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**Minutes of the CGLMC Ltd Finance Committee Meeting held in the Boardroom, Links House on Monday 2nd March 2020**

**Present:** G Murray (Finance Convenor), P Sawers (Chairman), C Yule, K Fraser, J McLeish, D Cheape, M Armstrong

**Attendees:** M Wells (Chief Executive), A Simpson (Deputy Chief Executive)

Meeting began at 1730 hours.

1. **Apologies**

T Healey, A McColgan

1. **Declarations of Interest**

The Finance convener declared he had a conflict of interest with regards to agenda point 5.3 contained within the agenda.

1. **Executive Report**

The Deputy Chief Executive provided a high-level summary of his report, highlighting key areas relating to monthly and forecasted year-end results.

The sub-committee asked a variety of questions of the Deputy Chief Executive on his report, which were subject to detailed discussions. The main points and actions from these discussions are captured below;

1. A conversation was had regarding the accuracy of footfall segmentation, which resulted in the executive clarifying the organisations method of capturing customer information. While there is a small margin for incorrect customer profiling, it was accepted that the footfall numbers were sufficiently robust, but that improvements on customer information gathering were an action for the staff going forward. This conversation was largely around Rookery customers, as golf and pro shop customers are more easily identified as golfers/non-golfers.
2. The sub-committee asked the executive to consider means of re-invigorating the innovations fund and encourage ideas. The executive indicated that take-up had not been as good as desired and would look at ways to promote this with more success in future years.
3. The executive updated the sub-committee on the current status of Links House and final completion and highlighted the cash allocation that had been budgeted for 2020/21 to account for this.

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1. The Deputy Chief Executive appraised the sub-committee with details of the re-negotiated RBS facility, which had moved to a 7-year re-payment term with a facility to make full payment at any time with no additional fee. He confirmed the amount of the facility.
2. **Management Accounts**

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

The sub-committee discussed in detail the content and presentation of the accounts and the executive agreed to make some formatting changes to the layout of the ‘Overheads Analysis’.

1. **Decision Papers**

(5.1) Budget 2020/21

The Deputy Chief Executive presented his budget for the 2020/2021 financial year, summarising the methodology embedded to calculate how effective the organisation is at generating cash from footfall (our main business driver) and how understanding the individual cash footprint of our customers provides the means to accurately forecast the business status on a daily basis.

The points below reflect key areas of discussion during the presentation of the budget;

1. The Deputy Chief Executive provided information around staffing numbers, including staff personnel adjustments and proposed companywide salary movements.
2. The Deputy Chief Executive summarised the proposed CAPEX programme for 2020/21 providing further detail and justification on proposed large capital investment projects.
3. The Chief Executive answered questions around the proposed budget for licencing intellectual property, specifically referring to building the organisations value proposition for strategic partners, merchandising and other future diversified business streams.
4. The Deputy Chief Executive clarified contractual obligations and operational expenditure with regards to the Golf Simulators.
5. After discussion, it was agreed that the executive would look to clarify with OSCR their view on CGLMC having a Social committee, events budget and staff Health & Wellbeing budget with funds aimed at staff engagement.
6. The sub-committee asked for CGLMC’s policy on Staff Accommodation to be sent to the sub-committee, which was agreed.

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1. It was asked that where possible, the Marketing & Communications budget be monitored for impact and a report produced in due course to consider results of increased marketing and communications expenditure.
2. Discussion was had regarding the current operating model for The Rookery. It was agreed that the current model is successful and that continued improvements should be made where possible to optimise this area of the business on a cash and customer experience level. It was agreed that optimisation means the customer experience is commensurate with other CGLMC facilities and The Rookery revenue and profit performance was consistent with peer group market performance.

After detailed discussions, the Finance sub-committee approved the Deputy Chief Executives budget recommendation and asked it to proceed to full board for final approval. The sub-committee thanked the Deputy Chief Executive and finance team for preparing the budget and made recognition of the way it was presented.

(5.2) Green Fees 2021/22

The Deputy Chief Executive presented a paper proposing Green Fees for the 2021/2022 season, which were approved by the sub-committee. All recommendations will go to full board on 16th March for final approval.

(5.3) Tabled ‘Paper’

The sub-committee approved expenditure of £5000.00 on work relating to this subject .

**6. Any Other Competent Business**

The Deputy Chief Executive provided the sub-committee with a situation update in relation to recent Coronavirus (COVID-19) outbreak, including;

1. The executive has produced internal policy documents for all Heads of Departments and staff, including daily situation updates covering all aspects of the outbreak and how to deal with situations that may arise. M Armstrong asked that the policy include a scenario for executive team members being quarantined, which was agreed.
2. The global reaction to the outbreak may trigger a downturn in confidence over international travel. To mitigate risk from this potential impact, the executive has produced a disaster recovery plan, including a worst-case cash position for Carnoustie Golf Links. This model has provided confidence that the organisation is positioned appropriately to deal with a large-scale reduction in cash income. The sub-committee members discussed the dynamic nature of the outbreak and the organisations position on refunds. The executive confirmed that as part of the disaster recovery plan all factors were being considered, including peer group reviews.

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The Trustees thanked the executive for the update and for the measures that had been put in place to deal with any eventuality.

There being no other business the meeting closed at 2030 hours.