



THE BRITISH CLUB
BANGKOK

20th July 2017

Dear Members,

EXTRAORDINARY GENERAL MEETING – THURSDAY 10th AUGUST 2017

The attached request calling for an Extraordinary General Meeting was received from twenty Members on 15th July. In accordance with Rule 25 this must be held within 30 days of receipt and an Official Calling Notice follows, setting the date for Thursday 10th August.

Since the EGM concerns finances it is crucial that members have accurate, full and up-to-date figures. Constitutionally these Calling Papers must be sent out today, but as I have just arrived back from UK, and the Treasurer is still making his way back from Panama, this is not possible. We will send out a more detailed statement of the Club's finances, including figures through June 30th, as soon as possible

The Signatories present a case for delaying the Silom Wing Project due to a decline in operating revenues, which they project to continue through 2017 and beyond.

Based on information to hand, I would like to make the following observations in response:

- The case put forward by the Signatories does not take into account lower expenses incurred this year, which are 11% under Budget to 30th June, or THB 3.6 million
- About two thirds of this year's cumulative shortfall in operating revenue against Budget occurred during December and January in the immediate period following the death of H.M. The King when many functions and weddings were cancelled. This was already acknowledged and accounted for at the EGM on 31st January.
- Operations are picking up as the mourning period nears an end. June figures for operating revenue are just 5% below Budget for the month but with corresponding reductions in expenditures, operating income before depreciation was above both Budget and Prior Year for the first time this Financial Year.
- Looking ahead, function bookings are already THB 0.4 million higher than Budget for the period July through November and we then also already have 3 weddings booked in December whilst there were none last year.
- The GC has appointed a professional Marketing Manager and we can expect to see an impact on Club usage and membership figures over the coming months.
- Cash Funds currently total THB 44 million, which is less than THB 1 million lower than projected for the end of June at the January EGM. The GC will be discussing the provision for ring-fencing staff retirement funds at its next meeting and further details will be provided in due course.

- We expect to receive tenders from 7 contractors this week and will be opening their bids on Saturday 22nd. These will be reviewed by the Silom Wing Subcommittee, the Finance Subcommittee and the Audit Committee. This means that before the EGM we will be in a position to present an accurate figure for construction currently estimated at THB 29 million, as well as an updated cash-flow projection

In summary, whilst operating results have been depressed during the mourning period, activities are now picking up and we expect to return to normal after the Royal Cremation. Other initiatives such as the marketing campaign will further improve prospects. Operating Expenditures have been held correspondingly lower during this quiet period and overall the financial situation of the Club has changed little since the Silom Wing was approved at the EGM on January 31st. A hold on the Project is simply unwarranted.

The Silom Wing is a vital first stage in transforming the Club into a modern family venue befitting the 21st Century. We believe it will boost Club usage and attract new Members to secure its future. It is much needed and long overdue. Nothing has changed since members voted overwhelmingly to proceed in January.

The BMA has given planning approval, the new staff house is almost ready for use and the tenders will be opened on Saturday. We are ready to go!

I ask you to vote NO to this motion, which would unnecessarily delay construction yet again.

We will send out the more detailed financial statement as soon as possible but I urge as many of you as possible to attend the meeting. Since many Members will be away at this time of year, please vote by proxy if you are unable to attend, using one of the forms enclosed with these calling papers.

Yours sincerely,

Jack Dunford MBE
Chairman of the General Committee



20th July 2017

To all Ordinary and Country members
& Honorary members (who were previously Ordinary members)

Dear Member,

EXTRAORDINARY GENERAL MEETING – THURSDAY 10th AUGUST 2017

The General Committee has received a request from 20 members to hold an Extraordinary General Meeting. In accordance with Rule 25, the General Committee hereby calls an Extraordinary General Meeting to be held in the Surawongse Room at the British Club, 189 Surawongse Road, at 7.00pm, Thursday 10th August. The motion to be debated and the rationale presented are attached to this Calling Notice.

EGM Agenda

1. Opening by the Chairman
2. Motion: "To put the Poolside Development on hold for a period no longer than three months after the EGM has taken place. During these three months, an independent review should be made of the financing of the poolside development, taking into account the emerging financial shortfalls.

An assessment should also be made of all additional cash flow and reserve requirements of the Club, outside the Poolside Development, for the next two years. "

3. Close

Please note:

1. Under Rule 74 (d), No Member whose account is over two weeks in arrears may attend or vote at any meeting of the club (i.e. July account unpaid).
2. Under Rule 25 an EGM is called to conduct only the business of the proposed agenda thus there can be no 'Any Other Business'.
3. Rule 28 allows Members to transfer their voting rights to a proxy. Please note that discretionary proxies are limited to one per member. Directed proxies must be received by 9.00am on the day of the meeting.
4. Under Rule 29 Members may transfer their attendance and voting rights to their spouse/ partner, provided they are paying Family Membership subscription rates and the spouse/ partner is eligible for Ordinary or Country Membership in their own right). The transfer form accompanying this notice must be returned to the club 24 hours in advance of the meeting in order to be effective.

I look forward to seeing you at the meeting,

Yours sincerely,

Paul Cheesman
Honorary Secretary

15 July 2017

Mr. Jack Dunford MBE
Chairman
General Committee
The British Club Bangkok
By Email

Dear Jack

REQUISITION FOR AN EXTRAORDINARY GENERAL MEETING

This is a requisition for an Extraordinary General Meeting with regard to the Poolside Development Project, for which we, the undersigned, believe financial difficulties are becoming increasingly apparent. According to rule 25, the EGM should be held within 30 days of receipt of this requisition.

Background

During an EGM on 31 January 2017 the attending members voted in favor of the first phase of a three phase development of the poolside. The total investment involved is approximately THB 50 Million for all three phases of the project. The General Committee obtained approval for phase one only, for a value not exceeding THB 29 Million, and specifically without spending the staff pension fund, members' deposits and other reserved funds.

Cash flow projections were presented at the EGM covering the entire development of all three phases.

Recent Trends in the Club's Revenue

Unfortunately, over the six month period from 1 December 2016 to 31 May 2017, the club has experienced a shortfall of **THB 5 million** below the budgeted revenue, and it is not unreasonable to believe that this trend will continue for the remaining part of the year and possibly beyond.

There was also a drop of THB 3.9 million compared to the same period last year.

	Actual (Prior Year) 1 Dec 2015 to 31 May 2016	Actual (Current Year) 1 Dec 2016 to 31 May 2017	Budget at EGM 1 Dec 2016 to 31 May 2017
Operating Income (In THB Million)	30.4	27.2	31.8
Entrance Fees (In THB Million)	3.4	2.7	3.1
Totals:	33.8	29.9	34.9
Differences:		-3.9	-5.0

If this decrease in revenue continues at the same rate from June 2017 to December 2017, then revenues will be down THB 7.8 Million.

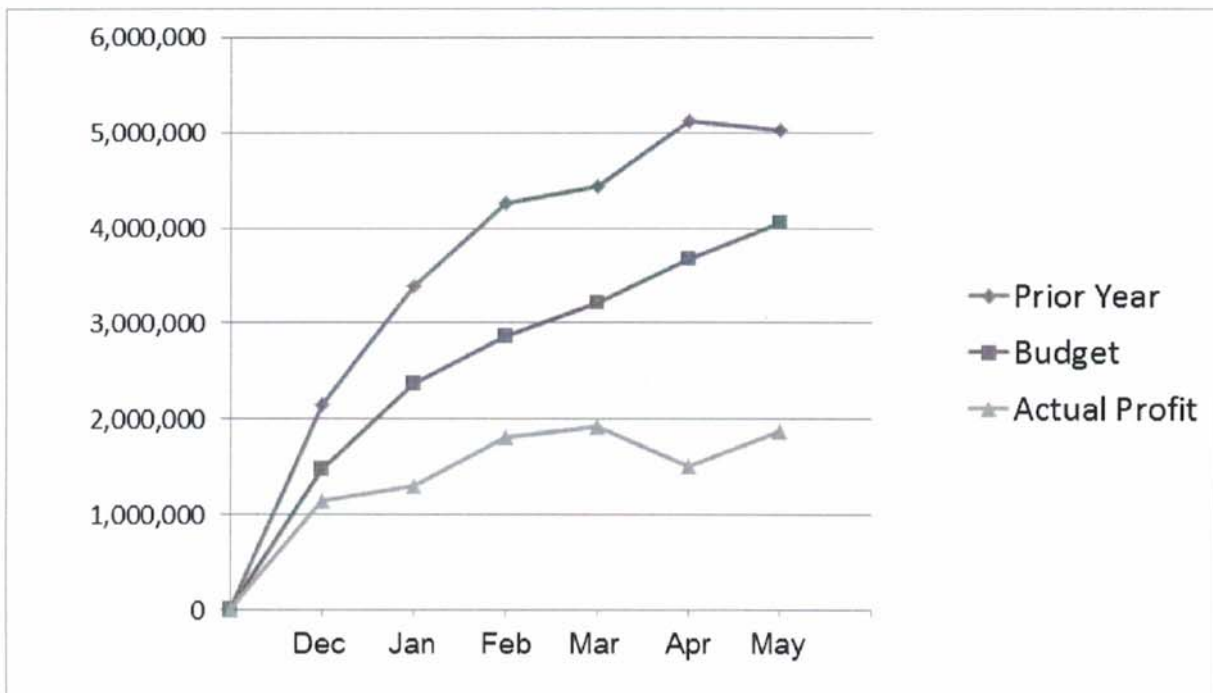
Allowance for Disruption During Implementation

Previous poolside renovations have resulted in significant decreases in usage of the poolside by members during their implementations, so for the first year of the Silom Wing project we should expect a further decline in revenue, over and above what is already being experienced by the club as a whole. Taking this further decline in revenue into account, in 18 months' time there could be a revenue shortfall of THB 15.6 Million.

Recent Trends in the Club's Profit and Loss

The profit and loss figures show a similar trend to the revenue. This graph shows how the month-end actual accumulated profit since 1 Dec 2016 has been consistently below the budget and prior year figures during the six months. During the last three months the Club was just breaking even, and the six-months' profit at the end of May was less than half the budget. A copy of the profit and loss statement of the Club has been attached (**Appendix 1**)

Actual Accumulated Profit Compared to Budget and to Prior Year (Baht)



Available cash as per balance sheet per 31 May 2017

Attached the balance sheet as per 31 May 2017. (**Appendix 2**)

Available cash on this balance sheet		THB 43,838,234
Deductables		
Accrued Employment benefits and Obligation	THB 5,226,741	
Accrued Staff Fringe Benefits	THB 237,684	
Accrued Staff and Coaching	THB 697,484	
Accrued Staff Bonus	THB 676,085	
Staff Retirement Fund	THB 11,685,498	
Subtotal		THB 18,523,492
Left Over		THB 25,314,742
Emergency Fund for unexpected repairs, emergencies		THB 10,000,000
<u>Left over for immediate spending on renovation projects</u>		<u>THB 15,314,742</u>

Summary

In short, our club is in danger of becoming insolvent during the implementation of the poolside project, and there is an urgent need to revise budgets to realistic levels and reassess the finances.

The Motion:

To put the Poolside Development on hold for a period no longer than three months after the EGM has taken place. During these three months, an independent review should be made of the financing of the poolside development, taking into account the emerging financial shortfalls.

An assessment should also be made of all additional cash flow and reserve requirements of the Club, outside the Poolside Development, for the next two years

The vote:

Agree or disagree with the motion

Results of the review

Not later than 31 October 2017 another EGM will be requisitioned in order to report the findings and to allow the members to decide whether club development should proceed as planned at the EGM on 31 January 2017 or whether the plans should be amended in such a way as to be financially affordable to the Club.

Appendix 1

The British Club
Income and Expenditures Statement
For the month ended 30th May 2017

Description	Ref.	Current Month			Year to Date			
		Budget	Actual	Var.	Budget	Actual	Var.	
Members subscriptions		1,772,868	1,806,805	2	10,511,586	10,190,724	(3)	10,247,346
Catering sales	2.1	2,602,356	2,160,315	(17)	19,155,913	15,049,393	(21)	18,138,733
Sport Income	4.1	210,743	153,621	(27)	1,109,198	1,094,515	(1)	1,085,553
Other income	4.1	138,428	109,047	(21)	1,018,404	893,483	(12)	1,015,019
Total Operating Income		4,724,395	4,229,789	(10)	31,795,101	27,228,114	(14)	30,486,651
Food and Beverage Cost		1,249,131	1,022,442	(18)	9,194,839	6,915,593.00	(25)	7,792,437
Food and Beverage Cost %		48	47		48	46	(4)	43
Staff costs	4.2	1,975,534	1,884,407	(5)	11,813,120	11,526,258	(2)	11,481,950
Consumables	4.3	513,805	516,794	1	3,281,506	2,942,683	(10)	3,273,347
Establishment costs	4.4	336,426	368,442	10	1,912,427	1,816,726	(5)	1,962,834
General expenses	4.5	193,661	152,155	(21)	1,170,814	1,052,032	(10)	1,003,367
Total Expenditures		4,268,557	3,944,241	(8)	27,372,706	24,253,291	(11)	25,513,935
Operating Income before Depre.		455,838	285,548	(37)	4,422,395	2,974,823	(33)	4,972,716
Members Entrance Fees		508,503	285,321	(44)	3,114,580	2,769,297	(11)	3,407,749
Depreciation of fixed assets		514,000	518,622	1	3,084,000	3,024,188	(2)	2,953,257
Net Profit & Loss after Depre.		450,341	52,248	(88)	4,452,975	2,719,932	(39)	5,427,208
Accrual for Staff Bonus		161,070	161,070	0	966,420	966,420.00	0	953,804
Accrual of Double Dues		148,615	(74,308)	(150)	891,690	445,845	(50)	860,414
Emp Ben Fund Est +/-		53,547	53,547	0	321,282	321,282.00	0	312,842
Net Profit & Loss		384,339	(236,676)	(238)	4,056,963	1,878,075	(54)	5,020,976

Appendix 2

**The British Club
Balance Sheet
As at 31th May 2017**

	Ref:	Year 2017	Prior Year 2016
Current Assets			
Stocks		1,584,194	1,458,117
Debtors	Debtor.	5,724,542	5,396,352
Prepayment	Debtor.	658,399	927,642
Loans to staff		1,925,000	2,183,500
Cash in bank and on hand	C/F	43,383,234	39,105,682
Pissamai Memorial fund cash investment		0	0
Chinaware & Glassware		13,748	45,423
Total Current Asstes		53,289,117	49,116,716
Other Assets			
Payment for Land Tax		2,056,543	2,056,543
Total Other Asstes		2,056,543	2,056,543
Current Liabilities			
Trade Creditiors		1,521,363	1,364,439
Other Creditiors		343,792	415,691
Income Tax		757,903	867,151
Accrued Expenses Operation		1,093,008	158,421
Accrued Employee Benefit Obligation		5,226,741	4,323,846
Accrued Staff Fringe Benefitd		237,684	159,298
Accrued Staff & Coaching		697,484	703,808
Accrued Staff Bonus		676,085	0
Members' deposits		5,789,200	5,875,800
Total Current Liabilities		16,343,261	13,868,454
Net Current Assets		39,002,400	37,304,805
Fixed Assets			
Fixed Assets	6	27,139,713	29,653,818
Work in Progress		2,187,376	650,000
Total Fixed Assets		29,017,089	30,303,818
Fixed Assets and Net Current Assets		68,019,488	65,552,080
Non-Current Liabilities		0	0
Members' deposit falling due after more than one year		0	0
Staff Retirement Fund		11,685,498	11,144,869
Pissamai Memorial Fund		443,457	360,567
Net Assets		55,890,533	54,046,644
General Funds	5.1	55,300,674	53,514,504
Section Funds	5.1	589,859	532,138
Total Club Funds		55,890,533	54,046,642

Signatories to the Extraordinary General Meeting:

Member Name	Number	Member Name	Number
James Rand	R023	Terrance Moore	M001
Peter Harper	H293	Simon P. Davies	D113
Geoffrey Simmons	S972	Sulindy Collacott	C404
David Quine	Q012	Bob Coombes	C061
John Boisclair	B252	Robert Marchant	M102
Bill Wilcox	W044	Bob Boulter	B110
Roger Fitzgerald	F097	Derek Lantin	L027
Supawade Lightbody	L135	Brian G Thompson	T004
John Lightbody	L042	Peter Rodgers	R061
Nick Bellamy	B288	Anthony Sullivan	S020