

Minutes of the CGLMC Ltd Finance Committee Meeting held in the Boardroom, Links House on Monday 25th November 2019

Present: G Murray (Finance Convenor), P Sawers (Chairman), K Fraser, J McLeish, A McColgan

Attendees: M Wells (Chief Executive), A Simpson (Deputy Chief Executive), D McDonald (Finance Manager), Staci King (Financial Analyst)

Meeting began at 1730 hours.

1. Apologies

C Yule, T Healey, D Cheape, M Armstrong

2. Declarations of Interest

P Sawers, G Murray, A McColgan, K Fraser & J McLeish declared an interest in the VIP Scheme.

3. Executive Report

The Deputy Chief Executive summarised the key points of his report with an incredibly positive overall message. The key budget movements were discussed with a view on how these budgets are handled going forward.

4. Management Accounts

The Deputy Chief Executive summarised the management accounts and welcomed any questions from the finance sub-committee.

(4.1) October 2019

The Finance sub-committee drew attention to the F&B gross margin and discussions were had around this. The executive remained confident with the position and quality of goods offered.

(4.2) October 2019 YTD

(4.3) Forecast to 31st Mar 2020

No questions were raised concerning the YTD or Year End Forecast.

(4.4) Overhead Narrative to Mar 2020

The Finance sub-committee enquired about HSE, to which the executive gave updates of the HSE controls and training.

5. Decision Papers

(5.1) Greens Equipment Strategy

The Deputy Chief Executive detailed various strategies for the Greens CAPEX program and concluded that moving to an operating lease funding model was the most effective way to structure the program. After detailed discussions, the Finance sub-committee approved this recommendation to go to full board and made recognition to the progress so far.

(5.2) STH Pricing 2020/21

The Deputy Chief Executive presented a paper proposing an increased Season Ticket price for 2020/21 to all adult tickets. The executive proffered that all junior, juvenile & young person Season Ticket prices remain in line with 2019/20 prices as a continued effort to make golf accessible. The Finance sub-committee agreed the 2020/21 price proposal. All recommendations will go to full board on 9th December for final approval.

(5.3) 2021 Open Week Visitor Times

The Deputy Chief Executive outlined a paper demonstrating the potential loss in revenue that the course closure at St Andrews 2021 may carry, based on historical data. The executive brought forward a proposal to re-coup a substantial proportion of income by making the Championship course exclusive to visitors during the week of the 2021 St Andrews Open, in-line with what took place in 2015. Options were explored between the Finance sub-committee and the decision was made that good governance would be to de-risk probable loss of revenue which is required to ensure financial stability within the 2021/22 financial year. The Finance sub-committee agreed to take the proposal forward to full board with the addition of a communications piece.

(5.4) VIP Scheme

The Deputy Chief Executive sought approval to remove the VIP Scheme as of 31st March 2020 and replace this with an increased discount in the Pro Shop rising from 10% - 25%. This enhancement would be available to all Season Ticket Holders. The Finance sub-committee approved this added benefit.

(5.5) Junior Guest Rounds

The Deputy Chief Executive offered a decision paper to allow Juvenile and Junior Season Ticket Holders to take guests onto the course from 1st April 2020 with a 50% reduced guest rate. The Finance sub-committee approved this proposal and requested that Golf Development review any Junior/Juvenile restrictions.

(5.6) Surveillance Cameras

The Deputy Chief Executive presented a decision paper concerning the purchase of a further security surveillance system and an overview of the proposals received. The executive recommended proceeding with the Nova Alarm proposal. The Finance sub-committee approved that this proposal was affordable and can be proposed to the full board.

6. Any Other Competent Business

None.

There being no other business the meeting closed at 1950 hours.