



**Welcome**

Beechwood Community Centre



**Annual General Meeting  
Wednesday 10<sup>th</sup> November, 2021  
7.30pm**

# WELCOME TO THE AGM

- Introductions
- Housekeeping
- Opening Comments



# THE REALITY



- Deed of Covenant in the purchase contract for each of the 537 plot holders on Beechwood West.
- Each buyer has to commit in a legally binding contract to pay for the **“expenses of maintaining and administrating of the community centre”**
- The contract states that these costs shall be divided according to the 537 plots on the estate.

# THE REALITY



- Extensive research has shown this commitment can only be changed if **75% of all plot holders agree to closure/sell**
- In the event of a 75% agreement all homeowners would be **directly responsible** for all associated costs
- The costs would be significant and unlimited
- All control of what happens the building would be lost
- For clarity, this leadership team **will not support or be a part of any move** in this direction

# YOUR LEADERSHIP TEAM



- The Centre is managed by an annually elected Board of Directors bound by the Companies Act 2006
- We have a legal duty to manage the company in accordance with the law
- We are not a committee and this is not a Residents Association Meeting, it is a Board meeting of the Company
- Our annual management fee is not a levy or tax set by Government it is the contribution we as homeowners are contractually responsible to pay.

# HOME OWNER MANAGEMENT FEE REALITY CHECK



- 1988/89 Homeowners paying £15 month
- With inflation that £15 would translate to **£42.78** in 2021
- The business in the last 8 years has absorbed all costs
- The fee has reduced in real terms

**BUSINESS OPERATIONS ARE WELL RUN AND THE REVENUE FROM THESE ARE SUBSIDISING THE HOME OWNER MANAGEMENT FEE.**

**Without this ‘non resident non owner’ income we would have to pay more**

# HOME OWNER MANAGEMENT FEE REALITY CHECK



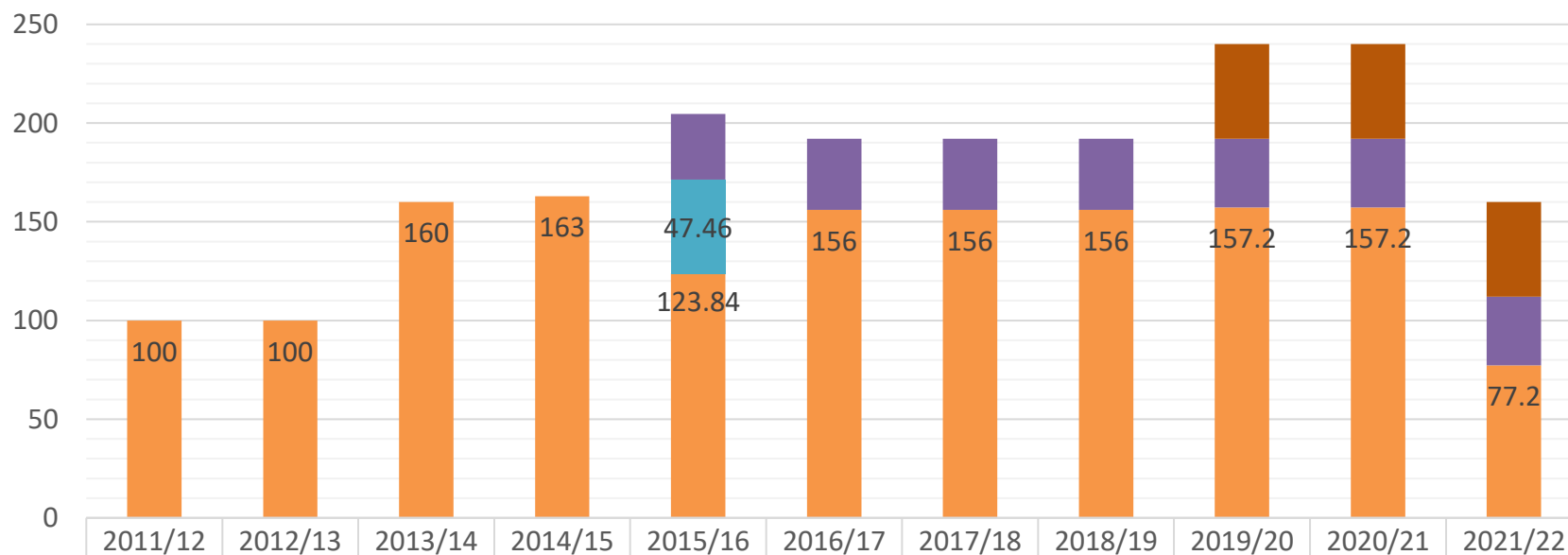
- The cost to homeowners for the administration and management of the Centre has remained at around £13.50 per month for the last 8 years
- This figure will remain the same and will be reviewed in April 2023
- The only member of staff funded by the homeowner fee is the Managing Director
- The Managing Director salary has remained the same for the last 8 years
- A succession plan needs to be discussed
- A suitable replacement is likely to cost double in salary

# HOME OWNER MANAGEMENT FEE REALITY CHECK



## Ongoing Individual Homeowner Fee Not Including VAT

Net Fee   Extra Fee   Extn Loan   Pool Loan



	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Pool Loan	0	0	0	0	0	0	0	0	48	48	48
Extn Loan	0	0	0	0	33.36	36	36	36	34.8	34.8	34.8
Extra Fee					47.46						
Net Fee	100	100	160	163	123.84	156	156	156	157.2	157.2	77.2



# 2020/21 PANDEMIC RESPONSE



The pandemic and its implications and impact

- Staff - furlough – redundancies
- Keeping the building safe and secure
- Pool maintenance
- Covid assessments and actions plans for restarting the business
- Government business support/recovery

# RESIDENTS SURVEY RESPONSE AND ACTIONS



- A comprehensive pack of information and our detailed response to a recent resident survey was hand delivered to all 537 homes.
- Are there any **specific** further questions from the floor on this?

# FREQUENT USER CARD PROPOSAL



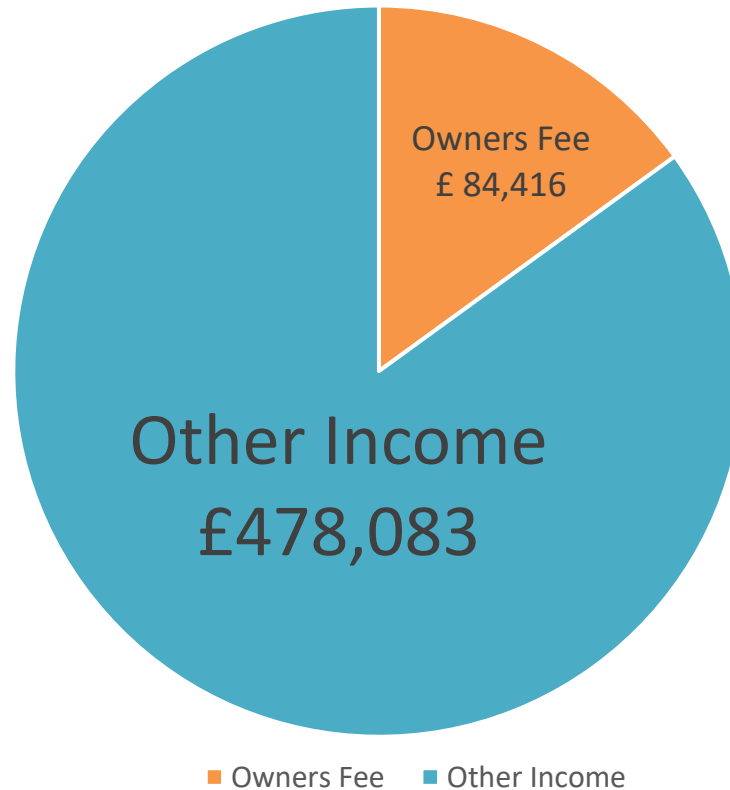
## VOTING RESULT

- Voting slip sent to 537 homeowners
- 151 responded - Less than 30%
- 85 votes in favour
- 60 votes were against
- 6 unsure
- Majority in favour of proposal. Details of product follow

# BUSINESS OPERATIONS CONTRIBUTION



**Income 2019/2020**  
Owners Fee Vs Total Income  
Excluding Loans



# HOMEOWNER EXCLUSVITY COST



- £ 478,083 per annum (based on 2019/20)
- Without this there is a shortfall of £ 9,194 per week
- £ 843 per year per homeowner
- **Additional £70.25 per month on homeowner fee**

# HOMEOWNER FEE BREAKDOWN

## 2022-23



Management and Administration Costs	Annual Costs	Monthly Costs per homeowner
Business rates	£ 15,500	£2.50
Security	£ 4,000	£0.50
Insurance	£ 7,000	£1.00
Maintenance (including roof repair rolling programme)	£ 15,000	£2.50
Managing Director fee	£ 20,000	£3.00
Administration costs	£ 12,000	£2.00
Professional fees	£ 3,000	£0.50
Contingency	£ 10,000	£1.50
<b>Total:</b>	<b>£86,500</b>	<b>£13.50</b>

- Homeowner Fee - **£13.50 per month** - £162.00 per annum
- The Homeowner share of Extension and pool refurb **loan costs of £6.50 per month** will this year be funded by the business operations

# BANKING AND LOAN UPDATE



- 2021/2022 is the final year that the Owners will contribute to the Pool Refurbishment Loan
- This liability has been shared with our Swim School operations who will pay the remaining balance and absorbs any interest rate increases.
- The current balance on the separate Building Extension Loan is £203,602
- The remaining repayment term is 14 years

# BANKING AND LOAN UPDATE



- The Directors have decided the Building Extension Loan repayments this coming year can be paid from our expected operations profit
- These decisions have reduced the homeowner fee payable by 32.5% for 2022/23
- The Extension Loan is the Owners liability, any subsequent contribution from the business operations will be reviewed annually based on Business performance and turnover
- **THIS DOES NOT MEAN OUR OPERATIONS CAN PAY THE HOMEOWNER SHARE OF THE EXTENSION LOAN REPAYMENT EVERY YEAR**



# STAFFING THE CENTRE



- The Centre is open for **110 hours** a week based on meeting the needs of our customers
- The staffing of the Centre costs **£46.70 per hour**
- The impact of the £1.60 per hour minimum wage increase in April 2022 is **£ 9,152 per annum**

**Homeowners do not pay anything towards these staffing costs**

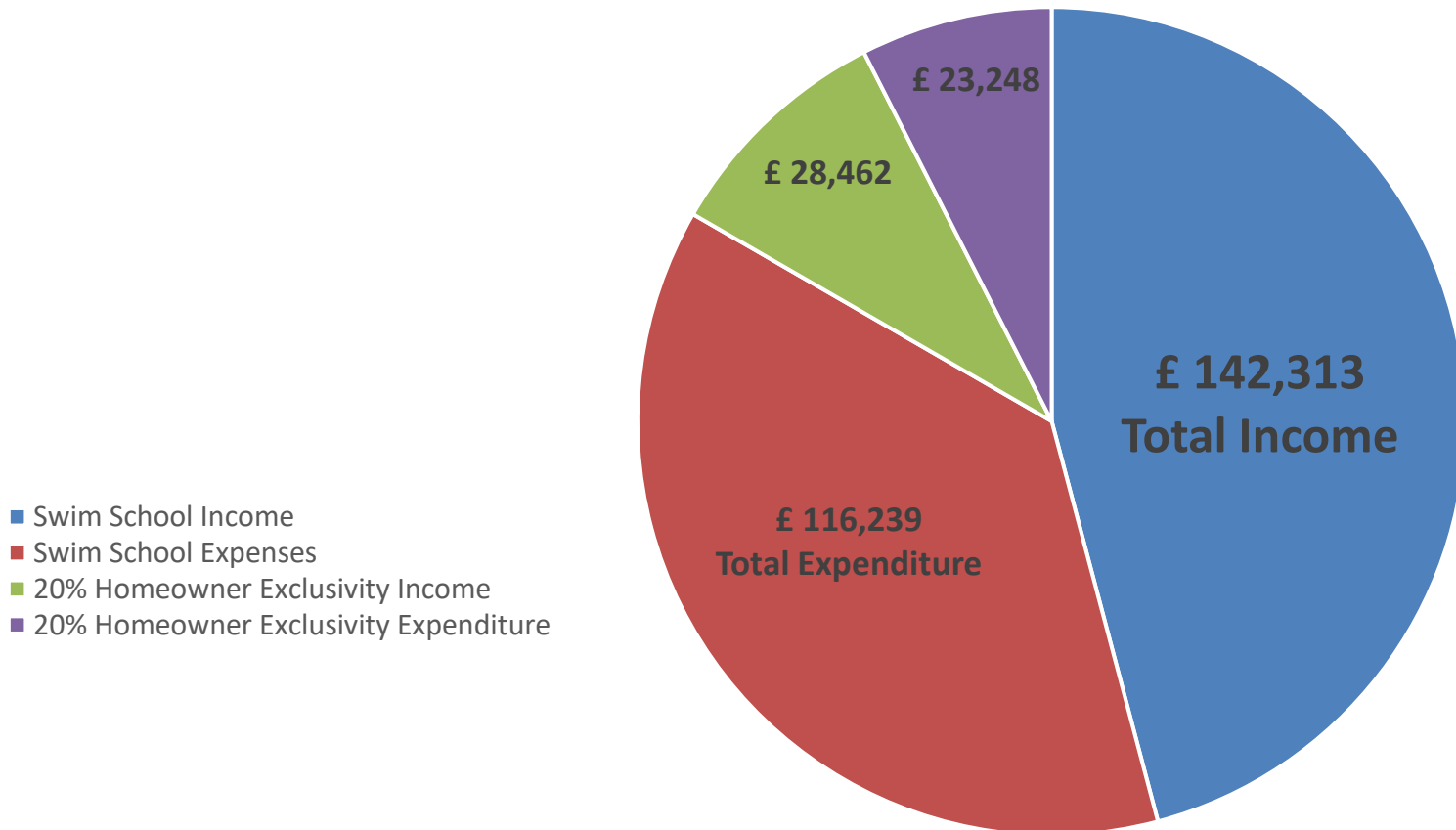
# POOL COSTS



- The pool is open for 90 hours a week
- The pool plant is in operation for 24 hours a day

**Homeowners do not pay towards pool running costs**

# REDUCING SWIM SCHOOL POOL USE FOR MORE HOMEOWNER SESSIONS?



- If capacity was reduced by 20% we would need 9,490 individual owner swims (at £3.00 each) / 183 owners per week to replace that income
- On past usage figures this is unrealistic

# BUSINESS PERFORMANCE



## Overall Turnover

2014/15 -	£394,111
2015/16 -	£454,471
2016/17 -	£496,302
2017/18 -	£590,409
2018/19 -	£650,000
2019/20 -	£562,500
2020/21 -	£159,723

Coronavirus hit at the end of our 2019/20 financial year and covered the whole of our 2020/21 financial year

# BUSINESS PERFORMANCE



## Pool turnover

2014/15 -	£124,226
2015/16 -	£130,847
2016/17 -	£156,406
2017/18 -	£220,751
2018/19 -	£226,000
2019/20 -	£177,602
2020/21 -	£ 46,320



The pandemic hit at the end of our 2019/20 financial year and covered the whole of our 2020/21 financial year

However, we are recovering well and as of Nov 2021 we have 697 paying Swim School Users

# BUSINESS PERFORMANCE



## Bar and function room turnover

2014/15 - £167,889  
2015/16 - £170,087  
2016/17 - £187,967  
2017/18 - £220,751  
2018/19 - £263,000  
2019/20 - £201,280  
2020/21 - £ 28,038



Pandemic restrictions hit at the end of our 2019/20 financial year and covered the whole of 2020/21



# BAR PRICES

- We are expecting an annual increase from our bar suppliers in January.
- All our Bar prices must reflect the industry increases. We do not increase our Bar prices unless we get an increase from our Suppliers.

# SIGNIFICANT BUSINESS EXPENSES



	2018/19	2019/20	2020/21
<b>Total Staffing</b>	£118,897	£112,302	£169,175
<b>Independent Swim Teachers</b>	£85,000	£39,676	£8,142
<b>Bar Purchases</b>	£120,000	£75,600	£10,293
<b>Coffee Shop Purchases</b>	£20,000	£13,397	£0
<b>Pool Purchases/Training</b>	£8,400	£5,399	£2,158



# ONGOING BUSINESS COSTS



	2018/19	2019/20	2020/21
<b>Waste Collection</b>	£5,500	£5,218	£2,805
<b>Gas/Electricity</b>	£33,000	£25,945	£19,642
<b>Water</b>	£7,400	£8,825	£6,544
<b>Sky and BT</b>	£8,000	£6,623	£1,988
<b>Cleaning</b>	£9,500	£5,980	£670
<b>EPOS</b>	£4,000	£3,780	£629
<b>IT/Comms</b>	£3,900	£4,180	£4,111

- **HOMEOWNERS PAY NOTHING TOWARDS BUSINESS COSTS**

# 2022/23 BUSINESS PLANNING



- In 2022/2023 our main business focus will be around recovering from the pandemic
- Initial indicators suggest a healthy financial bounce back but this may change over the winter months to mirror pandemic patterns
- We cannot give a meaningful financial business forecast at this point, as we need to review the coming months to observe the 'new normal'

# 2022/23 BUSINESS PLANNING



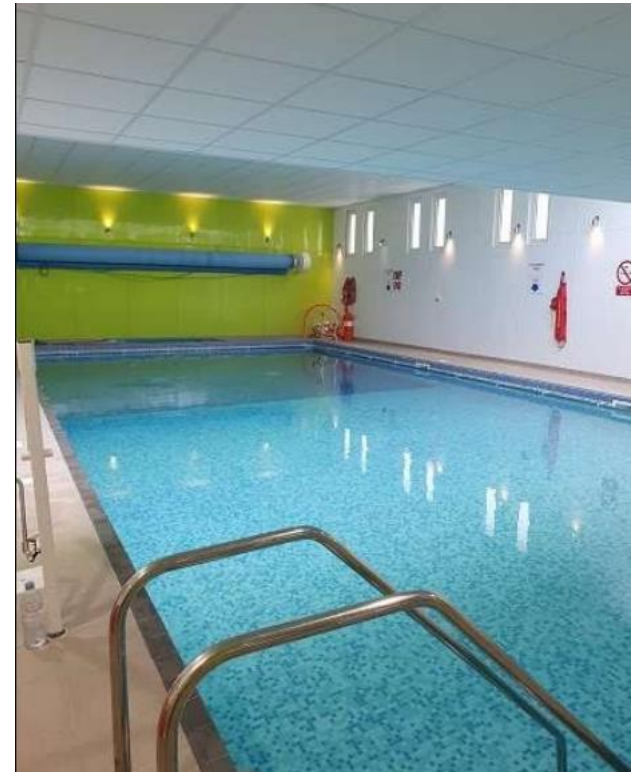
## Future Capital Expenditure Requirements

- Pool – Air handling System (£30k - £40k)
- Roof – Replacement Options (cost unknown)
- Leadership Team Succession Planning (who is next MD?)

# BUSINESS CHALLENGES MET



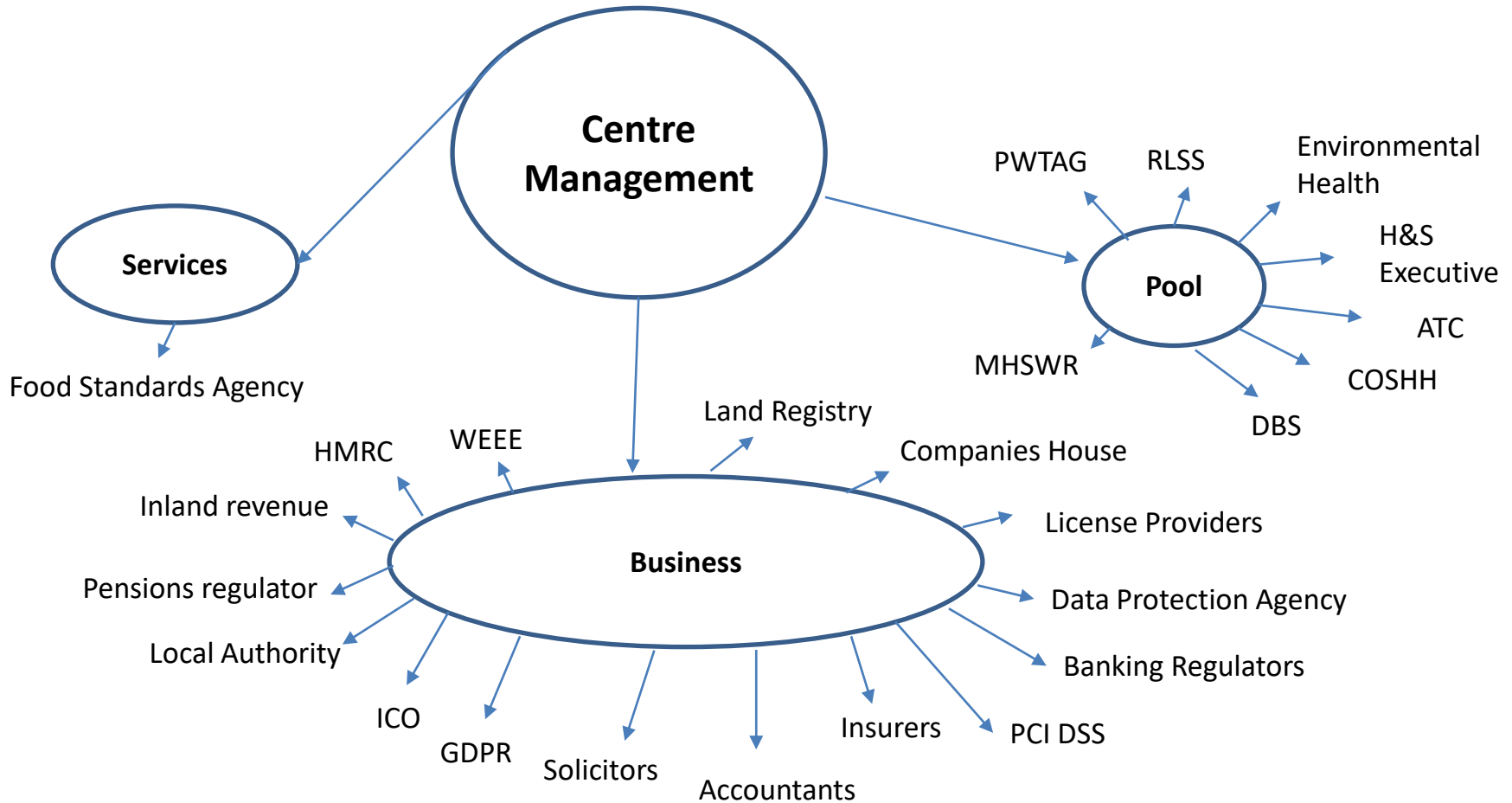
- Pool refurbishment completed – Final Cost £154,000
- New air conditioning system in Lounge Bar
- Storage Solution in place
- Advanced CCTV System now fitted
- Full Building Exterior repainted
- Outdoor hospitality area and garden



# DIRECTORS ROLE & RESPONSIBILITIES

- Directors are elected by homeowners
- Directors act in the best interests of homeowners when decision making
- Our mantra to keep homeowners contributions as low as possible

# COMPLIANCE – WHO GOVERNS US



# DIRECTORS ROLE & RESPONSIBILITIES

- The Directors are all volunteers currently, this may need to be reviewed
- Recruiting suitable candidates is very difficult
- Would you do this role for nothing?



# ELECTION OF DIRECTORS

- In line with the constitution we now invite homeowners to nominate the directors
- Nominated by
- Seconded by





Questions?  
Comments?