

Minutes of the CGLMC Ltd Interim Full Board Meeting Held via Video Link on Tuesday 4th August 2021

Present: C Yule (Chairman), I Frier, L Gordon, M Armstrong, G Murray, E Davie, J McLeish, K Daly, A McColgan, K Fraser, P Sawers, D Cavellini, B Myles

In Attendance: M Wells (Chief Executive), A Simpson (Deputy Chief Executive), Craig Boath (Links Superintendent)

The meeting began at 1733 hours.

1. Apologies

D Cheape, A McCartney

2. Declaration of Interest

M Armstrong declared an interest in agenda item 5 and would leave the meeting at that point.

3. Draft Statutory Accounts 2020

The Chairman stated that all the comments and feedback from the previous draft version of the statutory accounts were now reflected in the final draft which had been supplied to the Finance sub-committee and was now recommended to the full board. He drew the board's attention to the Trustee's Report on page 13 and Directors Report on page 42 which requires approval of the board before being signed off.

The trustees approved:

i) the draft statutory accounts 2020 for sign off

Proposed: P Sawers

Seconded: G Murray

4. Decision Paper – Course Irrigation

The Chairman explained that there were two parts to this decision paper, the requirement of the irrigation system to be upgraded and the financial funding of this. The Links Superintendent covered the background and reiterated it was a priority for the system to be upgraded. The trustees then asked several questions relating to the proposed project, including.

- Clarification on the burnside and Buddon course installations and any effect on water supplies because of the changeover. The Links Superintendent clarified that the Burnside and Buddon would continue to feed-off a separate water supply while the Championship system is upgraded
- A trustee asked regarding licencing relating to water extraction. It was confirmed that SEPA have been involved in the reporting and feasibility studies relating to the project and have confirmed their requirements which allow the project to progress
- A trustee asked about any potential impacts on surrounding water courses or availability. It was highlighted that the hydrologist reports had also mitigated any risks to surrounding areas, as well as identifying the likely improvement of water quality available from the aquifer to be used
- A trustee asked if consideration had been given to potential staff savings from the project. The executive confirmed that this would not present any staff savings at this stage

The Chairman reminded the board that the Finance sub-committee recommended the course irrigation for approval with the caveat of the following;

- 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.

The Deputy Chief Executive covered the financial funding where he explained that a phased approach 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. He explained that as 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 trustees approved:

- i) the Course Irrigation works, and financing as set out in the decision paper

The Chief Executive explained that Angus Council had been made aware of this proposal and the executive were waiting for their approval (as it was used to propose external financing for the project). No issues are expected in this regard.

Sederunt: M Armstrong left the meeting at 1800 hours.

5. Item 5 is covered within a confidential minute.

6. Any Other Competent Business

CIBILS Loan Scheme

The Deputy Chief Executive asked for board approval for the draw down of the RBS CIBILS loan scheme, as this was a condition that an updated and relevant minute noted their approval at the time of the drawdown.

The trustees approved:

- i) the RBS CIBILS loan be drawn down

Nestie Course

A trustee asked the Links Superintendent for confirmation that the Nestie was a designated golf course and not for golfers practicing their chipping. The Links Superintendent confirmed this and added that signage will be put out to stop this happening after the Women's Open. Also, this will be communicated to Season Ticket Holders.

There being no further matters the meeting closed at 1825hours.