

**Minutes of the CGLMC Ltd Finance Committee Meeting held via Zoom Conference Facility,  
on Monday 26<sup>th</sup> July 2021**

**Present:** G Murray (Finance Convenor), C Yule (Chair), I Frier, A McColgan, D Cavellini, D Cheape

**Attendees:** M Wells (Chief Executive), A Simpson (Finance Director), S Laird (Finance Controller)

Meeting began at 1730 hours.

**1. Apologies**

P Sawers, K Fraser, M Armstrong

**1. Declaration of Interest**

None.

**3. Introduction**

The Finance Director introduced Simon Laird, Finance Controller, to the Finance sub-committee. He added that S Laird had only started in the role 2 weeks prior so would be more involved in the upcoming Finance meeting in August.

**4. Decision Paper – Course Irrigation**

The Finance Director introduced the course irrigation decision paper, which provide the sub-committee on the background to the project, including the tendering process that had been carried out as part of the greenkeeping equipment and irrigation tender, won by Rainbird and John Deere. He explained that in addition to the main tender, that Rainbird had carried out a further tender process for the design and installation of the irrigation system, and Adrian Mortram was selected for the design and MJ Abbotts for the installation (Both are regarded as best in class in the golf industry).

The Finance Director recommended that a phased approached should be adopted for the project and the first phases would include the pump house, storage tanks and Championship course, followed by Burnside, Buddon and Nestie courses in the later phases.

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The Finance Director explained that there was a variation in cost from initial estimates during the tendering stage, due primarily to the recommendation to install new (deeper) boreholes to improve water quality, a dual pump house installation and cost increases in materials driven by supply and demand issues created by the Covid pandemic. These material costs are, in the main pipework. He also outlined the funding models that had been investigated prior to recommending to the board.

The Finance sub-committee raised various questions on funding, including a discussion over self-funding against financing. The trustees also asked for further information around costs and commitments required from CGLMC over phases to be undertaken in the future.

While there were several lines of enquire around the different methods of financing, the trustees were all in agreement of the executive's recommendation that irrigation was critical to the standard of the courses at Carnoustie and as a red item on the risk register, needed to be dealt with.

After discussion, the Finance sub-committee approved to recommend the course irrigation decision paper to the full board with the following caveats;

- CGLMC would retain the ability to benchmark future market rates for pipework against costs provided from the contractor.
- As and when financial revenues improve, there will be flexibility and provision within the agreement to reduce debt levels, when deemed affordable to do so.

## **5. Draft Statutory Accounts 2020**

The Finance Director stated that all the comments and feedback from the previous draft version of the statutory accounts were now reflected in the final draft supplied to the sub-committee. He explained that these accounts were officially late from the auditors due to Covid and they sent their apologies for this.

The Finance sub-committee approved to recommend the draft statutory accounts 2020 to the full board.

## **6. General Expenditure Including Future Capital Investment plan**

The Chief Executive summarised his intention to produce a 5 to 10 year first draft capital investment programme of the organisation. He provided examples of various upgrades that were required (in addition to irrigation already discussed) for such items such as bridges, the road alongside the Burnside, Barry Burn wall, shelters, fences, contractors compound, toilets and practice facilities etc.

It was agreed that a future projects paper highlighting anticipated expenditure and priorities should be brought to the board where it can be discussed further.

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**7. Any Further Competent Business**

There were no items.

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