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**Minutes of the CGLMC Ltd Finance Committee Meeting held in the Boardroom, Links House on Monday 16th November 2020**

**Present:** G Murray (Finance Convenor), P Sawers (Chairperson), C Yule, J McLeish, D Cheape, K Fraser, A McColgan

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

Meeting began at 1730 hours.

1. **Apologies**

M Armstrong

1. **Declarations of Interest**

None.

1. **FD Executive Report**

The Deputy Chief Executive summarised the 7 months to October 2020, commenting that they had been, without question, the most challenging of environments for all business in the Hospitality and Leisure sector, with more than double the amount of businesses reported to have closed for the final time during this period. CGLMC’s careful and methodical approach to COVID-19 has resulted thus far, in a sustained approach to risk mitigate from its rescheduling of golfers, business right sizing, continual adaptation of commercials and its protection and support to its staff, season ticket holders and its visitors.

**Results to October 2020**

The Deputy Chief Executive continued to update the sub-committee on results to October 2020, caveating that comparison was limited given the unprecedented circumstances, comfort could be taken in the success of the strategic plan the organisation had conceived and followed, underpinned by the organisations understanding and management of the situation.

He confirmed that the revised revenue budget created for COVID to October was £1.3m with actual revenue coming in at £1.4m. The main drivers were increased footfall in the Rookery due to the safe environment created by the team and a successful marketing campaign (£28k), Merchandise sales were up £20k, thanks to the golf ball strategy and the increase visiting golfers and visitor golfing revenues up £50k on forecast.

**Forecasted results to March 2021**

Revenues will remain favourable to the revised budget through to March 2021 (+£20k)

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Overheads also remain favourable to the revised budget (103k).

Furlough in all its iterations has provided financial support to the business over the Summer and will be furthered with utilisation of the revised government furlough scheme through to March 2021.

There were several questions asked by trustees, including

* D Cheape asked for clarification on the expected gain on sale of assets as part of the green’s equipment sale. The Deputy Chief Executive clarified the company’s depreciation policy and that the change did not affect the cash position of the transaction D Cheape also asked for clarification on furloughing and that Seagreen monies were included in the forecasted results. Both of which were confirmed
* D Cheape asked if consideration had been given to pursuing the government CIBLS loan facility to pay off the RBS facility, but it was confirmed that RBS terms were more favourable
* D Cheape enquired regarding the workforce planning measures which was reported as now being concluded. He also enquired regarding scenarios should market conditions fail to improve. The Deputy Chief Executive outlined a variety of additional measures that could be taken, including headroom within variable overhead for 2021 commitments that could still be flexed if necessary and additional workforce planning measures.
* A McColgan questioned whether The Rookery and Pro-Shop should be subject to deeper cuts in case economic conditions declined further. This was discussed and agreed that enough consolidating of resource and commitment had been made to reflect the current strategic financial model and certainties, rather than unknown’s, aligned to deliver against expectations and bounce back ability
* **COVID Recovery Plan through to March 2022**

The Deputy Chief Executive continued his report by detailing milestones on the recovery plan which has now moved its focus and timeframe out to March 2022, proposing this was as an important indicator and point of reference in terms of where our cash balance needs to be to protect the long-term sustainability and bounce back ability of the organisation.

The Deputy Chief Executive confirmed that as a result of the strategic timeframe moving out and continued uncertainty over economic conditions, CGLMC had now invoked several workforce planning measures across the organisation. Additionally, the organisation has reviewed and made more favourable its Terms and Conditions of sale to better reflect the needs of the customer, encouraging confidence when booking and to promote earlier engagement.

**CBILS Update**

The Deputy Chief Executive updated the board on this matter

1. **Market Confidence and Forward Booking**

The Deputy Chief Executive summarised the board paper which highlighted the organisations current status against net new bookings for 2021, market feedback,

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timeframes and markers for 2021 sales strategies and what contingency strategies are in place should international business not materialise in 2021.

Current status of advance bookings confirmed that the organisation remained within a safe operating window between the upper and lower net new business target.

The trustees acknowledged the contents of the paper.

A McColgan enquired how engagements with customers would change next year in comparison to this year. The Deputy Chief Executive validated that the strategy looked to avoid any unnecessary short selling of the brand and this would be reviewed again in January, but that domestic sales campaigns had been designed should they be required.

**5. Management Accounts**

The trustees reviewed the management accounts as presented.

D Cheape asked for clarification on the exceptional spend which the Deputy Chief Executive clarified.

**6. Decision Papers**

**6.1 STH Prices 2021/22**

The trustees discussed the paper which provided context around the recommendations for Season Ticket Holder (STH) prices for 2021/2022.

The trustees agreed the prices for 2021/2022, which also took account of various disruptions to golf access over the 2020 season. It was also agreed that the executive would return the proposed STH communication to the board, prior to releasing prices. The proposed communication is to be included in the full-board meeting agenda on the 7th December for approval.

**6.2 Tournament Prices 2021**

The decision paper regarding tournament prices for 2021 was approved by the sub-committee and will be taken to full board on the 7th December.

**7. Budget Process**

The Deputy Chief Executive asked for the sub-committee’s feedback on any assumptions that they would like to be considered when designing the budget for next year,

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* D Cheape suggested that it needed to reflect sustainability through best and worst case scenarios

The executive agreed to include this within the design of the budget.

**8. Any Other Competent Business**

K Fraser asked if the audited accounts were available. The Deputy Chief Executive clarified that there had been a delay from the auditors in getting this back due to the pandemic. He confirmed that the deadline for submission had been extended. To date, two items had been flagged by the auditors, including;

* The organisations process regarding the documenting of delivery notes (which has been challenged by CGLMC)
* Historically, we have not reported on pension liabilities and this would be required going forward

There being no other business the meeting closed at 1840 hours.