

DRAFT

MINUTES OF THE ANNUAL GENERAL MEETING OF THE MEMBERS OF THE ARMY AND NAVY CLUB LIMITED (THE “CLUB”) HELD ON WEDNESDAY 2 JULY 2025 AT 11.30 AT THE ARMY AND NAVY CLUB, 36 PALL MALL, LONDON SW1Y 5JN

1) Opening Remarks, Welcome and Apologies

Colonel Neil Johnson - Chairman - called the formal meeting to order and thanked the Members for attending this year's AGM.

He welcomed all those present - Members, Board directors, the CEO and Club Trustee Professor Caroline Gatrell and thanked them for attending this year's AGM. He also introduced the Company Secretary, Financial Controller and the Senior Auditing Partner.

The Chairman reported that 249 Members had submitted their apologies for absence and the Company Secretary will attach the list of their names to the Minutes. This included Club Trustees Rear-Admiral Jon Westbrook and Major General Michael Charlton-Weedy.

Mrs Laurence Denton – Company Secretary - confirmed that due notice of the meeting had been given, and that the necessary quorum has been achieved - 30 Members (in person or by proxy) - and that the meeting was therefore properly constituted.

The Chairman explained that Members would have the opportunity of asking questions relating the AGM after all the presentations had been complete. There were no questions that will not be addressed either by myself or the CEO during the meeting.

2) Approval of the Minutes of the previous AGM

Mr Bill Conroy proposed the adoption of the Minutes of the previous Annual General Meeting held on 3 July 2024 which were made available to Members in accordance with the Club Constitution. Mr Frank Froud seconded the adoption. These were approved as a true record unanimously.

3) Matters Arising

There were no matters arising.

4) Election of Directors

Mr James reported that full details of the candidates were circulated with the AGM pack.

Once again, the voting process had been handled by CIVICA and 318 proxy votes had been received with 305 received electronically and 13 postal votes.

Mr James asked for a show of hands from Members who had not cast their votes already by proxy for each of the five candidates:

- Candidate A – Captain David Gibbs
188 proxy votes
4 voted against by proxy
6 voted in the room

None of those present voted against by show of hands
Total: 194 votes

- Candidate B – Mr Alan Haig
132 proxy votes
8 voted against by proxy
0 voted in the room
None of those present voted against
Total: 132 votes

- Candidate C – Captain Michael Hawthorne
179 proxy votes
7 voted against by proxy
12 votes in the room
None of those present voted against by show of hands
Total: 191 votes

- Candidate D – Mr Andrew Johnson-Askew
51 Proxy votes
16 voted against by proxy
2 voted in favour in the room
None of those present voted against
Total: 53 votes

- Candidate E – Lieutenant Commander Bryce O'Hara
131 Proxy votes
9 voted against by proxy
10 voted in the room
None of those present voted against by show of hands
Total: 141 votes

The following were declared to be duly elected to serve for 3 years:

- Captain David Gibbs
- Captain Michael Hawthorne
- Lieutenant Commander Bryce O'Hara

Post meeting note: it was noted that in line with the required Military / Non-Military split of the Board as per the Articles of Association, the following Directors had been elected: Captain David Gibbs, Captain Mike Hawthorne and Mr Alan Haig. Lieutenant Commander O'Hara had been co-opted to the Board until the next AGM.

5) Annual Reports

a) Chairman's Report

Colonel Johnson was pleased to report that as we entered the summer months the Club continues to be busy and welcoming. The Waterloo Dinner was a great success and Lord Roberts' stimulating presentation on Napoleon's Marshals was, by all accounts, fascinating. Those attending were happily also able to take home a copy of Lord Robert's book for further study!

The Club would be using the quieter holiday period to undertake some major refurbishment and improvement to function rooms and some bedrooms. He asked members to bear with the team while this work is in progress.

Focusing briefly on some current issues, he wanted firstly and importantly to address standards of dress and behaviour. In a Club like the RAG, with a proud Military and Naval tradition, this really shouldn't be an issue but sadly it is becoming one. "Simply put the Clubhouse is our home, just as a Mess or Wardroom is for those still serving. Members should be responsible not only for their own standards of dress and behaviour but also for that of their guests. There have been too many examples recently where individuals and groups have fallen short of these normal civilised standards." He added the RAG is a welcoming and warm environment. Relaxed hospitality and efficiency is not a bad guide, but respect for other members and their guests is both a common courtesy and essential if Club culture and ethos are to be maintained. He urged members to brief their guests before they visit on the standards expected. In particular, the Ribbon Bar is not a branch of Wetherspoons, but should be a relaxed safe haven for members, their guests and particularly unaccompanied ladies of all ages. A small minority, guilty of behaviour bordering upon loutish, risk destroying that quiet enjoyment. He sought to reassure those present that this will not happen on his watch and Board Members and Senior Staff will be working to ensure that the Club's reasonable standards are respected. The dress code is sensible for 2025, it is not as rigid as that of some other comparable clubs, but it should not be stretched beyond its elastic limits. In future, those doing so will be politely asked to change or leave. Individual members will know if they have strayed in this area and he asked them to please to be abide by the above or alternatively find another club or location with less traditional values.

As confirmed earlier in the meeting, we welcome 3 Directors to the RAG Board. I should particularly like to thank John Theophilus and Stewart James for their long and effective service on the Board. We will miss their contributions but still look forward to seeing them regularly in the Club.

I should now like to mention the two Charitable Trust Funds which exist and can be tax effectively used for donations or bequests. The Benevolent Fund is established to provide financial assistance to longer serving staff who may be facing difficulties. It is managed by a group of Trustees who monitor and control grants. The RAG Conservation Trust is new and has been established to care for our large collection of art and chattels. This is an important task which requires the support of all members. May I encourage you to consider supporting both Trusts in whatever way you think appropriate. We will publish further details in future newsletter briefings.

Switching to our excellent kitchen at the RAG, ably led by Stuart Hart, may I encourage you to participate in the selection process of the new RAG Pie recipe, and naming of the Club Savoury! Do try all these new offerings in the Coffee Room and make your preferences clear.

Finally, on behalf of all members, I know you would want me to thank the Club Staff for their continued friendly and efficient service. Without them the Club would have a very different culture. He invited members to join him and when they have the opportunity, thank them in person. He felt that members were indeed fortunate to have such an effective and well managed team, both front-of-house seen, and unseen. The Chairman should also like to thank his Board colleagues who give so selflessly of their time and talents to support this wonderful Club.

I now hand over to John Theophilus, the Chairman of the Finance & Audit Committee, who will brief members on a pleasingly positive financial position.

The Chairman's slides are attached to these Minutes.

b) Finance & Audit Committee Report

Mr John Theophilus, Chairman of the Finance Committee, reported that the accounts had been approved by the Board at their May meeting and they have since been filed at Companies House. The full Accounts and a summary had been available for Members to view. He then invited the Members to receive the Annual Financial Report and Audited Accounts for the year ended 31st December 2024. Brigadier Sincock proposed receipt of the Accounts by Members and Professor Caroline Gatrell seconded.

Mr Theophilus reported that there was more information on the slides in addition to what he will be highlighting:

Slide 1

2024 was another successful year for the Club in all areas but having said that results were still be-devilled by rising costs, train strikes, cost of living and geopolitical events.

The Revenue for 2024 was a very credible £7,261k against the previous year of £7,082k and post-tax operational Surplus was £859k against £748k in 2023. This was driven by secondary spend in the bars, dining areas and Events exceeding budget. However, there was a softening in room performance with a reduction in average room rates.

Cash at year end was £978k with the investment portfolio standing at £3,310k. During the year £232k was spent on Capex funded from operational cash generation. Capex was primarily on H&S issues and in the kitchen area. Having analysed the results from the Focus Groups, the Executive management started the process of planning the first two main members wishes, namely a Gym and the refurbishment of all bedrooms.

Slide 2

The Future

5 months into 2025, the Revenue was on a par with 2024 but behind Budget due to lower than expected membership subscriptions but well ahead on surplus before Tax at £188k which is ahead of that for 2024 at the same time. The Club was still affected by continuing cost increases in wages and raw materials and especially the increase in national insurance from April 2025 which was budgeted. This alone will cost the Club an extra £40k in a full year. The management continues to closely monitor utility costs with a favourable outcome.

The outlook for the year remains positive with good advance bookings for the 4th Quarter including Christmas events. The one worrying area is that of Membership where was behind budget and he will leave the Chairman of Membership to expand on this.

Slide 3

Following on from the focus group sessions an initial capex plan has been agreed and is in the process of being implemented. Initially this will be a full refurbishment of the bedrooms which will take a couple of years but as you will appreciate will also result in a fall in revenues whilst the work is carried out. The Club will also create a Gym adjacent to the car park. The initial indicative all in costs for both these will be £3.0 Million. During the past year only H&S and immediate Capital Expenditure have taken place resulting in the build-up of cash (which some members have commented on), so a large part of the Capex outlined will be covered by operational generated cash rather than using the Investment Portfolios. Carrying out two major projects takes time to prepare, design and ensure that the structural integrity of the building is not affected. The CEO will expand on these plans in her Report.

Our Auditors Moore Kingston Smith have now completed their 4th year as Auditors and I am happy to report that yet again they gave the Club a clean Report which is a credit to the Finance Department and Senior management. A Resolution to re-appoint the Auditors will shortly be put before the Meeting.

Mr Theophilus added this will be his last time delivering the Finance Report as, after some 7+ years and serving under 5 Chairmen, his terms as a Director have come to an end. It had been an interesting time ranging from pre-Covid, and the merger with the Naval Club together with the incredible increase in the usage of the Club in all its areas of activities by Members. He also wanted to record his thanks to Anthony Cunha (Financial Controller) and his team for their support and wish them all the best in the future supporting my successor as Chair of the Finance & Audit Committee.

Mr Theophilus handed over to the Chairman of Membership.

The slides used by the Chairman of the Finance & Audit Committee are attached to these Minutes. ()*

c) Membership Committee Report

Lieutenant Colonel Mark Spragg, Chairman of the Membership Committee, reported on the following points:

Slide 2 -

Retention

After a very positive retention rate for Q3 and Q4 in 2024 and despite the strong recruitment drive this year, there had been an increase in the number of leavers each month. However, this is largely due to the unfortunate accelerated death rate in 2025 with 61 member deaths so far this year, against 17 this time last year. While the majority of those members who have passed away were on our honorary memberships for 50+ years of service with the Club, it is still proving challenging to keep up with the accelerated mid-year 'leavers'.

In 2024 the Club remains well below the medium in terms of subscription rates compared with our peers who offer similar facilities and so remain highly competitive.

Growth

Lieutenant Colonel Spragg thanked and recognised the members for their hard work in recruiting new members for the Club with more *refer a friend* than ever before. He will be writing to all those members who have referred a member at the end of the year to thank them for their efforts and support. Current members are the Club's best source of recruitment, and their referrals help to ensure the special environment and ethos here at the RAG are protected and nurtured. He encouraged members to add their names to the *refer a friend* list to receive their recognition in January, and asked them to contact the membership team with the name of the member they would like to refer so that they can then share the relevant joining information.

The number of new joiners this year has been strong with around 120 new members so far, over 20 more than this time last year. While there has been some variation to the budget in terms of which categories those members have joined under, we remain on track to meet the budgeted number of new members in 2025.

Military Members

The Club is actively raising awareness within the military community.

Strong relationships continue to be fostered with the various military associations such as The Britannia Association, ARNO, The Royal Military Academy Sandhurst and larger Army Corps. More recently, a new relationship with the FAAOA was formed, and it is proving to be a promising source of new military members. New opportunities and relationships throughout the military community continue to be sought.

Slide 3 –

937 Naval Club Members came over to the Club in 2021.

As September 2026 draws ever closer, the Membership Committee is acutely aware of the potential impact on our subscription revenue and the Membership team have already started preparing for the Naval Club renewals.

Based on the usage data to hand, it is expected only a small portion of this number will renew from September 2026. To that end, a reception and presentation evening for Naval Club members were held in order to highlight the benefits of Club membership. It is estimated that between 100 to 200 members will be renewed.

All the necessary information will be provided to Naval Club members on the lead up to September 2026 and they are invited to ask any questions they may have to the membership team.

Slide 4 –

The demographic of the Club membership in 2024 is shown on slide 4. Currently we remain on track to not only match but exceed the figures in the left-hand column.

Slide 5 -

I would like to highlight the work done by the Membership team. The team consists of the Committee and of course the Membership Team in the office. Each member of the committee has responsibility for different aspects of recruitment and retention.

He handed over to the CEO.

The Chairman of the Membership Committee slides are attached to these Minutes. ()*

d) CEO's Report

Ms Sara Kent, CEO, thanked the members for being their attendance and support and reflected on the past year — a year in which the Club has enjoyed financial stability, maintained its membership levels, and continued to move forward, albeit cautiously, on several important initiatives.

As reported by the respective Committee Chairs, the Club has recorded a healthy surplus this year. Some may be surprised at the size of this surplus, but it is the result of a deliberate policy: every project was approached with prudence, care, and due diligence

The previous year, member focus groups were held and since then, professional suppliers and advisors have been consulted. One clear learning has been the sharp increase in the cost of doing any significant work which has informed the slow, steady, and considered approach to avoid starting a project, only to see costs spiral beyond control.

The working group has been diligent in selecting the right partners — those who understand the Club's values and will deliver quality and value for money.

As the Head of Finance reported, the intention is to invest around **£3 million** in the Club's infrastructure over the coming years. This has understandably prompted questions — particularly about the Club reserves. Miss Kent sought to reassure Members in that there is no plan to deplete them. A prudent "war chest" must remain in place to safeguard against the unexpected. The capital improvements will be **phased**, and will be funded **year by year from retained earnings**, with only limited, strategic use of reserves where absolutely necessary.

One of the key areas of investment is the much needed refurbishment of bedrooms. Work was currently underway on two rooms — one on the fifth floor and one on the seventh. These pilot refurbishments will include new bathrooms and one of the three design schemes previewed at last year's AGM. This served two important purposes: **first**, it allows to understand the practical challenges, particularly regarding plumbing, and **secondly**, it gives members a chance to experience and comment on the new design direction before a wider roll out.

The final plans for a new in-house facility will be shared hopefully in the coming months.

While the major refurbishment had experienced some delays, headway had been made on several smaller but impactful capital projects:

- **The Pall Mall Room**, one of the Club's most heavily used and iconic spaces, will be refreshed this August. Though it may seem not so long ago that the Pall Mall Room was refurbished, the décor and carpet were now showing their age. The new design will be centred around the three splendid paintings that give the room its character, and the work will start in August and be completed by September.
- Responding to the member surveys in 2024 and growing demand for private business space, three soundproof business pods will be installed in the **James Cook Library** this summer, easing pressure on the Business Centre and better serving existing and prospective members. *Post meeting note: the James Cook Library was renamed the Dolphin Room.*
- The **Drawing Room** has presented some unique challenges. It is a cherished space, central to the quiet enjoyment of the Club. The plan is to restore one half of the room to its former glory, as it was when it was the Ladies' Drawing Room', while the other half will remain adaptable for functions. That said, the doors will still need to open to accommodate some lunches and dinners and for pre-drinks for Club and Regimental Dinners taking place taking place in the Pall Mall Room.

On the digital front, the Senior Team has been progressing plans for a **new website**. In January, members were invited to share their views in a survey — and over 20% of you responded, which is a clear sign of engagement and interest. The Club was now in the final stages of appointing a design partner, and work will begin behind the scenes soon. The goal was to **launch the new website in early 2026**.

One of the ongoing challenges faced by the team was **navigating differing expectations** among members. It is important to remain thoughtful, cautious, and respectful — balancing tradition with progress.

On a more ceremonial note, the Board had approved the **artist** for the commissioning of a **Portrait of His Majesty The King**. We await final approval from the Palace and hope the portrait will be in place by late autumn. This is part of a broader effort to maintain the Club's

legacy while modernising its infrastructure — including ongoing **security upgrades**. (Nicky Philips will be the artist and she will be painting from a photograph of the King in the uniform of Admiral of The Fleet.

Lastly, a brief update on **accessibility**. We currently have planning permission in place until March 2026 for the temporary ramp currently in place outside of the Club. This can be extended and likely will be. We also have permission for the permanent accessible ramp into the Club. It was the Board's intention to move forward with this as soon as possible. As the work will involve structural changes, the cost was estimated to be around **£40,000**.

The CEO added that everything carried out — every project, every improvement, every conversation behind the scenes — was done with one goal in mind: to make the member experience here the best it can be.

That means creating spaces that feel welcoming, running operations that are smooth and seamless, and above all, delivering a standard of service that reflects the values and traditions of the Club.

She also stated that she was proud that her team didn't take that responsibility lightly and understood that excellence isn't a one-off achievement — it's something they work hard for every day. Whether it's a quiet weekday morning or a packed event evening, they show up with professionalism, pride, and genuine care for what this Club represents.

This past year, meaningful progress has been made. New systems have been introduced to improve the operations, facilities have been upgraded to match modern expectations, and a strong emphasis has been placed on staff training — not just to maintain standards, but to raise them.

She concluded by stating: *"It has been a year of careful progress, always mindful of preserving what makes this Club special. We are in a strong position. The work ahead is significant, but we move forward with clarity, integrity, and deep respect for the institution we are all privileged to be part of. The year ahead will bring more improvements — some visible, some behind the scenes — all designed to enhance your experience as members. That includes better communication, more member-focused programming, and a continued investment in people, because great service starts with great staff who feel supported, empowered, and proud of what they do. At its heart, this Club has always been more than a building. It's a place where people feel a sense of belonging — where tradition meets progress, and where every detail, large or small, reflects the care we put into preserving that balance."*

She handed back to the Chairman.

The CEO's slides are attached to these Minutes.()*

6) Resolution for re-appointment of the Auditors

Major Stephen Simmons proposed the Resolution for the re-appointment of the Club Auditors – Moore Kingston Smith LLP – for another year and Mr Andrew Macdonald member seconded.

- 243 in favour by proxy
- 2 abstentions by proxy
- 4 against by proxy
- None of those present voted against by show of hands

The Auditors were duly re-appointed for another year.

7) Ordinary Resolution

The Board put the following Ordinary Resolution to the AGM:

“that the appointment of Rear-Admiral Jon Westbrook CBE as a Club Trustee be continued for a further period until the AGM in 2026.”

Mr James reported that the votes by proxy were as follows

- 239 in favour by proxy
- 6 abstentions by proxy
- 1 against by proxy
- None of those present voted against by show of hands

The extension of the appointment of Rear-Admiral Jon Westbrook as a Club Trustee until the AGM 2026 was duly ratified.

8) Any other competent business

The Chairman asked Members if they had any other competent business which they wanted to raise before the meeting was closed.

Sir Geoffrey Smith sought reassurance on the plans to remove the temporary access ramp in the best possible delays. The Chairman confirmed that the Board was keen to install a permanent access ramp and permission had been granted in accordance with the drawings submitted. This would include as well as the reconfiguration of the Club entrance.

Westminster City Council had been very helpful in recognising the needs of the Club for a fuller accessible entrance.

Mr Richard Ives was pleased to hear the Chairman’s report about dress code and behaviour as he had written to the CEO and was grateful for her encouraging reply. He added that at the Honourable Artillery Company, large notices were in prominent display about their expected dress code, member and guest behaviour, mobile phone use and that bags and coats should be kept in the cloakroom. He suggested the RAG should do the same. The Chairman acknowledged this was an issue the Board and the executive team were aware of and he supported the idea of more noticeable posters on these important matters.

Mrs Nina Bowater recounted a day where she had invited guests in the Coffee Room and two of them had worn the “wrong kind of trousers” and whilst the staff tried their best to handle the situation, she felt very embarrassed. She warned that whilst it is important for dress standards to be observed, it is also important for guests to feel welcome. The Chairman agreed with her sentiment and stated that the staff always pride themselves on ensuring that the Club is a home from home for members and their guests but there is to be mutual respect to ensure the balance is maintained and the standards are observed.

Mrs Jane Langford echoed what the Chairman said and emphasised that it was members responsibilities to ensure that their guests followed the dress code and that she would fully support the Board as it was an honour to be a member. She also added bringing guests in is a moment of pride to show one’s Club and members can hope that their guests might also join the Club. However, she told about the time she had brought a guest in at breakfast having impressed upon him about the importance of dress code. She had felt quite embarrassed that whilst her guest was dressed impeccably, other guests were seen not observing the dress code, with one even wearing a baseball cap at the breakfast table. Following that, her guest decided not to join the Club.

Major Stephen Simmons agreed with the previous two members and felt astounded that all members have been told about the dress code and yet, they chose to ignore and to brief their guests accordingly with utter contempt. He added that he found this kind of behaviour quite offensive and he feared that this will lead to resignations. That is why he sought reassurance from the Board that they were going to police this. The Chairman replied that additional notices would be displayed, a further notification would be placed in the next Newsletter and he added that people who are not adhering to the rules could be asked to leave.

Commander Andrew Martin enquired if it was the responsibility of the staff to police the dress code as he gave an example of coming back to the Club and observing a young couple sitting on one of the benches outside wearing tee shirts. The CEO replied that whilst the staff are trained to recognise incorrect dress, they do not all find easy to address a member about their guests (especially junior staff), as very often, the members get upset. For this reason, it was important that members briefed their guests before they arrive at the Club. She also reminded members that the dress code applied in the public rooms and so it was not unusual to see a member coming back from a run walking across the entrance hall wearing shorts on the way to their bedroom. However, she was hoping that with further training, members would start seeing an improvement.

Professor Caroline Gatrell, Club Trustee, wished to recognise and acknowledge the commitment and achievement of the Board, the CEO and her staff for the healthy surplus members can see once again this year. It was particularly encouraging to see after many years when the Club struggled financially. The Chairman thanked Professor Gatrell for her kind comments.

Captain Michael Forbes-Smith reported that having been a member since 1973, he confirmed that standards had much improved since then and he agreed that should continue. He wondered what was the policy about block booking accommodation as he had noticed that it had become more difficult to book accommodation with 2 weeks' notice. The CEO clarified that she was not aware of but she would ask the staff to monitor the situation. He then added that he was delighted to hear of the commission of the King's Portrait and hoped that once ready it would be displayed in the front hall, perhaps with the portrait of the late Queen, adding that it would be marvelous if the portrait of Queen Victoria could be returned to the Front Hall. The Chairman replied that he was still corresponding with the office of His Majesty and hoped that permission for the portrait would be granted. He reported that one of the longer-term projects was the reconfiguration of the ground floor to offer better utilisation of the space available and therefore the locations of these portraits would be an important part of the plan. Finally, he asked if the framed text describing the story of the Kudu about the staircase could be resurrected as he felt the Kudu was a great treasure of the Club and it was important to know its story. The CEO would speak to the Collections Manager about the return of the text.

Mrs Emma Cobb (a former member of the Naval Club) first of all stated that she and her husband fully intended to renew their subscriptions to paying joint membership. She sought clarity as to why as joint members the details of the RAG card can only be in the name of one person (in their case, her husband) which means that if she wants to make a bedroom reservation or an event booking online, at the checkout, their RAG card is greyed out. The only other option is to settle by bank card. It would be very helpful at this point if the system could save their card details without having to fill in the card details every time. However, it seems that because they have a joint account, this is not possible without a code being sent to her husband's mobile phone. The CEO acknowledged that it was a tedious process and apologised. She advised Mrs Cobb to speak to the Mr Tim Smart, the Member Relations

Manager who was in contact with Millennia to ensure that a solution for better checkout transactions is found.

The Chairman wished to record the Club's congratulations on the appointments by His Majesty The King to the rank of Field Marshal to two long standing RAG Members - Lord David Richards and Lord Nick Houghton on 14th June 2025.

There being no other business, the Chairman closed the meeting at 12.35 and invited Members to the Buffet Lunch in the Drawing Room.