

VICTORIA RECREATION CLUB

(ESTABLISHED 1849)
(INCORPORATED 1964)

Chairman : Wu KamShing
Deputy Chairman : Christopher Yee
Hon. Treasurer : Vernon Moore
Hon. Secretary : Gordon Loch
Honorary Life President :
The Hon . A de O. Sales, G.M.B., J.P.



EMERALD BAY, SAI KUNG – NEW TERRITORIES
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Minutes of Annual General Meeting and Extraordinary General Meeting

Saturday, September 7, 2019.

Olympic House, So Kun Po, Hong Kong

Annual General Meeting

1. Notice of the meeting

The Chairman welcomed the members and declared the meeting opened at 17:40 when the Hon. Sec/ advised that the meeting was then quorate.

He outlined that the meeting would be in two parts.

A. The first is the 2019 annual general meeting: to receive a report of the work of the Club in 2018, approve the audit financial statements and elect Officers and the General committee.

B. A second is an extraordinary general meeting: first to approve an increase in subscriptions, and second to adopt a Chinese name for the Club. Although the ballot paper describes both as “special resolutions”, only the adoption of the Chinese name is “special” in the legal sense. To pass, it needs 75% of the votes to be in support. The resolution for the increase in fees is an “ordinary” resolution requiring just over half the votes to be in favour.

The Hon. Sec. advised that the notice of meeting was sent to all members by email on 17th Aug, 2019 and similarly posted on each of the Clubhouses. He requested that the notice be taken as read.

2. Report by Chairman

The Chairman advised that his annual report was printed and available at the entrance. Rather than reading it aloud, he urged all members who wished, to read for themselves. It is here included for good record.

2018-19 has been a very eventful year for the VRC. It has been positive with many new developments.

Our biggest issue continues to be the need to secure a proper 15 year lease for EMB. Following the political turbulence raised last year because of Private Recreational Club Leases, the Home Affairs Bureau has taken an extremely hard line in dealing with the clubs.

As many of you will know, they have not taken kindly to our situation. They have made all kinds of noises about taking away our lease altogether. In fact we are now on our 15th, 6 month roll-over lease to 28th February 2020, pending a final solution.

So what does this solution require? First and foremost, they wish us to open our facilities to the general public. This we are very willing to do. We have written to invite any number of Govt Schools in and around Kowloon to arrange for classes to come out to EMB. Sadly, we have had next to no takers from our targeted schools. Instead we have to get by from the many private and International Schools in and around SaiKung and the Southern New Territories. Whilst this is not ideal, it does help towards our quota of EOBs (Eligible Outside Bodies) We have also been trying to work with other Sporting groups that might need a base to operate out of. This is very much a work in progress and we have to keep at it. I must here make special mention of the very sterling work undertaken by our GM Sandy Macalister. I think even he has lost track of the hours he has poured into this single topic and unfortunately, he can only look forward to many more. Thank you indeed.

One lucky stroke for us has been the interest of the Hong Kong Paraplegic Olympic Committee and Sports Association for the Disabled. They are very keen to help us develop the grass area in EMB to establish a short course (50m) Archery Target Practice course. To be honest, the idea of this single development was probably what has turned the corner for us with HAB. But even so, this is not without difficulties! We are by no means a wealthy club. To prepare and develop this land is going to take a huge chunk of our very meager reserves. Allied with this, we will have to modify the existing building to create a full-function Handicapped changing room and facilities. Eventually, we will also have to make a new road leading from the parking area down to the water to allow for even more activities. Finding the finances for this alone will be a huge task, but one that the present GC has been working on for many months. We have to succeed.

Last year, Typhoon Mangkhut did some serious damage to both our clubhouses. Thanks to our dedicated members and staff, we have held disturbance and damage to as small as we could. Again, Sandy and Momo in EMB deserve our praise and thanks-as well as our dedicated paddlers and our Sports Section members- in effect, everyone who chipped in.

It is regretted that our storage charges and fees had to be raised. Let me assure all our members that this decision was not taken lightly. But the truth is that we have so few other revenue streams that we do not have any options. Plus, even our frequent users will agree that the old system has been subject to great abuse. It is also in the hope of greater transparency that we have embarked on this course of action. I hope you will help us and see if things do improve quickly. Otherwise, we are always open to any workable suggestions directly from you, our members.

I have better news on other developments. The reciprocal arrangement with Club Lusitano and Club de Recreio have been going very well and members from all sides have found the arrangements very satisfactory. Last Saturday 31st of August, I have signed the Reciprocal Agreement with Aberdeen Boat Club, starting this month, as a trial period, we will be working the Aberdeen Boat Club on an arrangement to allow for them to ferry members to and from Middle Island from our site in DWB and to enjoy all our facilities, meantime, all our members could take their ferry to their Middle Island Clubhouse to enjoy all their facilities. It would be a tremendous step for our Club to being widely open to all aspect and I highly recommend you all to visit ABC Middle Island Clubhouse not only to enjoy the facilities over there but also to view our Clubhouse from a newly perspective view.

Looking further ahead, there are plans to use the VRC to host an International Wake-Board competition at EMB. Something so high profile will also do our cause good in the eyes of the HAB.

As China develops the Pearl River Delta and the Greater bay Area, many new water-sports clubs are also springing up. Some of these are already reaching out to see if there is any synergy that we can develop. I will hope to have more positive developmental news at our next AGM.

The next item of business was to receive the Audited Accounts of the Club for 2018-19 together with the statutory information the directors are required to provide. This was circulated with the notification of Meeting.

There being no immediate questions, the Chairman invited our Treasurer to take the stage to deliver his report of the year. The report was given in the form of a Power Point talk.

3. Report by Treasurer

The first point was that because we had not yet been able to disengage with our outside accounting service, reporting was extremely slow. At time of reporting, we only had figures up to May 2019. The company, TMF, was a legacy from the days when our administration was very small and we were not up to going it alone. But it is now felt that not only would it cost less, but should be much more efficient if we did our own accounts, especially with the new software along with other Clubs-related essentials, like membership dues, subscriptions and other services. It is hoped that this transition would occur within the next 6 months or so.

During the current financial year, the club made a loss of \$190,000. We manage to just keep our heads above water.

This was based against gross income of approx \$8,800,000 which was about \$500,000 more than previous. The key of this being Entrance fees, that gave us \$550,000 whilst subscription fees generated \$4,500,000. The next significant earner was Events and activities which generated a little less than last year. It is important to note that donations also increased for which we must thank some of our wealthy and generous members

Of our expenditures, which amounted to some \$7,600,000 the key amount was for our staff wages. Whilst there was no Cumshaw paid out in the previous year (2017). In 2018, it was back in as well as an extra-ordinary payment for the severance payment for our previous General Manager.

Also on the plus side we had a large change in depreciation of \$1.3m.

Whilst the club did not actually spend a lot on equipment and furnishings, we were the happy beneficiaries of much of the excess chairs and tables from Club Lusitano; as well as very good condition kitchen equipment from the Excelsior Hotel when it closed,

The typhoons last year not only played havoc with our boats and savaged our shore and water front in DWB, it put a further strain on our finances to have to fix these things. But to add insult, we are no longer being covered by insurance going forward except at very high premiums.

We do make a small loss every year. We have very limited income streams. We depend on new membership entrance fees, subscriptions and boat storage fees.

Which brings us back to the problems with the HAB who have questioned the veracity of our development plans for such a small club of less than 1300 members and a serious lack of cash.

The Treasurer's report was followed by some questions.

Q1: Bruno Arboit (A-50), A cursory reading of the figures show that Membership Fees has gone down slightly. Why is that?

A1: Whilst the total number of all members remain roughly the same, over the year we did lose more Associate Members than any other group. So our income base did actually fall. But it is hoped that our new members in 2018-19 will help take up that strain.

Q2: Shawn Bruins (B-18), Why does the bulk of our reserves remain in HSBC Shares? This has been an issues raised many times at this meeting.

A2: It was an issue raised at GC many times. But the Finance Committee are not professional fund managers, and did not feel that they were justified in making these radical changes; particularly since we have such a low amount of reserve in the first place and also because we need and are happy to have a steady rate of return from the dividend of these positions to let us continue.

Q3: Shawn Bruins (B-18), Could we invest in a tracker fund with better growth? If there is volatility it is a risk to have so many shares in one company. I have requested the accounts be bought in-house for 3 years.

A3: It is a reasonable solution, a low cost index fund would be reasonable as we have a long term view. If we need cash, it could be a good solution. It is an issue that can be looked at again, we also own shares in Jardines. The previous GM did not have the experience and knowledge and Sandy has proven to be very proactive and to source the advice and input from our club managers in HK regarding the accounting systems they use and best practice and to help integrating within our operations.

Q4/5: Bruno Arboit (A-50), who does our accounts now and why? When will we be able to see up-to-date accounts?

A4/5: A company called TMF HongKong Ltd. Their connection is historical. Back from the time when we had no administration at all and certainly no accountant. This company collected all our membership fees and paid our bills etc. But they have never been punctual and so our Treasurer has always had to work with months old figures at best. In 2018 it was decided that we would bring all our accounting needs back in-house. We are in the process of winding down operations with TMF. It is hoped that by Q2 next year we should be self-sufficient

Q6/7: Jamie Spence (S-115), It would be nice to have a snap shot and contemporary accounts. Why do we have a ballot for audited accounts if we have a show of hands?

A6/7: Indeed we agree and we think that the new software and systems shall allow for this. Practically to save time, we provided a ballot form in case any member calls for a poll.

4 & 6. Approve the General Committee's report and audited accounts for the year ended 31 December 2018 & Re-appointment of the Auditor

There being no further questions, the Chairman asked for the meeting to vote on and accept the Treasurer's report and the Audited accounts for 2018 and re-elect the statutory auditor Baker Tilley for the VRC for the financial year ending 2019.

This was voted on by a show of hands and approved by a clear majority. The Chairman thanked the members and closed this item and moved on.

5. Election of the General Committee and Offices for 2019-2020

There were to be elections for three of the four officers of the club. The Chairman, Mr. Wu Kam Shing was returned unopposed and no vote was required.

After some discussion about the method of voting, the contested Officers' positions were put to the ballot. After a very long time, the scrutineers and observer's (many thanks to Tim Fang F-56, Carrissa Szeto LM1424, Rose Chan LM-1045, Suzanne Boughton B-66 and Erin Macalligan) announced the result as:

Votes for Chairman 103 for Wu Kam Shing.

Votes for Vice Chairman, Mr. Christopher Yee 76 and Mr. Shawn Bruin 27.

Votes for Treasurer, Mr. Vernon Moore 71 and Mr. Bruno Arboit 32.

Votes for Secretary Mr. Gordon Loch 71, Mr. Christian Goetz 16, Ms. Edith Terry 16.

Mr. Goetz immediately then challenged the count. He said he had a proxy with 22 votes thereon, how could his final total be less than that? Whilst the Chairman then directed a recount, the meeting was very vociferous in its discontent with the method and the manner of the election, A volatile section of our membership then moved that the entire election be voided and taken again at an EGM for that purpose. When put to a vote, that motion was defeated, 14 for to 19 against.

A further motion was moved that a comprehensive list of all voters to be made known to the general membership. This was not voted on as the Secretary agreed to this action and promised a full list of names of members who voted, indicating if they were represented by proxy and the time those proxies were received.

For a second time, the returns were announced. A total of 125 valid voted were counted and the revised results were

For Vice Chairman, Mr. Yee was returned with 76 votes to 49 for Mr. Bruin.

For Treasurer, Mr. Moore was returned with 71 votes to 54 for Mr. Arboit.

For Secretary, Mr. Loch was returned with 71 votes to 38 votes for Mr. Goetz and 16 votes for Ms Terry.

These results were accepted without very much further dissent.

It had been previously clarified that those successful Officer candidates need not run again, and their names would be removed from the next ballot. A vote was then taken and resulted in the return of the following to serve on the committee:

Jenny Chao, Alex Leung, Claire Pallister, Steve Palmier, Frank Pfeiffer, Rob Wall, Tony Wong, C P Yu and Jennifer Yung.

A full result would also be made known to the membership.

There being no great dissent, the Chairman gave thanks to the outgoing GC and announced this as the new general committee for 2019/20.

The Chairman thanked everyone for your enthusiasm to stand for election to the committee. To those elected I look forward to working with you. For those unsuccessful I hope you are not discouraged but will play a full part in the life of the VRC in the coming year.

7. Any other business

The main body of work completed, The Chairman asked if any one wished to raise any matters under AOB.

Q9: Lyn Fox (F-40), for the next AGM can we have finances for both clubhouses based on use?

A9: We can definitely do that, revenue is relatively the same, the costs of the two clubhouses is available DWB \$1.8m and EMB \$2.5m.

Q10: David Knight (K-35), when were subscriptions last increased?

A10: It was three years ago and we are essentially catching up with the rate increases. We can continue to draw down on our cash reserves and we expect we could survive for up to 5 years but this is undesirable.

Mr. David Knight proposed and was accepted by acclaim that a vote of thanks be given to the out-going General Committee for the work done on behalf of the club and in particular to Edith Terry and seconded by Paddy Maloney.

There being no further business, the Chairman closed this AGM.

Extraordinary General Meeting

1. Notice of the meeting

The Chairman called the meeting to order immediately after the close of the Annual General Meeting of the VRC.

2. To consider the following resolution as a Special Resolution: “The Victoria Recreation Club, a company limited by guarantee, number 0010001, approves the Chinese name of the Club as

'域多利遊樂會'. This name will serve as one of two official titles of the Club, in addition to the Victoria Recreation Club, in the Articles of Association and all official documents."

A Special Resolution was before the meeting to formally adopt a Chinese name for the club. It had become apparent when the Home Affairs Bureau, (HAB) pointed out that all such private recreational clubs should have a formal chinese name. Hence it was required according to new rules of the HKSAR to adopt this.

Edith Terry then explained the background of this matter and asked in particular that the club acknowledges the tremendous work on this matter put in by GC Member, Mr. C P Yu. Edith further explained that as a 'special resolution' it would require a two thirds majority to pass and endorse.

3. To consider certain changes in subscription fees, including reduced fees for junior members and nominal fees for a new category of junior elite sporting members, as required by the Government of Hong Kong and its Home Affairs Bureau.

A resolution to increase club subscriptions and other fees. This was a repeat of a motion put to the membership at an EGM earlier in the year but that had been defeated by vote. The Chairman reminded those remaining in the meeting of the perilous nature of the club's finances and how we needed these increases in order to try to go forward.

A vote was taken and the results were:

a) On adopting the new Chinese name for the club 101 for and 1 against.

This measure was passed.

b) On increasing Fees and charges, 48 for and 63 against.

This measure was defeated.

4. To note certain draft changes in the Articles of Association required by the Home Affairs Bureau, pending approval by the latter.

There being no further business, the Chairman closed this EGM at 21:03 with thanks to all who attended.



Gordon Loch
Honrary Secretary