



11<sup>th</sup> October 2019

Dear Member,

### Subscriptions for 2020 and the Club's Masterplan

At the beginning of November, we will post to you your Payment Notice showing the amount that you need to pay for 2020 with any early payment discounts already included in the amount shown.

Please note, as in previous years, our subscription charges are based on the amounts that we charge Members who pay quarterly over the year. Members who pay in full in January each year receive a 6.5% discount. If you currently pay annually, please continue to do so, and if you wish to change your payment basis to annual then please email [membership@roehamptonclub.co.uk](mailto:membership@roehamptonclub.co.uk).

### Subscriptions increase

Annual subscriptions for 2020 will be increased by an average of 6%. This is higher than the current rate of retail price inflation and the principal reasons for this are:

- the Club's costs are running ahead of inflation, especially labour, utilities, swimming pool chemicals plus pesticides and fertilisers for golf and grounds; Suppliers have notified us that prices will increase between 8-15% due to uncertainty with the economy and the effect of Brexit.
- over the last few years the Club has absorbed the cost of moving the lower paid staff up to the London Living wage, a process which will be finalised in 2020.
- with the Club taking back the food and beverage operation in house we have been informed by suppliers that food and beverage costs will increase above inflation.

Following the investment over recent years in our upgraded health club, tennis, golf and croquet facilities, our levels of expenditure on the maintenance of our assets needs to be increased. The Club has typically spent around 7.5% of gross revenue on maintenance of its capital assets. In addition as part of its strategic review, the Board received advice from GGA, a leading sports and social club advisory firm, that the Club was underspending on this expenditure category and that the national benchmark for a Club of our size was 9.6%

For many years the Board has operated a policy of seeking to generate an EBITDA target of £1.7m. That target was set before many of the projects which we now enjoy were undertaken and when the Club's revenues and costs were considerably less than they are now.

In addition, the Finance Committee has recommended to the Board that four times free cash flow is a prudent maximum level of debt. That level is currently being exceeded at the year end which is why the Board has decided that no major capital projects should be undertaken in 2019 or 2020 so that debt can be reduced.

As a result of all these factors, the Board has asked the management team to deliver an increased annual EBITDA of £1.85m for 2020 as the appropriate target to pay down debt, maintain the Club's excellent range of activities and facilities and pay for annual maintenance projects. It has also asked for efficiency savings to be made without impacting on service or safety standards.


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Registered in England 240679

Registered office as above



UK Sports Club of the Year 2017 and 2018  
National Squash Club Champions 2016  
England Golf Golfmark Award since 2009  
Centenary Tennis Clubs Member since 2010  
Health Club Refurbishment of the Year 2018  
National AEGON Ladies' Tennis Champions 2012  
World Association Croquet Championships Host 2013

### **Rule changes – Five Day membership**

The Board has reviewed the terms of membership for Five Day Members and decided to only allow access to Club sporting activities between Monday and Friday including Bank Holidays. The Board considers that Five Day membership should mean what it says. Access to the Health Club at weekends is no longer permitted, given the pressure on it at weekends, but social use of the Club at weekends is encouraged as before.

### **70 - 30 Discount**

Many years ago, the Club introduced an age and service-related discount of 15% for Members who had reached 70 years of age with 30 years of adult continual membership. It was assumed then that a 70-year-old wouldn't be using the Club for sport on a regular basis. As we all know people are living longer and are much more active. The Board feels that the rationale for a 15% discount is now outdated and should be removed. A similar decision was made in 2007 when the spouse related discount was removed but phased over a ten-year period. Therefore the 70-30 discount will be phased out over the next ten years, starting in January 2020, reducing by 1.5% each year and ceasing in 2029. This phased reduction will apply to all Members who currently receive the discount and those who will be eligible up to 2029. If you have any queries on your eligibility please contact [membership@roehamptonclub.co.uk](mailto:membership@roehamptonclub.co.uk).

### **Entrance and other fees**

We are pleased that our waiting list to join the Club has now extended to January 2022. We will also be raising entrance fees substantially above the rate of inflation over the next two years to reflect this increased demand. Minor changes to other fees such as guest and locker fees are also being made.

### **Masterplan 2035 implementation**

Members will have noted that the overflow car park is now operational, its construction was completed below budget and its extra spaces provision has been well received by Members.

While the Board is finalising next year's operational plan and budget, it has been decided that, as noted above, there will be no major development expenditure in 2020. It has given approval to apply for planning permission for two Padel tennis courts and one mini tennis court, as per the Masterplan 2035, for work to start in February and completed by May 2020. We will also be adapting the fence surrounds on Court 11 to be able to host games (netball, football, basketball) for all the family next spring in addition to maintaining the core sport of tennis on that court.

The Masterplan has identified several potential projects to be considered over the next fifteen years based upon the feedback received from the 2018 Member Survey and consultation with Sports Committees. The two most popular projects were an upgrade of the Clubhouse's social facilities and a rebuild of the Sports Shop.

The Board has approved an architect's competition to start in October for a design of both areas so that an application can be submitted to Wandsworth Council Planning in late 2020. It is hoped that we can be given the go ahead to start the upgrades in 2021. A Property Development Committee has been set up with three Members with expertise in this field volunteering to assist Board Directors in the decision-making process.

The Finance Committee and Board will be considering how these projects may be best and fairly financed having regard to their scale and the fact that they will benefit future Members as well as present ones. I expect to write again to Members about these matters in the coming months.

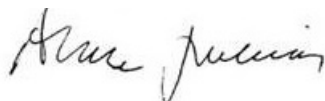
### **Sustainability**

Members on the Environmental Committee are compiling an overarching strategy to ensure the Club's operation embraces as many sustainable practices as possible which will also contribute to the efficiency of the Club's operations. We have started by introducing a food ingestion system in the kitchen, LED lights throughout the clubhouse, grounds, ITC and for our tennis and croquet floodlights. We want to encourage all Members to bring their own water bottles to the Club and so we will issue a free-of-charge re-usable bottle in December to all Members from Clubhouse and Health Club Receptions to reduce the number of plastic and paper cups offered.

### **Catering**

We will be taking the food and beverage service back in house from 30<sup>th</sup> November as RA Venues have requested us to do so and improving service and food presentation standards will be our priority. Members understand, I think, that we must subsidise this part of our operation through our subscriptions, but our management team has been charged with keeping standards high at the most efficient cost. The annual food and beverage levy will rise next year to £180 per Member – the first increase in five years.

We are very pleased to have been awarded UK Sports Club of the Year for the second year running in 2018 and are shortlisted to win the accolade again in 2019. We are sticking faithfully to our vision of providing, for Members of all ages, the best sports and social club in West London.



Alan Jenkins  
Chairman