budget and pricing will be a major topic of Council's discussions.

Conclusions - The Financial Health of QMSC

The Club will return to profit this year after two years of losses

The Club has a healthy operational cash flow and is starting to build modest reserves to cover occasional unexpected costs

We cannot ignore inflation and particularly minimum wage increases

We need to widen the margin between the Club's Operational Income and Operating Expenses and that means taking another look at our charges for both training courses and for membership fees.

If the membership want Council to continue to maintain and improve the Club's facilities, we have to look at all other possible ways of raising finance to do this.

The Hon Treasurer finished his report by thanking the following:-

1. The Club's book-keeper, Valerie Cooper, who joined in September 2020 and has proved to be a real asset to the Club. At the beginning of 2021 we embarked on a programme of major improvements to the way we do the accounting for the Club, so that we can now review profit & loss reporting throughout the year and not just once a year at the year end. We can also now start to look at the relative financial performance of our different activities and membership groups. Putting the enhanced bookkeeping in place to enable this has been a challenge, but one which Valerie has risen to with great enthusiasm.
2. Tony Bishop and the whole QM staff team for successfully steering our Club through the difficult Covid times and the recovery after the enforced closure periods..
3. Andrew Craig, our returned Commodore, and everyone on Council for their support during the year.
4. Amersham Accountancy for their work helping to prepare these accounts and for casting that all-important independent eye over them, and over what I've been doing as Treasurer – Martin Hunt (Partner), ably assisted by Helen Hadfield.

Questions from Members on the Accounts: -

There were no questions on the accounts

6. Resolution to Approve the Accounts

David Bithell proposed that the AGM accepts the 2020-21 Annual Club Accounts of Queen Mary Reservoir Sailing Club Ltd and approves these for signature by the

Commodore and Hon Treasurer, and by Martin Hunt (independent accountant of Amersham Accountancy)

The motion was seconded by Graham Kennedy and passed unanimously

7. Appointment of Amersham Accountancy as Reporting Accountant

David Bithell proposed that Amersham Accountancy be reappointed as Reporting Accountants.

The motion was seconded by Michael Pryer and passed unanimously.

8. Election of Officers

The Commodore thanked those members of council now standing down for their service to the club. He then introduced the new members nominated to join Council. The Commodore thanked all members of council for their hard work in support of the Club especially David Bithell our Treasurer, Bob Joce the chair of Sailing Committee and Michael Pryer the chair of the new Club Improvements Committee. The following is the list of nominations that was voted on:

Election of Officers:

Andrew Craig - Commodore
James Baxter - Vice Commodore
Paul Johnson - Rear Commodore
Michael Pryer - Rear Commodore
David Bithell - Hon Treasurer

Election of Council Members:

Adam Jennings- Frisby - Council Member
Alison Phillips - Council Member
Rafa Matarazza - Council Member

Remaining on Council:

Tony Bishop - Club Secretary
Bob Joce - Council Member
Chris Perry - Council Member
Peter Caselton - Council Member

Retiring Council:

Angus Davies - Council Member
David Casale - Council Member
Mark Handley - Council Member
Martin Pue - Council Member

The proposal to elect all Officers and Council members was carried unanimously.

9. Presentation of the B&S Trophy

This trophy was donated by Bryan Willis to be presented to a volunteer member of the club who had made an outstanding contribution over one or more years. The

Commodore said that Club overall and racing in particular thrived due to the hard work of the fleets captains. One person had spotted the opportunity to add an RS200 fleet at QMSC and had successfully recruited new members and grown the fleet from 2 active racers in 2016 to 15 in 2021. In addition, they had arranged high quality training for the fleet by experienced members within the club and by external coaches. That person was Julie Harrison and the Commodore recorded his great pleasure in being able to present the B&S teapot trophy to her, encouraging her to brew and make at least one cup of tea from the pot to connect herself to all the previous winners. The announcement was greeted by a warm round of applause for Julie.

10. Any Other Business

Keelboating

Richard Steele commented on the positive impact of the RS21 events and the new opportunity for the Club in introducing this type of boats. He asked if there was a business plan on track to make this a permanent facility at QM. The Commodore confirmed that he had also been delighted to see the uptake on the recent Introduction to Keel boating event, with a further offering now planned for 5th December. The fleet of boats will be with us this winter, giving us the opportunity to review and make the right decision for the Club going forward.

50th Celebrations

Jackie Wand-Tetley commented that she had been contacted by quite a few past members who are interested in the 50th Anniversary and hoped there will be something social that they can attend on 7th May. The Commodore confirmed that we were aiming to hold a series of events so that everyone can join the celebrations. Any dinner at QMSC would have a maximum size that could be catered for and might have to be further restricted in number due to Covid. There was also the possibility of holding an event off site at a larger location. He again invited anyone who wished to help with the 50th anniversary event organisation to contact Tony Bishop, to kick start a new social committee for the Club.

The Commodore thanked everybody present in the room and on zoom and declared the meeting closed, at 21:06.

Voting members noted as attending:

Josie Adams
Michael Adams
Russell Akester
James Baxter
David Bithell
David Casale
Peter Caselton
Andrew Craig
Angus Davies
Gordon Davies
Florin Fletcher
Maggie Futchter
Bernardo Gollo
Mark Handley
Julie Harrison
Florin Hatzidogiannakis
Jacob Hatzidogiannakis

Janet Hawkins
Adam Jennings-Frisby
Bob Joce
Isabel Joce
Paul Johnson
Graham Kennedy
Alan Livermore
Rafa Matarazzo
Chris Perry
Liz Pescod
Roger Pescod
Andrew Peters
Alison Phillips
Mark Phillips
Michael Pryer
Richard Steele
Robert Tate
Rob Truefitt
Charles Wand-Tetley
Jackie Wand-Tetley
Lorne Whiteway
Adam Wickenden
Tony Woods
Mihail Yankov

Non-voting members noted as attending:

Stephen Bailey
Viola Dytko

Attending ex officio:

Tony Bishop, QMSC Club Secretary
Ross Malloy, QMSC Sailing Principal

Guests:

Martin Hunt, Amersham Accountancy