



ANNUAL REPORT AND ACCOUNTS
2023

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ABOUT US

St Andrews Links Trust (“The Trust”) was formed by the St Andrews Links Order Confirmation Act 1974 (“The Act”), enacted by the UK Parliament to vest responsibility for the control and management of the golf courses in St Andrews.

The Trust’s principal purpose, as stated in the Act, is to “hold and maintain the Links as a public park and place of public resort and recreation for the residents of St Andrews and others resorting thereto”.

The Trust is also a charity, registered with the Office of the Scottish Charity Regulator (OSCR). Its charitable purpose is stated as “The advancement of public participation in sport. The provision of Recreational facilities, or the organisation of recreational facilities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended.”

The Trust is a global organisation, headquartered in St Andrews, Scotland, with responsibility for managing the largest public golf complex in Europe. This complex includes the world famous Old Course, together with 6 other facilities, including the challenging Jubilee championship course which was host to the inaugural US collegiate event held in October 2023.

Acknowledging the principle purpose as stated within the Act, the Trustees aim to balance the access provided for local residents of St Andrews, with access to the general public. Access however is only one component of the Trust’s purpose. The Trust must also provide a range of quality amenities, and must do so with a commercial return to enable the Trust to hold and maintain its operations, through continuous re-investment of any operating surpluses.

2023 Overview

2023 has been a successful year for the Trust. In common with golf sector trends domestically and internationally, and despite being the wettest year in Trust history, the organisation has experienced a significant increase in both customer footfall, and earnings. This has enabled the Trust to strengthen the balance sheet, in line with strategy, and indeed has now recovered the liquidity losses suffered during the Covid years. This will allow the business to not only safeguard the activities of the Trust, in accordance with the Act, but also to further enhance the quality of facilities through much needed capital investment.

The investment priorities are summarised later in this report, and include the Academy, the Castle Course and facilities, the Links Clubhouse, sustainability initiatives and a multi-year, multi-million pound programme to upgrade the Trust irrigation infrastructure. As noted within this report, the investment programme has commenced in early 2024, with the purchase of additional land adjoining the Strathtyrum, at a cost of £3.5M. This is an important part of the Trust sustainability strategy.

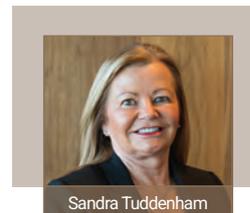
As mentioned above, golf course access is a key strategic item for the Trust, and given the significant uplift in visitor demand, the Trust established an internal working group in early 2023 to review the current and anticipated risks and opportunities to the question of golf access. This analysis has also been supported by the insights provided by the recent ticket holder survey which was launched in early 2024. The activity of the working group continues, and further news in this area is expected later in the year.

We hope you find the contents of the 2023 Annual Report and Accounts useful, and we thank all customers, Trustees and committee members, staff and corporate partners for their continued support to the activities of St Andrews Links Trust.



CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023



Strong performance in 2023 restored the financial health of the Trust, rebuilding cash reserves to mitigate future negative impacts and paving the way for major investment plans across the estate.

The mark of a strong organisation is in its ability to deal with adversity and as the publication of these financial results show, the Links Trust has recovered its financial position following a strong financial performance in 2023.

This significant financial recovery is testament to the commitment of the Trust's executive leadership team and staff, the support of yearly ticketholders both local and international, the many commercial partners and suppliers of the Trust and the incredible contribution from customers and visitors who remain loyal supporters of the Home of Golf.

The demand experienced at St Andrews Links was unprecedented, but was firmly in line with the general increase in golf activity reported in the UK and globally in 2023. The number of rounds played across all courses grew by 11% on the previous year with golf income increasing by 35% to £24.4M, significantly underpinning financial performance across the year. The increased golf activity in turn positively impacted the retail and hospitality operations with both returning double digit revenue growth.

The financial outcome has been a growth in the net income to £11.5M, and a two-fold increase in net cash levels to exceed the levels set out in the general reserves policy. As a result, the Links Trust has also been able to settle in full all external term debt that was put in place in 2020 during Covid.

With increased business comes additional challenges and both the Board of Trustees and Links Management Committee are cognisant of the impact on access to golf courses. This is particularly prevalent for yearly ticketholders where we have seen increased levels of demand and play in recent years. As stated within the St Andrews Links Order Confirmation Act 1974, the Trustees have a responsibility to "maintain the Links as a public park and place of public resort and recreation, for the residents of the town of St Andrews and others resorting thereto." The Trustees are fully aware of this responsibility, and as demonstrated recently with the provision and communication of additional ticket holder tee times commencing in 2024. However, there is more to be done here and we expect to be in a position to share some positive progress in this area later in 2024.

The financial vision of the Trust is to operate sustainably, generating a surplus, which will be invested into infrastructure, resources and innovation, to protect the Links and to support the enhancement of the experience and renown of the Home of Golf.

The strong financial performance outlined in these results, following a positive 2022, places the Trust in a healthy position to revisit previous investment plans and explore new infrastructure investment to improve the customer experience at St Andrews Links for all who wish to use our facilities. Ageing infrastructure, increased competition both domestically and internationally and escalating threats

from the natural environment such as coastal erosion and changing climate highlight the need for continual investment in the Home of Golf.

The Board of Trustees look forward to working with the executive team at the Links Trust to positively engage with our stakeholders and deliver investment appropriate to the world's premier golf venue. Further information on this is included within the Trustees Strategic Report.

In order to deliver the ambitious investment plans, whilst ensuring the Trust continues to operate sustainably, the board recognises the importance of recruiting and retaining high calibre individuals befitting an organisation of this nature. As highlighted within the people section of the report, the Trust has invested in new personnel in 2023, including the replacement of key executives that left the business during the Covid years, the strategic investment into digital and commercial functions, and the alignment of certain functional costs following an updated benchmarking exercise completed in 2022.

I would like to take this opportunity to pay tribute to Alison White, who served as Chair of the Links Management Committee from 2022 to 2023 having been appointed in 2016. Alison sadly passed away in November 2023 following a short illness. Her contribution to St Andrews Links Trust and the game of golf in St Andrews and beyond cannot be understated and she was a hugely respected and valued contributor to the Trust.

In 2023 Mark Dobell ended his tenure as Chair of Trustees having served on the Board since 2018. Alan Frizzell also finished his tenure as a Trustee having served on the Board since 2018. I would like to thank Mark and Alan for their commitment and contribution to St Andrews Links over six years of involvement.

Jim Leishman also stepped down from the board during 2023 after 11 years as a Trustee of the board. I would like to thank Jim for his contribution to the Trust during his tenure. Jim was replaced on the board by Colin Davidson.

Neil Donaldson joined the Board of Trustees in 2023 but stepped down in May following his appointment as Captain of the Royal & Ancient Golf Club of St Andrews. We wish Neil well in his year of captaincy and thank his replacement, Paul Daly, for joining the Board midway through the year.

I would like to place on record our thanks for all those who have served on the Board of Trustees and Links Management Committee.

Sandra Tuddenham
Chair of Trustees

24 May 2024

TRUSTEES' STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The Trustees of the St Andrews Links Trust present their annual report and accounts on the affairs of the charity, together with the audited financial statements and auditors report, for the year ended 31 December 2023. This report is prepared in compliance with the Charities Accounts (Scotland) Regulations, 2006 (as amended), Financial Reporting Standard 102 (FRS102) and the Charities SORP (FRS102) (referred to as SORP).

Objectives and Activities

At the heart of St Andrews Links Trust's mission is the preservation of a heritage that is steeped in tradition and revered by golf enthusiasts worldwide. The historic links at St Andrews, known as the "Home of Golf," bear witness to the origins of the game and have been graced by the footsteps of legends.

The St Andrews Links Trust takes great pride in the meticulous care and maintenance of the courses under its purview. A team of dedicated professionals works tirelessly to create playing conditions that are nothing short of exceptional. From the rolling fairways to the manicured greens, every aspect of the links is tended to with precision and passion. This commitment to excellence ensures that players, both amateur and professional, have the opportunity to experience the game at its finest.

The Trust however extends its impact beyond the boundaries of the golf course, actively engaging with the local community, fostering a sense of belonging and shared purpose. Through educational programs, apprenticeships, and events, the Trust provides opportunities for individuals to connect with the sport of golf, contributing to the cultural and social fabric of St Andrews and its residents.

While deeply rooted in tradition, the Trust recognises the importance of adapting to the changing needs of the modern world. The Trust's forward-looking approach seeks to balance the preservation of history with the integration of innovative practices. By combining the timeless allure of St Andrews with contemporary amenities and offerings, the Trust ensures that the links remain a destination of choice for generations to come.

In addition to the golf courses the Trust operates three clubhouse facilities, a golf academy and custom fit facility, and four retail shops. The complex employs over 400 staff during the peak season months of the year, and wholly owns two trading subsidiaries within which the commercial, Intellectual Property and Retail operations of the business are managed.

As the Trust is a registered charity, all earnings are exempt from income and corporation taxes on its charitable activities. Trading activities which are considered to be out with the Trust's charitable purposes are carried out by subsidiary companies, and their profits are remitted to the Trust under Gift Aid arrangements.

Values

Our values are about us being a team of teams, making the unique happen, with unforgettable experiences. Within our values sit the behaviours we will collectively display to each other and our stakeholders; in doing so our values are genuine, we all understand them, and we all experience them.

- **Team of Teams** means at the Trust, everyone is made to feel part of the one team.
- **Making the unique happen** means caring for and adding to the renown, heritage and reputation of the Trust is everyone's responsibility.
- **Unforgettable Experiences** means ensuring that ambitions of everyone in the Trust's world are brought to life.

In adhering to our values, we will embody a person-centred culture at St Andrews Links Trust and this will remain at the heart of who we are, what we do and why we do it.



TRUSTEES' STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

Strategy and Vision

The Trust strategic objectives are set and managed within a three year strategic planning cycle, and the key components of the 2023-2025 strategy are shown on the table below;

| Strategic Pillar | Objective |
|------------------------|--|
| Experience | To consistently deliver memorable experiences with a personal touch, and we will use our global platform to inform, educate and inspire our audience. |
| People | To be the best employer we can be delivering great experiences for all our people. We will attract and retain the best talent because of how we recognise, develop, support, and reward people. Our values strengthen our culture creating a welcoming and inclusive workplace where people feel they belong and are inspired. |
| Commercial | We will explore commercial opportunities with partners and suppliers who can support the delivery of our strategic objectives and enhance the experience and renown of St Andrews. |
| Diversification | We will explore new products and services, and consider new markets, in order to diversify and grow our business and support achieving our strategic objectives. |
| Sustainability | We will operate sustainably, generating a surplus which we will invest into infrastructure, resources and innovation. |
| Philanthropy | We will offer a rewarding donor program allowing individuals to support Our Purpose, and identify opportunities for us to support the success of projects in our communities and those aligned to strategic objectives. |
| Finance | We will operate sustainably, generating a surplus, which we will invest into infrastructure, resources and innovation, to preserve the links and to support enhancement of the experience and renown of Home of Golf. |

Achievements and Performance

Throughout the past year, the organisation has undergone a significant transformation, transitioning from traditional work practices towards a more collaborative approach. The Trust has also continued to mature the long term strategy of the business, and the following is a summary of some of the key strategic deliverables in 2023.

In August 2023, the Trust welcomed Andrew Thomson as Director of Operations to the Leadership team. His appointment marked a significant milestone in the efforts to enhance the St Andrews experience. With oversight that includes essential departments such as retail, golf, technical services, greenkeeping, food and beverage, and health and safety. Andrew's responsibility is to establish and maintain a seamless and consistent St Andrews experience across all touchpoints, thereby elevating every interaction.

The appointment of our new Director of People, Scott Semple, in late 2022, reinforced the importance the Trustees and executive team places on the people agenda. 2023 was marked by meticulous planning, project implementation, and engagement events alongside the day-to-day People team responsibilities. The function also managed the Trust's exit from the Fife Local Government Pension Scheme. The Trust's commitment to nurturing both talent and leadership excellence was exemplified through the AGILE Leadership Development Programme, which was launched in November 2023. This program provides a platform for managers, team leaders, and executives to navigate the Leadership Roadmap, which aligns with the Trust values identified during the Culture Audit and Values Refresh project.

During 2023 the Trust successfully renewed the expiring agreements with both TSI and Allianz, and also expanded the commercial base with the addition of the new supplier agreements, namely TravisMathew and Bluewater.

The Trust already has a strong baseline for environmental practices such as the greenkeeping departments living landscape initiative which has facilitated the Trust being awarded a GEO certification. The Trust has won many awards for their land management, and indeed in March 2024 was awarded the Scottish Golf Tourism Sustainability Award. In addition, the Trust has been taking action to protect the West Sands, Outheads and dunes to ensure their habitats, form and function are preserved.

Further efforts have been established to reduce the carbon emissions of the Trust, such as introducing electric vehicles and equipment. The Trust are also placing more emphasis on responsibly managing their waste, and 100% of business waste is now recycled; 100% of green waste is composted, and the Trust has transitioned to 100% online tickets and renewal systems to avoid paper waste.

The Trust has engaged with Thinkbeyond to help set the strategic ambition and manage the achievement of deliverables, and this will continue to be a key pillar in the Trust strategy going forward.

Financial Review

Results for the year ended 31 December 2023 have been impacted by an unprecedented level of interest in the golf facilities, with both levels of play and occupancy reaching record levels. This volume increase has also positively benefited the Trust retail and hospitality facilities, with both divisions reporting double digit revenue growth in the year. The resultant earnings and liquidity performance, has exceeded the targets that were set as part of the 2023-2025 strategic plan. Importantly, this has enabled the Trust to rebuild the balance sheet reserves that were significantly depleted during 2020 and 2021. The Trust has also been able to settle in full all external term debt that was put in place in 2020.

The key factors influencing this performance included a general uplift in the level of UK inbound tourism volumes in the year, together with a fall in the rate of inflation in the UK, and the continued strength of the US dollar.

The financial outcome has been a growth in the surplus to £11.5M, prior to the gain on pension, and a two fold increase in net cash levels to £23.2M.

Total income increased by 32% to £43.9M, with activity across all key sectors of the business, excluding the commercial division, recording double digit year on year growth.

Golfing income increased by 35% to £24.4M. The main component of this growth was the increase in rounds played, which reported an 11% increase from prior year levels. It should be noted that this comparison is against a reduced availability in 2022 due to the hosting of the 150th Open, but this uplift combined with the agreed price uplifts to both the ticket holder and the visitor accounted for the majority of the rise in golfing income. Additionally, following the extensive facility closure in 2022, the Golf Academy rebounded back positively in 2023, with the golf practice centre recording a record volume of balls hit at 7.6M, and the instruction centre reporting a 30% increase in income levels, which included the successful adult and schools coaching programmes.

The retail division also reported a strong uplift in revenue, up by 30% to £12.4M. Both customer volumes, which are largely driven by visitor footfall, and average transaction values increased in the year, and overall performance was also impacted by a full trading year at the dual branded Travis Mathew store, which opened in August 2022.

The Food and Beverage division has typically been a challenging sector financially, in particular during the winter months when the Trust balances the clubhouse needs of a reduced golfing footfall, with the level of fixed costs required to operate the facilities. During 2023 the divisional leadership implemented a number of important changes, including supply chain improvements, the introduction of new events and the launch of a hospitality credit within the commercial B2C golfing packages. Pleasingly, the level of income grew overall by 34%, with double digit growth in facility footfall and average transaction value.

The commercial division reported a fall in income in the year, which was expected and was due to a change in commercial payment terms in the year. This was somewhat offset by the introduction of new commercial arrangements with Top Golf and Bluewater. The division also secured the renewal of key partnership agreements, including Callaway, and the divisional leadership are confident that 2024 will see the expansion of global partnership, supply and new licence relationships.

Total expenditure increased by 10% to £32.3M.

Payroll costs are the largest cost within the charity. During 2022, and in line with the pay and benefits policy as set by the remuneration committee, a Trust wide pay and benefits benchmarking exercise was completed. The results of this study was reviewed by the remuneration committee and this data was used to help set the annual staff pay awards in 2023. In addition to the annual pay award, it was also necessary to make one-off adjustments to certain departments where the level of remuneration had fallen below the updated benchmarking exercise. This included the greenkeeping teams, where salary levels are currently benchmarked against the guidelines published by BIGGA in April of each year.

The Trust, in anticipation of an increase in general activity levels, also approved additional roles in the year. This included newly created roles of Head of Digital role, to help drive the approved digital strategy, and Head of Health and Safety.

Pleasingly despite the uplift in the cost base the staff cost margin, before FRS102 adjustments, improved in the year, reducing by 5 percentage points to 35% compared to the prior year profile.

The catering, non-payroll, and merchandising cost of goods sold expenditure increased by £1.6M in 2023. This is simply a factor of the increase in retail and food and drink activity in the year, and gross margin percentage levels for both divisions were in line with the prior year profiles.

Operating expenses increased by £0.7M in 2023. A key contributor to this increase was an uplift in links maintenance expenditure, including an increase to fertiliser expenditure and fuel costs, together with insurance premiums following the uplift in the property sums insured relating to the completion of the new HQ in late 2021.

During 2023 the Trust liquidity position improved from an opening net cash position of £12.2M, to £23.2M. As mentioned above, the Trust settled early the remaining term debt during 2023.

Local Government Pension Scheme (LGPS)

When the Trust came into existence the initial employees were transferred from the St Andrews Town Council, and those staff were members of the Fife Council pension scheme, a funded Local Authority scheme (LGPS).

Over the next 40 years the trust continued to offer this scheme to new joiners, but as increasingly rigorous pension fund



TRUSTEES' STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

valuation rules were introduced, it was recognised that the scheme was inadequately funded to meet its long-term obligations. As such, employer contribution rates increased significantly during this period, and the scheme Trustees also made several material changes to the benefits provided by the scheme to try and keep costs under control. The intention behind these changes was to soften the relentless increase in employer contribution rates, which typically followed each triennial valuation mandated by the scheme, and to ensure the long-term sustainability of the scheme for participating employees.

In March 2014, the Trust scheme had a future funding deficit of (£8.1M). Following this valuation, the Trust employers' contribution rate was increased from 21.1% to 22.2% for the three years ended 31 March 2018. The Board of Trustees decided to close the Fife scheme to new admissions with effect from 1 August 2014. Fast forward to March 2017, the future funding deficit had increased to (£13.1M). At this time the Board of Trustees approved a capital contribution of £400,000 (in 2018), but the level of employer contributions continued to rise, reaching 39.6% by March 2021. In 2020 the Trust received the next triennial valuation, which reported a further increase in the future funding deficit, to (£15.3M). Following discussions with Fife Council and the scheme actuary, the board of SALT approved an increase in primary contributions to 41.1%, and also the introduction of annual secondary contributions, of £240,000 (per annum), for the three years to March 2024.

Given this level of volatility and increasing cost profile, in 2023 the Trustees decided to commence a consultation process with impacted staff to consider the formal exit of the scheme. This process was concluded in August 2023, and the result of this consultation process was that the Trust would indeed exit the scheme with an effective date of 31 December 2023. All affected employees were offered to participate in a new defined contribution scheme, with enhanced employer contribution rates for a period of time.

During 2023 the Trust was in regular contact with Fife Council in regards to the scheme exit, and in particular the estimated fund valuation forecast at the point of exit from the scheme. Given the improvement in bond markets during this period, the updated valuation forecasts indicated that there was a likelihood that the cessation valuation may report a surplus on closure.

Advice from Fife Council at this time however was that given the ongoing market volatility the Fund was reviewing its approach to cessation valuations, and that an outcome of this review could be that the amount of any exit credit payable could be limited/adjusted or capped. For this reason the Trustees had no expectation that a cessation credit would be paid by the fund on exit, and indeed this was not assumed in the decision making process when considering an exit of the scheme.

The final exit valuation was received from Fife Council on the 1st March 2024, and this confirmed that the fund now had a cessation surplus of £13.2M. Furthermore the Council confirmed that the Trust would receive payment for this credit in full, and this was also received on the 1st of March 2024.

The Trustees have agreed to create a designated pension reserve for the full amount of the exit credit, and this amount will be held in reserve for a minimum period of five years.

General Reserves policy

In line with good governance, the Trustees have set a policy to accumulate reserves in the form of cash, near cash and financing facilities appropriate to the Trusts needs. These reserves would potentially be available to cover major unforeseen expenditure or loss of income arising from the occurrence of any of the principal risks described (in the annual report), and to also fund the Trust's infrastructure development plan. Following a strategic review of the Trust reserving requirements the Trustees agreed to set a minimum initial liquidity reserve target of £15M, including a £10M cash component, with a strategic target that this level be achieved during the 2023 financial year. This has been achieved during the year, and the funds are currently held in various term deposit instruments.

Going Concern

Having considered forecast results including downside scenarios, the Trustees have a reasonable expectation that the charity has adequate resources to continue to trade for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Plans for Future Periods

As mentioned within the 2022 Annual Report, the Trustees and executive team have been revisiting the strategic investment plan, and can now confirm the following key priority projects. This follows an extensive review of Trust facilities, and also takes on board the output from the recent ticket holder survey.

Golf Academy

The St Andrews Golf Practice Centre (GPC) was opened in July 1993, and originally had twelve covered and twelve open bays, a small grass teeing area and an area for short game practice. During 1994 a further 20 unlit outdoor bays were created, and in 2006, the GPC was extended further with the creation of four specialist coaching bays, together with ten covered bays and an enlarged grass teeing area. In recent years the demand for both practice and instruction activities at the facility has continued to increase, and indeed during 2023 the facility reported a record volume of balls hit, and delivered growth in revenue to £1.3M, exceeding all previous levels.

However, the facility does not have the capacity to deal with current demand levels, for both instruction and practice centre. In contrast to other state of the art facilities the academy is also lacking the inclusion of other services, including custom fit, food and drink and a retail offering.

The Castle Course

The Castle Course was opened in 2008. A key strategic opportunity at the moment is the review of Golf access throughout the estate and once again the need to better match supply and demand challenges.

One of the issues with the Castle Course facility is the winter closure period, which means the course is only open for six months of the year. The Trust is currently exploring a number of concepts and options to deliver on the Trust's ambition to extend the availability profile to all year round, and at the same time will be exploring opportunities to improve the existing course layout following stakeholder feedback.

Links Clubhouse

The links clubhouse was opened in 1995. The venue has become very popular with locals and visitors alike, and during 2020 a refurbishment of the Tom Morris Bar and Grill was completed, which has delivered a significant improvement to the dining facility.

However, the clubhouse is now approaching its 30 year anniversary, and much of the electrical and mechanical infrastructure is reaching the end of its useful life, and therefore needs upgrading. In addition, the customer changing and staff welfare facilities have become very dated.

Irrigation

The Trust irrigation system is over 20 years old, and is nearing the end of its expected lifespan, which is typically 25 years. A strategic review is currently underway to establish both the investment required and operational delivery model, however this is expected to be a multi year upgrade across the property, at a significant capital cost.

The Trust is now at the exploratory concept phase for each of the four projects summarised above. Further

information on proposals will be shared with stakeholders at formal insight sessions during 2024.

In addition to these future plans, the Trust completed the acquisition of Land next to the Eden Course in February 2024. See note 22 for further detail.

Key Management Remuneration

It is the policy of the Trust to ensure that Executive Directors are fairly rewarded for their contribution to organisational objectives. The remuneration of Executive Directors comprises annual salary, car allowance, private healthcare provision and employer pension contribution. Annual salaries are regularly benchmarked against industry averages.

Principal Risks

The responsibility for risk management and internal control systems resides with the Board of Trustees, with a framework in place to support the process for identifying, evaluating and managing financial and non-financial risk. The audit and risk committee is responsible for the direct oversight of the Trust risk management process. There are many ways to assess and evaluate risks. The Trust has adopted a system which rates the impact and likelihood of risks using a 5x5 matrix and using this to prioritise risks and decide on the appropriate action plan. Risks can be classified in various ways, reflecting their likely impact on the achievement of organisational objectives. In the Trust's case, risks will generally fall within the following classification;-

| Risk | Description |
|-------------------|--|
| Agronomy | Risks which could affect the existence or quality of the playing surfaces. |
| Facility | Physical risks to buildings and infrastructure. |
| Financial | Risks affecting the financial wellbeing of the Trust including internal risks such as data integrity, cash flow etc. and risks from the wider economy. |
| Political | Risks from changes to key legislation, the political environment or changes to appointment arrangements for Trustees and Links Management Committee. |
| People | Risks resulting from staffing issues, including employment and health and safety matters. |
| Commercial | Risks from loss and/or poor financial performance of key commercial contracts. |
| Technology | Risks resulting from IT infrastructure including software and hardware failure, cyber security and data compliance. |



TRUSTEES' STRATEGIC REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

Risks are assessed both in their 'raw' state, i.e., before any specific controls or mitigation measures have been put in place and in their 'residual' state, after controlling or mitigating actions have taken place. For previously identified risks, their 'raw' state will be the current evaluation taking account of the impact of those control or mitigation measures already in place. For risks added to the register their 'raw' state will be their condition when they were first recognised as a risk. This enables the measurement of the effectiveness of the actions put in place to manage risks and to assess whether further actions are required.

The response to risk should be proportionate to the evaluation of the risk and the cost and effect of the proposed response. For example, committing significant resource to addressing a risk with a low impact and low likelihood would be as difficult to justify as committing no resource to addressing a risk with a high impact and high likelihood.

There will be a range of responses to manage risks once they have been evaluated and these are likely to include the following:-

- Tolerate or accept the risk, perhaps with a contingency plan should it materialise;
- Treat the risk conditions, to reduce the likelihood or impact;
- Terminate the risky activity, or
- Transfer or share the risk, e.g., through insurance.

The following represent what the board of trustees believes to be the most important risks and uncertainties that may impact the Trust's ability to deliver its strategy effectively.

| Identified Risk | Mitigation |
|--|---|
| <p>Coastal Erosion</p> <p>The failure of coastal erosion defences and impact on Trust activity.</p> | <ul style="list-style-type: none"> • A long term coastal management plan has been developed with the support of a number of leading authorities in the areas of conservation and coastal protection. |
| <p>Pandemic, War or Terrorism</p> <p>Impact on Trust finances due to travel restrictions or fear.</p> | <ul style="list-style-type: none"> • Limit Trust exposure by developing plans, and outcomes, to ameliorate the risk. This has already driven cost reduction, revenue enhancement and fund raising benefits. |
| <p>Cyber Security Risk</p> <p>Impact on Trust finances and reputation if the Trust was impacted by a Cyber Security Breach.</p> | <ul style="list-style-type: none"> • Training and monitoring has now been outsourced, subject to a successful cyber threat. This includes ongoing monthly test simulations for all employees and Trustees. Recent results report an encouraging profile, but the Trust must remain vigilant. |
| <p>GDPR data breach</p> <p>Impact of a GDPR data breach on Trust finances.</p> | <ul style="list-style-type: none"> • A review of GDPR practices, risk assessment and action plan was developed by the Trust in 2022. During 2023 the Trust has continued to address governance in this area and has implemented a number of actions; A new governance framework has been developed and published. <p>Internet firewalls, email filtering and end point security (anti virus) are all in place to prevent threats of ransomware attacks and in turn protect personal data. The Trust also has network security in place, and an updated privacy policy on the website that covers GDPR legislation.</p> |

Structure, Governance and Management

Governing legislation and appointment of Trustees

The Trust was established by the St Andrews Links Order Confirmation Act, 1974 (the "Links Act"), a private Act of Parliament. The Links Act provides for the appointment of eight Trustees, three nominated by the 'local authority' (Fife Council), three by The Royal and Ancient Golf Club and one by the Scottish Government. The eighth Trustee is the Member of Parliament in whose constituency the Links are situated. With the exception of the MP, Trustees are appointed for a three year term and are eligible for reappointment at the end of that term.

Trustee recruitment, induction and training

The Act makes provision for Fife Council and The R&A to appoint three Trustees each and the Scottish Government appoints one. In the case of the Government and the R&A, these appointments are supervised by a nominations committee of the Trust that is chaired by the Chair of the Links Trust. It is important to stress that Trustees are not in any way representatives or delegates of their appointing body.

Newly appointed Trustees participate in a structured induction programme. They are provided with a governance manual and access to copies of past minutes and other background information. In addition they receive briefings on all areas of the Trust's operations from senior management.

Governance

Day to day management of the Trust and its subsidiary companies is performed by an executive team, headed by a Chief Executive, which reports to the Trustees at regular formal meetings, the minutes of which are published. Several committees and working parties exist to facilitate more detailed consideration of key aspects of the Trust's operations. Each of the wholly owned subsidiary companies has a Board of Directors which include a mixture of Trustees, members of the management team and, where beneficial, independent non-executive directors. The committees, working parties and Boards report to the Trustees at their formal meetings.

The Links courses are managed, subject to the direction of Trustees, by a Links Management Committee (LMC) that works in mutual support of the Trust's executive management team, which takes the lead in most day to day matters. The main purpose of the LMC is to provide advice to the Trust's executive team on the presentation of the golf courses, and the overall service delivery and customer experience.

The Audit and Risk Committee exists to provide a formal mechanism for Trustees to meet with external and internal auditors, and discuss the internal control environment, the adequacy of audit arrangements, and the audit findings reports.

The Finance Committee exists to provide a formal mechanism for the Trustees to discuss internal financial documents, approving financial plans and budgets, golf pricing recommendations and capital investment business cases prior to their submission to Trustees for approval. In addition, the Committee was tasked with reviewing those risks regarded as financial risks and reporting back to the Audit & Risk Committee whether, in their opinion, they are adequately reflected in the risk register.

A Corporate Governance Committee is tasked with ensuring the Trust's governance practices remain appropriate for an organisation of the Trust's size and complexity.

A Remuneration Committee sets the pay and remuneration of the Directors having regard to various factors including performance, the movement in inflationary indices, and benchmarking exercises with comparable sectors.

A Nomination Committee meets when required to interview and select suitable candidates to fill Trustee vacancies.

A statement of the Trustees' responsibilities in respect of the accounts is contained in the Reference and Administrative information on page 31.

Related parties

Information on transactions with related parties is given in Note 21 to the accounts.

Statement of disclosure to auditor

So far as each person who was a Trustee at the date of approving this report is aware, there is no relevant audit information of which the Trust's auditor is unaware. Additionally, the Trustees individually have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the Trust's auditor is aware of that information.

Sandra Tuddenham

Chair of Trustees

24 May 2024



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST ANDREWS LINKS TRUST

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the accounts of St Andrews Links Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Financial Activities, the charity and Consolidated Balance Sheets, the charity and Consolidated Cash Flow Statements and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2023 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the accounts is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the group and parent charity's accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of trustees' responsibilities (set out on page 31) the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the group and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity and subsidiaries have in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and subsidiaries. We determined that the following were most relevant: Health and Safety; employment law (including the Working Time Directive); anti-bribery and corruption; GDPR and compliance with UK Companies Act and charity legislation.
- We considered the incentives and opportunities that exist in the charity and subsidiaries, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity and subsidiaries together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations, including GDPR, employment law, Health and Safety and fraud;
- Reviewing board meeting minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment of tangible and intangible fixed assets; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of this Report

This report is made solely to the charity's trustees, as a body, in accordance with Section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Diana Penny
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.
11-15 Thistle Street
Edinburgh
EH2 1DF

24 May 2024



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | £ | 2023 £ | 2022 £ |
|---|-------|-------------------|-------------------|-------------------|
| INCOME | | | | |
| INCOME FROM CHARITABLE ACTIVITIES | | | | |
| Golfing income | 2 | 24,422,473 | | 18,152,653 |
| Rents receivable | | <u>102,719</u> | | <u>50,873</u> |
| | | | 24,525,192 | <u>18,203,526</u> |
| INCOME FROM OTHER TRADING ACTIVITIES | | | | |
| Merchandise income | | 12,426,210 | | 9,566,734 |
| Food and beverage income | | 3,546,532 | | 2,656,371 |
| Commercial fees and royalties | | 1,821,020 | | 2,084,681 |
| Other income | | <u>338,831</u> | | <u>681,335</u> |
| | | | 18,132,593 | <u>14,989,121</u> |
| INCOME FROM INVESTMENTS | | | | |
| Notional net interest on FRS102 calculation on pension scheme | | 645,000 | | - |
| Bank interest | | <u>469,573</u> | | <u>30,888</u> |
| | | | 1,114,573 | <u>30,888</u> |
| OTHER INCOME | | | | |
| Gain on disposal of fixed assets | | 80,071 | | - |
| Government grants | | <u>-</u> | | <u>17,800</u> |
| | | | 80,071 | <u>17,800</u> |
| TOTAL INCOME | | | | |
| | | | <u>43,852,429</u> | <u>33,241,335</u> |
| EXPENDITURE | | | | |
| Expenditure on raising funds | | 13,038,717 | | 12,078,115 |
| Expenditure on charitable activities | | <u>19,322,450</u> | | <u>17,466,223</u> |
| TOTAL EXPENDITURE | 3 | | 32,361,167 | <u>29,544,338</u> |
| NET INCOME | | | | |
| | | | <u>11,491,262</u> | <u>3,696,997</u> |

AUDITOR'S REPORT: PAGES 10 TO 11
THE NOTES ON PAGES 16 TO 28 FORM PART OF THESE ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | £ | 2023 £ | 2022 £ |
|---|-------|-------------------|--------------------|--------------------|
| INCOME | | | | |
| INCOME FROM CHARITABLE ACTIVITIES | | | | |
| Golfing income | 2 | 24,422,473 | | 18,152,653 |
| Rents receivable | | <u>102,719</u> | | <u>50,873</u> |
| | | | 24,525,192 | <u>18,203,526</u> |
| INCOME FROM OTHER TRADING ACTIVITIES | | | | |
| Merchandise income | | 12,426,210 | | 9,566,734 |
| Food and beverage income | | 3,546,532 | | 2,656,371 |
| Commercial fees and royalties | | 1,821,020 | | 2,084,681 |
| Other income | | <u>338,831</u> | | <u>681,335</u> |
| | | | 18,132,593 | <u>14,989,121</u> |
| INCOME FROM INVESTMENTS | | | | |
| Notional net interest on FRS102 calculation on pension scheme | | 645,000 | | - |
| Bank interest | | <u>469,573</u> | | <u>30,888</u> |
| | | | 1,114,573 | <u>30,888</u> |
| OTHER INCOME | | | | |
| Gain on disposal of fixed assets | | 80,071 | | - |
| Government grants | | <u>-</u> | | <u>17,800</u> |
| | | | 80,071 | <u>17,800</u> |
| TOTAL INCOME | | | <u>43,852,429</u> | <u>33,241,335</u> |
| EXPENDITURE | | | | |
| Expenditure on raising funds | | 13,038,717 | | 12,078,115 |
| Expenditure on charitable activities | | <u>19,322,450</u> | | <u>17,466,223</u> |
| TOTAL EXPENDITURE | 3 | | 32,361,167 | <u>29,544,338</u> |
| NET INCOME | | | | |
| | | | 11,491,262 | 3,696,997 |
| OTHER RECOGNISED GAINS | | | | |
| Remeasurement gain on defined benefit pension scheme | 16 | | 11,841,000 | 3,385,000 |
| NET MOVEMENT IN FUNDS IN THE YEAR | | | <u>23,332,262</u> | <u>7,081,997</u> |
| RECONCILIATION OF FUNDS | | | | |
| Balance brought forward | | | 32,336,559 | 25,254,562 |
| BALANCE CARRIED FORWARD | 12 | | <u>£55,668,821</u> | <u>£32,336,559</u> |

All funds are unrestricted.

AUDITOR'S REPORT: PAGES 10 TO 11
THE NOTES ON PAGES 16 TO 28 FORM PART OF THESE ACCOUNTS



BALANCE SHEETS

AS AT 31 DECEMBER 2023

| | Notes | Consolidated | | Links Trust only | |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | 30,546,370 | 30,797,110 | 30,524,729 | 30,761,006 |
| Intangible fixed assets | 6 | 317,446 | 634,892 | - | - |
| Investment in subsidiary companies | 7 | - | - | 3,150,001 | 3,150,001 |
| TOTAL FIXED ASSETS | | <u>30,863,816</u> | <u>31,432,002</u> | <u>33,674,730</u> | <u>33,911,007</u> |
| CURRENT ASSETS | | | | | |
| Stocks | | 1,913,437 | 1,762,937 | 500,448 | 440,201 |
| Debtors - due within one year | 8 | 1,867,224 | 1,290,418 | 1,223,963 | 587,687 |
| Pension scheme asset | 16 | 13,237,000 | - | 13,237,000 | - |
| Cash at bank and in hand | | 23,241,319 | 16,787,115 | 22,283,600 | 16,381,049 |
| | | <u>40,258,980</u> | <u>19,840,470</u> | <u>37,245,011</u> | <u>17,408,937</u> |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | 3,628,690 | 3,634,308 | 9,626,774 | 8,768,264 |
| Deferred income | 10 | 11,825,285 | 11,003,358 | 11,367,663 | 10,263,547 |
| | | <u>15,453,975</u> | <u>14,637,666</u> | <u>20,994,437</u> | <u>19,031,811</u> |
| NET CURRENT ASSETS / (LIABILITIES) | | <u>24,805,005</u> | <u>5,202,804</u> | <u>16,250,574</u> | <u>(1,622,874)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>55,668,821</u> | <u>36,634,806</u> | <u>49,925,304</u> | <u>32,288,133</u> |
| CREDITORS DUE AFTER MORE THAN ONE YEAR | 11 | - | (4,298,247) | - | (4,298,247) |
| NET ASSETS | | <u>£55,668,821</u> | <u>£32,336,559</u> | <u>£49,925,304</u> | <u>£27,989,886</u> |
| REPRESENTED BY UNRESTRICTED RESERVES | 12 | 55,668,821 | 32,336,559 | 49,925,304 | 27,989,886 |
| | | <u>£55,668,821</u> | <u>£32,336,559</u> | <u>£49,925,304</u> | <u>£27,989,886</u> |

These accounts were approved by Trustees at their meeting on 24 May 2024 and are signed on their behalf by:

Sandra Tuddenham

Chair of Trustees

AUDITOR'S REPORT: PAGES 10 TO 11
THE NOTES ON PAGES 16 TO 28 FORM PART OF THESE ACCOUNTS

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Consolidated | | Links Trust only | |
|---|--------------|-------------|------------------|-------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Cash flows from operating activities | | | | |
| Net cash provided from operating activities (Note a. below) | 11,512,376 | 9,779,784 | 10,965,066 | 10,165,161 |
| Cash flows from investing activities | | | | |
| Interest received on bank deposits | 469,573 | 30,888 | 461,550 | 30,021 |
| Interest received on intra-group loan accounts | - | - | - | 6,259 |
| Payments to acquire tangible fixed assets | (1,015,964) | (976,741) | (1,012,284) | (960,076) |
| Receipts from sales of tangible fixed assets | 95,696 | 4,500 | 95,696 | 4,500 |
| Net cash used in investing activities | (450,695) | (941,353) | (455,038) | (919,296) |
| Cash flows from financing activities | | | | |
| Finance Leases | | | | |
| - Cash outflow in connection with finance lease payments | (10,351) | (20,728) | (10,351) | (20,728) |
| Loans from Royal Bank of Scotland | | | | |
| - Repayments of loan balance | (4,597,126) | (3,291,614) | (4,597,126) | (3,291,614) |
| Net cash used in financing activities | (4,607,477) | (3,312,342) | (4,607,477) | (3,312,342) |
| Change in cash and cash equivalents during the year | 6,454,204 | 5,526,089 | 5,902,551 | 5,933,523 |
| Cash and cash equivalents at 1 January 2023 | 16,787,115 | 11,261,026 | 16,381,049 | 10,447,526 |
| Cash and cash equivalents at 31 December 2023 | 23,241,319 | 16,787,115 | 22,283,600 | 16,381,049 |
| NOTES TO THE CASH FLOW STATEMENT | | | | |
| a. Reconciliation of net movement in funds to net cash flows from operating activities | | | | |
| Net incoming resources before other recognised losses | 11,491,262 | 3,696,997 | 10,094,418 | 1,126,300 |
| Add back: Depreciation charges net of gain on sale | 1,171,007 | 1,276,119 | 1,152,866 | 1,248,735 |
| Add back: Amortisation of intangible assets | 317,446 | 745,076 | - | - |
| Non-cash movements associated with FRS102 | (1,396,000) | 531,000 | (1,396,000) | 531,000 |
| Deduct: Interest income shown in Investing activities | (469,573) | (30,888) | (461,550) | (36,280) |
| Increase / (Decrease) in stocks | (150,500) | 960,714 | (60,247) | (58,239) |
| Increase / (Decrease) in debtors due within one year | (576,806) | 657,298 | 636,277 | 911,411 |
| Increase in creditors and deferred income | 1,125,540 | 1,943,468 | 2,271,856 | 6,442,234 |
| Net cash inflow from operating activities | 11,512,376 | 9,779,784 | 10,965,066 | 10,165,161 |
| b. Analysis of the balances of cash and cash equivalents as shown in the balance sheet | | | | |
| Cash in bank and on hand | 23,241,319 | 16,787,115 | 22,283,600 | 16,381,049 |
| | 23,241,319 | 16,787,115 | 22,283,600 | 16,381,049 |

AUDITOR'S REPORT: PAGES 10 TO 11
THE NOTES ON PAGES 16 TO 28 FORM PART OF THESE ACCOUNTS



NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

- a) Accounting convention: the accounts are prepared under the historical cost convention.
- b) Basis of preparation of accounts: the Trust constitutes a public benefit entity as defined by FRS102. The accounts are prepared in accordance with the Charities and Trustee Investment (Scotland) Act, 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS102 and the Charities SORP (FRS102) (referred to as SORP).
- c) Basis of consolidation: the consolidated accounts consist of St Andrews Links Trust and its subsidiary companies, St Andrews Links Limited, St Andrews Links Golf Shops Limited, The Castle Course St Andrews Limited and Tom Morris Limited. With the exception of golfing activities, the gross turnover and expenditure of the subsidiary companies are treated as Activities for Generating Funds within the consolidated statement of financial activities. Gross turnover and expenditure of The Castle Course St Andrews Limited are included within Charitable Activities in the consolidated statement of financial activities. The assets and liabilities of the subsidiary companies are included on a line-by-line basis within the consolidated balance sheet.
- d) Going concern: At the time of approving the accounts, the Trustees have considered going concern. Based on these assessments and having regard to the resources available, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.
- e) Turnover: turnover is stated net of Value Added Tax.
- f) Incoming resources: income is generally recognised on a receivable basis where the amount is reasonably certain and there is adequate certainty of receipt, and is stated gross of related expenditure.
- g) Resources expended: expenditure is accounted for on an accruals basis
- Costs of generated funds include the expenses of non-charitable trading activities
 - Charitable activities comprise direct expenditure including direct staff costs attributable to charitable activities
 - Governance costs include costs associated with constitutional and statutory requirements
 - Support costs are allocated against the above categories on a basis consistent with the use of resources
- h) Development expenditure: expenditure on projects carried out on land not owned by the Trust is treated as development expenditure unless the projects are of a capital nature, in which case expenditure is capitalised. Capital expenditure incurred on land and buildings owned by the Trust is capitalised and included in fixed assets.
- i) Tangible fixed assets: tangible fixed assets are stated at original historic cost including, where appropriate, the cost of irrecoverable VAT. Depreciation is provided as described more fully in note 1 k) below. Items with an original cost of less than £500 (excluding VAT) are not capitalised unless they are part of a larger pattern of expenditure.
- j) Tenant's improvements: in the Trust's accounts, tenant's improvements are defined as expenditure of a capital nature undertaken on land not owned by the Trust, for example, the Links Clubhouse. Where wholly-owned companies incur expenditure of a capital nature on land and buildings not owned by them, that expenditure is also capitalised as tenant's improvements.
- k) Depreciation: depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. Depreciation on buildings and tenant's improvements is charged from the date the underlying assets are first brought into use. Depreciation is charged on a straight line basis using the following rates:
- | | |
|---|---------------------|
| • Vehicles, plant and equipment | 20% |
| • Office furniture & equipment | between 20% and 33% |
| • Heritable property, including alterations | 2% |
| • Tenant's improvements | 2% |
- No depreciation is provided on freehold land or golf courses. No depreciation is charged on assets under construction until such time as they are brought into use at which point depreciation is charged at the appropriate rate.
- l) Intangible Fixed Assets: Expenditure incurred to initially register trademarks or other intellectual properties which, in the opinion of the Trustees or the Directors of the company concerned, have a reasonable probability of generating income is capitalised as intangible fixed assets. These assets are amortised over a three year period on a reducing balance basis, which was an update from the 2021 accounts where amortisation was over 10 years on a straight line basis. Ongoing trademark protection costs are written off in the year the expenditure is incurred. Further information on intangible fixed assets is shown in Note 6 below. All other expenditure on trademark registrations and intellectual properties is written off when incurred on the basis that future revenues are uncertain.
- m) Impairment of fixed assets: On an annual basis the directors carry out an impairment review to establish instances where there is no realistic potential of generating income from a particular class or territory.

- n) Goodwill arising on consolidation: where a wholly-owned company is acquired at a price in excess of the fair value of its underlying assets and liabilities, the difference between that fair value and the purchase price is treated as Goodwill Arising on Consolidation.
- Goodwill arising on consolidation is amortised over ten years on a straight line basis from the date of acquisition.
- o) Debtors: trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- p) Creditors and provisions: creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.
- q) Grants receivable: grants receivable in respect of capital projects are offset against the cost of the relevant project. Depreciation is calculated on the project cost net of grants. Grants of a revenue or non-capital nature are credited to general reserve as income when received.
- r) Operating leases: rentals applicable to operating leases are charged on a time basis over the lease term.
- s) Donations: donations received are credited to the Statement of Financial Activities as received. Donations made are included within operating expenses.
- t) Stocks: stocks are valued at the lower of original invoice cost or net realisable value
- u) Value Added Tax: the Trust is partially exempt for VAT purposes and is therefore unable to recover all of the input VAT it incurs on its purchases. Irrecoverable VAT relating to the purchase of fixed assets is capitalised and written off at the same rate and over the same period as the underlying asset.
- v) Taxation: the Trust is exempt from income and corporation taxes by virtue of its charitable status. The wholly-owned companies are liable to corporation tax but no taxation liability arose for the year ended 31 December 2023.
- w) Foreign currency transactions: assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate applicable at the transaction date. All differences on exchange are taken to the Statement of Financial Activities.
- x) Pensions: retirement benefits to employees are provided through the Fife Council defined benefit superannuation scheme and a defined contribution scheme from both NOW: Pensions and Standard Life during the year. Note 16 below gives further information regarding pension arrangements.
- y) Support costs: support costs on activities for generating funds are allocated to those activities by means of charges raised by the Trust to the wholly-owned companies. The amount charged for the year was £411,858 (2022 - £335,015). Support costs relating to governance are allocated on the basis described in Note 4 below. All other costs are regarded as directly related to the delivery of the charitable activity.
- z) Accounting Estimates: in the Trustees' opinion there is only one figure in the accounts which is the result of significant estimate, the impairment of intangible and tangible fixed assets where the directors are required to make judgements based on historical experience and other factors that are considered to be relevant.

2. ANALYSIS OF GOLFING INCOME

Golfing income can be analysed as follows:

| | 2023 | 2022 |
|--|--------------------|--------------------|
| | £ | £ |
| Visitor green fees and Old Course premium | 17,674,194 | 11,930,056 |
| Yearly ticket revenue and annual contribution from The Royal and Ancient Golf Club | 2,864,139 | 2,539,475 |
| Other golfing income | 3,884,140 | 3,683,122 |
| | <u>£24,422,473</u> | <u>£18,152,653</u> |



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Basis of apportionment | Expenditure on raising funds £ | Expenditure on charitable activities £ | Total expenditure 2023 £ | Total expenditure 2022 £ |
|--|------------------------|-----------------------------------|---|-----------------------------|-----------------------------|
| Payroll costs (note 15) | Usage | 4,274,407 | 10,347,768 | 14,622,175 | 13,636,352 |
| Cost of goods sold and food and beverage non-payroll expenses | Usage | 6,511,870 | 602,736 | 7,114,606 | 5,501,363 |
| Operating expenses | Usage | 1,365,686 | 5,094,979 | 6,460,665 | 5,746,783 |
| Depreciation | Usage | 121,045 | 1,115,988 | 1,237,033 | 1,118,592 |
| Loss on disposal of fixed assets | Usage | - | - | - | 9,540 |
| Amortisation and impairment of intangible fixed assets | Usage | 317,446 | - | 317,446 | 745,076 |
| Payments under operating leases | | | | | |
| land and buildings | Usage | 261,822 | 6,000 | 267,822 | 241,604 |
| equipment | Usage | - | 642,798 | 642,798 | 609,773 |
| Legal & professional fees | Usage | 163,609 | 126,675 | 290,284 | 857,900 |
| Development expenditure (note 4) | Usage | - | 120,583 | 120,583 | 96,825 |
| Withholding tax | | - | - | - | 23,073 |
| Bank interest | Usage | - | 199,818 | 199,818 | 171,420 |
| Notional net interest cost on FRS102 calculation on pension scheme liability | Usage | - | - | - | 59,000 |
| VAT not recoverable (note 1u) | Usage | - | 524,650 | 524,650 | 350,681 |
| Governance costs (see table below) | Usage | 22,832 | 540,455 | 563,287 | 376,356 |
| | | <u>£13,038,717</u> | <u>£19,322,450</u> | <u>£32,361,167</u> | <u>£29,544,338</u> |
| GOVERNANCE COSTS | | | | | |
| | Basis of apportionment | Expenditure on raising funds £ | Expenditure on charitable activities £ | Total expenditure 2023 £ | Total expenditure 2022 £ |
| Legal & professional fees | Usage | - | 488,842 | 488,842 | 307,840 |
| Auditors remuneration audit work | Usage | 18,173 | 21,960 | 40,133 | 30,109 |
| Auditors remuneration non-audit services | Usage | 4,659 | 29,653 | 34,312 | 38,407 |
| | | <u>£22,832</u> | <u>£540,455</u> | <u>£563,287</u> | <u>£376,356</u> |

4. DEVELOPMENT EXPENDITURE

All development expenditure is incurred by St Andrews Links Trust. The subsidiary companies have no expenditure of this nature. Expenditure can be analysed as follows:

| | 2023 £ | 2022 £ |
|----------------------------------|-----------------|----------------|
| Road and pathways improvements | 46,555 | 15,407 |
| Irrigation system improvements | - | 8,124 |
| Greenkeeping centre improvements | 3,683 | - |
| Coastal protection works | 59,279 | 59,044 |
| On-course toilets and shelters | 11,066 | 14,250 |
| | <u>£120,583</u> | <u>£96,825</u> |

5. FIXED ASSETS

| i) CONSOLIDATED | Land and buildings £ | Tenant's improvements £ | Vehicles, plant and equipment £ | Office furniture & equipment £ | Assets under construction £ | Total £ |
|------------------------|---------------------------------|------------------------------------|--|---|--|--------------------|
| COST | | | | | | |
| At 1 January 2023 | 28,308,934 | 6,736,699 | 3,811,585 | 7,792,071 | 454,087 | 47,103,376 |
| Additions | - | - | 538,645 | 203,283 | 274,036 | 1,015,964 |
| Reclassifications | - | - | 1,846 | 415,407 | (417,253) | - |
| Disposals | - | - | (483,610) | (800,659) | (14,048) | (1,298,317) |
| At 31 December 2023 | <u>£28,308,934</u> | <u>£6,736,699</u> | <u>£3,868,466</u> | <u>£7,610,102</u> | <u>£296,822</u> | <u>£46,821,023</u> |
| DEPRECIATION | | | | | | |
| At 1 January 2023 | 3,894,860 | 2,734,605 | 3,360,709 | 6,316,092 | - | 16,306,266 |
| Charge for year | 330,710 | 131,178 | 221,206 | 553,937 | - | 1,237,031 |
| Disposals | - | - | (467,985) | (800,659) | - | (1,268,644) |
| At 31 December 2023 | <u>£4,225,570</u> | <u>£2,865,783</u> | <u>£3,113,930</u> | <u>£6,069,370</u> | <u>£-</u> | <u>£16,274,653</u> |
| NET BOOK VALUE | | | | | | |
| At 31 December 2023 | <u>£24,083,364</u> | <u>£3,870,916</u> | <u>£754,536</u> | <u>£1,540,732</u> | <u>£296,822</u> | <u>£30,546,370</u> |
| At 31 December 2022 | <u>£24,414,074</u> | <u>£4,002,094</u> | <u>£450,876</u> | <u>£1,475,979</u> | <u>£454,087</u> | <u>£30,797,110</u> |

| ii) LINKS TRUST ONLY | Land and buildings £ | Tenant's improvements £ | Vehicles, plant and equipment £ | Office furniture & equipment £ | Assets under construction £ | Total £ |
|-----------------------------|---------------------------------|------------------------------------|--|---|--|--------------------|
| COST | | | | | | |
| At 1 January 2023 | 28,308,934 | 6,674,211 | 3,166,590 | 5,812,893 | 454,087 | 44,416,715 |
| Additions | - | - | 534,965 | 203,283 | 274,036 | 1,012,284 |
| Reclassifications | - | - | 1,846 | 415,407 | (417,253) | - |
| Disposals | - | - | (411,356) | (727,061) | (14,048) | (1,152,465) |
| At 31 December 2023 | <u>£28,308,934</u> | <u>£6,674,211</u> | <u>£3,292,045</u> | <u>£5,704,522</u> | <u>£296,822</u> | <u>£44,276,534</u> |
| DEPRECIATION | | | | | | |
| At 1 January 2023 | 3,894,860 | 2,672,116 | 2,720,447 | 4,368,286 | - | 13,655,709 |
| Charge for year | 330,710 | 131,178 | 216,104 | 540,896 | - | 1,218,888 |
| Disposals | - | - | (395,731) | (727,061) | - | (1,122,792) |
| At 31 December 2023 | <u>£4,225,570</u> | <u>£2,803,294</u> | <u>£2,540,820</u> | <u>£4,182,121</u> | <u>£-</u> | <u>£13,751,805</u> |
| NET BOOK VALUE | | | | | | |
| At 31 December 2023 | <u>£24,083,364</u> | <u>£3,870,917</u> | <u>£751,225</u> | <u>£1,522,401</u> | <u>£296,822</u> | <u>£30,524,729</u> |
| At 31 December 2022 | <u>£24,414,074</u> | <u>£4,002,095</u> | <u>£446,143</u> | <u>£1,444,607</u> | <u>£454,087</u> | <u>£30,761,006</u> |



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

6. INTANGIBLE FIXED ASSETS

During the year St Andrews Links Limited incurred expenditure to develop trademarks and other intellectual properties. In line with accounting policy this expenditure is written off in the year in which it is incurred. Initial trademark registrations, where this expenditure is likely to result in the successful registration of a mark with revenue earning potential, is capitalised as an intangible fixed asset and amortised, on a straight line basis, over three years.

As at 31 December each year impairment reviews are performed of all intangible fixed assets in accordance with accounting standards. If, in the opinion of the Directors or Trustees, any of the capitalised items no longer have reasonable prospects of generating future revenues, the remaining net book value of those items is written off.

Following the impairment review carried out at 31 December 2023 no intangible fixed assets were adjusted (2022 - £285,087).

The table below analyses intangible fixed assets:

| | £ |
|-----------------------|-------------------|
| COST | |
| At 1 January 2023 | 5,040,976 |
| Additions | - |
| At 31 December 2023 | <u>£5,040,976</u> |
| AMORTISATION | |
| At 1 January 2023 | 4,406,084 |
| Charge for year | 317,446 |
| At 31 December 2023 | <u>£4,723,530</u> |
| NET BOOK VALUE | |
| At 31 December 2023 | <u>£317,446</u> |
| At 31 December 2022 | <u>£634,892</u> |

7. INVESTMENT IN SUBSIDIARY COMPANIES

The table below lists the Trust's subsidiary companies. Unless otherwise stated, the value attributed to each company in the Trust's accounts is equal to the nominal value of the issued share capital. The results of the subsidiary companies are included in the consolidated accounts. Any taxable profits of the companies are remitted to the Trust through Gift Aid arrangements.

| Name | Note | %age owned | 2023 £ | 2022 £ |
|--------------------------------------|---------|------------|-------------------|-------------------|
| St Andrews Links Limited | 8. i. | 100% | 2,150,000 | 2,150,000 |
| The Castle Course St Andrews Limited | 8. ii. | 100% | 500,000 | 500,000 |
| St Andrews Links Golf Shops Limited | 8. iii. | 100% | 500,000 | 500,000 |
| Tom Morris Limited | 8. iv. | 100% | 1 | 1 |
| | | | <u>£3,150,001</u> | <u>£3,150,001</u> |

The following notes describe the activities of each subsidiary company.

- i. St Andrews Links Limited: The company receives royalties and other income derived from the exploitation of trademarks and other intellectual properties and bears the costs associated with protecting those intellectual properties. As at 31 December 2023 the company's aggregate assets and liabilities were £2,533,083 and it reported a profit on ordinary activities of £71,608 (2022 - after tax loss of £364,178), after paying a management fee of £207,342 (2022 - £157,664). No Gift Aid was paid to the Trust in 2023 (2022 - £185,918).
- ii. The Castle Course St Andrews Limited: The company has not traded in 2023. As at 31 December 2023 the company's aggregate assets and liabilities were £596,431 and it reported a profit on ordinary activities of £6,313 (2022 - loss of £695) after paying a management fee of £160 (2022 - £160). No Gift Aid was paid to the Trust in 2023 (2022 - none).
- iii. St Andrews Links Golf Shops Limited: The company sells clothing and other memorabilia and merchandise bearing the Trust's brands. As at 31 December 2023 the company's aggregate assets and liabilities were £5,755,596 and it reported a profit on ordinary activities of £4,230,189 (2022 - £3,119,984), after paying a management fee of £204,196 (2022 - £177,031). Gift Aid of £2,912,741 was paid to the Trust in 2023 (2022 - none).
- iv. Tom Morris Limited: The company operates the lease for one of the retail locations. As at 31 December 2023 the company's aggregate assets and liabilities were £8,409 and it reported a profit on ordinary activities of £1,475 (2022 - £1,504), after paying a management fee of £160 (2022 - £160) to the Trust.

8. DEBTORS

| | Consolidated | | Links Trust only | |
|---------------|-------------------|-------------------|-------------------|-----------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Trade debtors | 374,592 | 309,249 | 261,613 | 122,689 |
| Prepayments | 1,492,632 | 981,169 | 962,350 | 464,998 |
| | <u>£1,867,224</u> | <u>£1,290,418</u> | <u>£1,223,963</u> | <u>£587,687</u> |

9. CREDITORS: Amounts falling due within one year

| | Consolidated | | Links Trust only | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Trade creditors | 1,125,028 | 1,199,972 | 956,552 | 854,322 |
| Finance Lease | 9,488 | 10,351 | 9,488 | 10,351 |
| Bank Term Loan | - | 308,368 | - | 308,368 |
| Amounts due to wholly-owned companies | - | - | 6,538,635 | 5,809,997 |
| Taxation and Social Security | 1,449,155 | 1,044,836 | 1,373,086 | 973,093 |
| Accruals | 1,045,019 | 1,070,781 | 749,013 | 812,133 |
| | <u>£3,628,690</u> | <u>£3,634,308</u> | <u>£9,626,774</u> | <u>£8,768,264</u> |



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

10. DEFERRED INCOME

The following items are treated as deferred income:

- payments received in advance to confirm reservations for play in the following year
- the unexpired portion of yearly ticket revenues and the annual contribution from the R&A
- tournament and championship facility fees received in advance
- liability in respect of unredeemed gift cards and prepaid Golf Academy lessons

| | Consolidated | | Links Trust only | |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| The total of deferred income | <u>£11,825,285</u> | <u>£11,003,358</u> | <u>£11,367,663</u> | <u>£10,263,547</u> |

11. CREDITORS DUE AFTER MORE THAN ONE YEAR

| | Consolidated | | Links Trust only | |
|--------------------------------------|--------------|-------------------|------------------|-------------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Finance Lease | - | 9,488 | - | 9,488 |
| Bank Term Loan | - | 4,288,759 | - | 4,288,759 |
| | <u>£-</u> | <u>£4,298,247</u> | <u>£-</u> | <u>£4,298,247</u> |
| Bank Loans are repayable as follows: | | | | |
| Within one year | - | 308,368 | - | 308,368 |
| Between one to two years | - | 325,157 | - | 325,157 |
| Between two to five years | - | 3,963,601 | - | 3,963,601 |
| | <u>£-</u> | <u>£4,597,126</u> | <u>£-</u> | <u>£4,597,126</u> |

The term loan was with Royal Bank of Scotland and was secured against the Castle Course clubhouse and golf course in 2020. The term loan had a 15 year repayment profile but was fully repaid on 4 September 2023.

12. UNRESTRICTED RESERVES (RETAINED SURPLUS)

Unrestricted reserves represent the aggregate of all surpluses earned by the Trust or, in the case of the consolidated balance sheet, the Trust and its subsidiary companies. Unrestricted reserves bear no relationship whatsoever to cash or bank facilities available to the Trust.

Movements on unrestricted reserves can be analysed as follows:

| | Consolidated | | Links Trust only | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Unrestricted reserves brought forward at 1 January | 32,336,559 | 25,254,562 | 27,989,886 | 23,478,586 |
| Net incoming resources | 23,332,262 | 7,081,997 | 21,935,418 | 4,511,300 |
| Unrestricted reserves carried forward at 31 December | <u>£55,668,821</u> | <u>£32,336,559</u> | <u>£49,925,304</u> | <u>£27,989,886</u> |

| | Consolidated | | Links Trust only | |
|--|--------------------|--------------------|--------------------|--------------------|
| The unrestricted funds are represented by: | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Designated cash reserve | 10,000,000 | - | 10,000,000 | - |
| Designated pension reserve | 13,237,000 | - | 13,237,000 | - |
| Other Unrestricted reserves | 32,431,821 | 32,336,559 | 26,688,304 | 27,989,886 |
| Total Unrestricted Funds | <u>£55,668,821</u> | <u>£32,336,559</u> | <u>£49,925,304</u> | <u>£27,989,886</u> |

The purpose of the designated cash reserve is to cover any unforeseen expenditure or loss of income, as well as investment in infrastructure. The purpose of the designated pension reserve is consistent with the contingent liability disclosure within note 20. There was no income or expenditure in relation to either of the designated funds with all movements relating to transfers.

13. FINANCIAL ACTIVITIES OF ST ANDREWS LINKS TRUST (the Charity)

The financial activities undertaken by St Andrews Links Trust are analysed in the following table:

| | 2023 £ | 2022 £ |
|--|--------------------|--------------------|
| Gross incoming resources | 32,374,029 | 21,825,372 |
| Total expenditure on charitable activities | (21,612,981) | (19,654,917) |
| Governance costs | (666,630) | (1,044,155) |
| Net incoming resources before other recognised gain / (losses) | 10,094,418 | 1,126,300 |
| Remeasurement (loss)/gain on defined benefit pension scheme | 11,841,000 | 3,385,000 |
| Net incoming / (outgoing) resources after other recognised gains / (losses) | 21,935,418 | 4,511,300 |
| Total funds brought forward | 27,989,886 | 23,478,586 |
| Total funds carried forward | <u>£49,925,304</u> | <u>£27,989,886</u> |
| Represented by | | |
| Unrestricted reserves | <u>£49,925,304</u> | <u>£27,989,886</u> |

14. ST ANDREWS LINKS JUNIOR GOLF ASSOCIATION

St Andrews Links Junior Golf Association (SALJGA) was set up by the Trustees in 2002 to promote the development of junior golf in St Andrews. Membership is open to any child, aged 5 to 18, residing in or attending a school in St Andrews. Members receive coaching from both professional and trained volunteer coaches, each of whom has received specialist training in golf tuition and child protection. The Trust underwrites the costs of the SALJGA programme, although some funds are generated through membership subscriptions, events and other sponsorships. In 2023 the net cost to the Trust was £22,470 (2022 - £28,595).

15. EMPLOYEES AND THEIR REMUNERATION

The average number of employees of the Trust and its subsidiary companies during the year ended 31 December 2023 was 380 (2022 - 352) and their aggregate remuneration, including the cost of pension contributions, employers National Insurance and benefits in kind was £14,622,175 (2022 - £13,636,352).

| | 2023 £ | 2022 £ |
|--|--------------------|--------------------|
| Payroll costs can be analysed as follows: | | |
| Salaries and benefits in kind | 12,216,941 | 10,326,669 |
| Social Security costs | 1,118,820 | 972,154 |
| Contributions to Defined Benefit pension schemes | 1,219,360 | 1,348,392 |
| Contributions to Defined Contribution pension | 673,590 | 364,968 |
| Other employee benefits | 144,464 | 152,169 |
| FRS102 adjustments | (751,000) | 472,000 |
| | <u>£14,622,175</u> | <u>£13,636,352</u> |



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

The numbers of employees (including key management personnel) whose pay and taxable benefits exceeded £60,000 fell within the following bands:

| | 2023 | 2022 |
|---------------------|-----------|-----------|
| £60,000 - £69,999 | 7 | 2 |
| £70,000 - £79,999 | 4 | 5 |
| £80,000 - £89,999 | 5 | 1 |
| £90,000 - £99,999 | 1 | - |
| £100,000 - £109,999 | 1 | 1 |
| £110,000 - £119,999 | - | 1 |
| £120,000 - £129,999 | 1 | - |
| £140,000 - £149,999 | 1 | - |
| £150,000 - £159,999 | 1 | 1 |
| £180,000 - £189,999 | - | 1 |
| £210,000 - £219,999 | - | 1 |
| £230,000 - £239,999 | 2 | - |
| | <u>23</u> | <u>13</u> |

In 2022 and 2023 some of the employees in the above table participated in the Fife Council defined benefits pension scheme. Other employees from the above were part of defined contribution schemes where contributions of £101,760 (2022 - £58,711) were made in the year. The total amount of employee benefits, including salary, benefits in kind and employer pension contributions, received by key management personnel was £1,351,652 (2022 - £1,013,772).

16. PENSIONS

The Trust provides pension benefits in two principal ways.

a) Defined Contribution schemes

To meet its obligations to comply with regulations regarding workplace pensions (Automatic Enrolment) the Trust operated a compliant defined contribution scheme with NOW:Pensions. Since 1 August 2014 this scheme was the Trust's default pension provision. Trustees decided to enhance pension provision by making employer contributions based on 6% of salary rather than the 1% required by law (2% required by law from 5 April 2018).

On 1 August 2023, staff previously on the NOW:Pension scheme were moved to a defined contribution scheme offered by Standard Life. Employer contributions range from 8% to 12% dependent on the employee contribution percentage that each member of staff chooses to pay.

During 2023 employer contributions of £217,339 (2022 - £306,257) were made to the NOW:Pensions scheme, whilst £354,491 (2022 - nil) were made to the Standard Life scheme.

b) Defined Benefit scheme

During 2023 the Trust was an admitted body to the Fife Council Pension Scheme, which is a funded defined benefit scheme providing benefits based on career average salaries. On 31 December 2023, following a staff consultation period, the Trust exited this pension scheme. During the year the Trust made employers contributions to the scheme of £1,219,359 (2022 - £1,348,391). The Trustees closed this scheme to new members in August 2014 and from January 2024 all existing members were moved to the Standard Life defined contribution scheme.

The contribution rates for the three years commencing 1 April 2021 were agreed at the meeting of Trustees in April 2021, namely a primary contribution rate of 41.1% and a secondary rate of £240,000. The final secondary contribution payment of £240k, due in March 2024, was not payable following exit of the scheme.

In compliance with the scheme rules, the actuary carried out a triennial valuation of the scheme as a whole, and the Trust's portion of the scheme, as at 31 March 2023. This triennial valuation, received on 21 December 2023, indicated that the overall fund position had improved from a previous deficit of £15.3M to a surplus of £10.3M. Upon exit of the scheme on 31 December 2023, the cessation report provided by the actuary showed further improvement of the fund, with a closing surplus of £13.2M. The valuation impacted these accounts in the following ways;

- i) an increase in the balance sheet asset of £13,237,000 due to crystallisation of the asset (2022 - a decrease in liability of £2,854,000 which was limited due to the effect of an asset ceiling).

- ii) a credit of £751,000 (2022 – a charge of £472,000), included within payroll costs in Note 15, representing changes in employee service costs and employers contributions.
- iii) a notional interest credit, included within the Statement of Financial Activity, of £645,000 (2022 – a charge of £59,000 included in note 3) representing the finance income / cost of projected long-term pension obligations and the expected return on assets.

The following tables summarise the assumptions used by the actuary and his valuation of the Trust's share of assets and liabilities.

i) Financial assumptions

The last actuarial valuation of the Scheme was carried out as at 31 March 2023 and the actuary prepared his cessation valuation report at 31 December 2023 by projecting the results of that valuation forward using approximate methods. The valuation as at 31 December 2023 used the following principal assumptions:

| | 2023 | 2022 |
|---------------------------|------|------|
| Pension increase rate | 2.2% | 3.1% |
| Salary increase rate | 2.7% | 3.6% |
| Expected return on assets | 4.1% | 4.8% |
| Discount rate | 4.1% | 4.8% |

Mortality assumptions are based on SAPS year of birth tables with mortality loadings applied based on membership class, from retiral date.

| | Males | Females |
|--------------------|------------|------------|
| Current Pensioners | 21.4 years | 23.6 years |
| Future Pensioners | 22.1 years | 25.7 years |

ii) Analysis of assets

The estimated split of assets attributable to the Trust's portion of the Scheme is as follows:

| | 2023 | 2022 |
|----------|------|------|
| Equities | 65% | 66% |
| Bonds | 26% | 24% |
| Property | 6% | 6% |
| Cash | 3% | 4% |

iii) Reconciliation to the balance sheet

The following table provides the reconciliation of funded status to the balance sheet:

| As at 31 December | |
|--|---------------|
| | 2022 £'000 |
| Fair value of Scheme assets | 39,203 |
| Present value of funded Scheme liabilities | (25,993) |
| Net overfunding in funded plans | 13,210 |
| Present value of unfunded liabilities | (9) |
| Effect of asset ceiling | (13,201) |
| Net liability | - |

As the scheme has crystallised at 31 December 2023 a debtor of £13,237,000 exists and no present value disclosure is required.



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

iv) Changes to the present value of liabilities during the year

The following table analyses the component parts of the change during the year in the present value of scheme liabilities attributable to the Trust:

| | Year ended 31 December | |
|------------------------------------|------------------------|---------------|
| | 2023 £'000 | 2022 £'000 |
| Opening defined benefit obligation | 26,002 | 45,146 |
| Current service cost | 636 | 1,641 |
| Interest cost | 1,239 | 869 |
| Contributions by members | 192 | 195 |
| Remeasurement (gains) / losses | 1,518 | (21,240) |
| Estimated unfunded benefits paid | - | (1) |
| Estimated benefits paid | (664) | (608) |
| Closing defined benefit obligation | 28,923 | 26,002 |

v) Changes to the fair value of assets during the year

The following table analyses the component parts of the change during the year in the fair value of scheme assets attributable to the Trust:

| | Year ended 31 December | |
|---|------------------------|---------------|
| | 2023 £'000 | 2022 £'000 |
| Opening fair value of assets | 39,203 | 42,292 |
| Expected return on assets | 2,042 | (3,844) |
| Contributions by members | 192 | 195 |
| Employer contributions | 1,387 | 1,168 |
| Contributions in respect of unfunded benefits | - | 1 |
| Estimated unfunded benefits paid | - | (1) |
| Estimated benefits paid | (664) | (608) |
| Closing fair value of assets | 42,160 | 39,203 |

vi) Amounts recognised in net outgoing resources

The following table analyses the component parts of amounts recognised in net outgoing resources:

| | Year ended 31 December | |
|-----------------------------------|------------------------|---------------|
| | 2023 £'000 | 2022 £'000 |
| Current service cost | 636 | 1,641 |
| Net interest cost | (645) | 59 |
| Remeasurement of return on assets | (158) | 4,654 |
| Total | (167) | 6,354 |

17. TRUSTEE REMUNERATION AND BENEFITS

Trustees do not receive any remuneration, nor have any Trustees received any benefits from an employment with St Andrews Links Trust or any of the subsidiary companies.

As part of its overall insurance cover, the Trust has Directors and Officers Liability Insurance which provides cover for Trustees, members of the Links Management Committee and staff.

18. OBLIGATIONS UNDER OPERATING LEASES

Amounts payable over the remaining term of non-cancellable operating leases are analysed below:

| | Land and Buildings | | Plant & Equipment | |
|-------------------------------|--------------------|-------------------|-------------------|-----------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| i) Consolidated | | | | |
| Operating lease payments due- | | | | |
| Within one year | 279,387 | 267,822 | 348,393 | 371,464 |
| Between two and five years | 1,154,821 | 1,118,633 | 1,033,269 | 43,531 |
| More than five years | 930,696 | 1,228,834 | - | - |
| | <u>£2,364,904</u> | <u>£2,615,289</u> | <u>£1,381,662</u> | <u>£414,995</u> |

| | Land and Buildings | | Plant & Equipment | |
|-------------------------------|--------------------|----------------|-------------------|-----------------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| ii) Links Trust only | | | | |
| Operating lease payments due- | | | | |
| Within one year | 6,000 | 6,000 | 132,198 | 98,148 |
| Between two and five years | 2,520 | 8,520 | 301,769 | 12,250 |
| | <u>£8,520</u> | <u>£14,520</u> | <u>£433,967</u> | <u>£110,398</u> |

19. FUTURE COMMITMENTS

The following capital expenditure has been contracted for as at 31 December 2023:

| | Consolidated | | Links Trust only | |
|-------------------------------------|--------------|-----------|------------------|-----------|
| | 2023 £ | 2022 £ | 2023 £ | 2022 £ |
| Contracted for but not yet incurred | <u>£-</u> | <u>£-</u> | <u>£-</u> | <u>£-</u> |

Other cost commitments as at the 31 December 2023 were nil (2022 - nil).

20. CONTINGENT LIABILITY

On the 1st March 2024 the Trust received a payment of £13.2M from the Fife Pension fund, which represented a cessation credit following the decision to exit the local government pension scheme on the 31 December 2023. This has been adjusted within the audited results for 2023.

For the purposes of the valuation, the scheme actuary adopted a "mark to market" approach meaning that the fund assets have been considered at market value and the liabilities have been valued by reference to market indicators (gilt yields) at the cessation date.

In line with the LGPS (Scotland) Regulations, the Fife Pension fund have confirmed that there is no ongoing liability for the Trust, and should any future deficits arise there will be no further payments to be made.

The Trust appointed a third party specialist pensions advisor to review the key assumptions of the cessation credit. This has not highlighted any concerns relating to the calculation, and whilst the Trust has no reason to believe that any error has been made, there is a general policy set out within the Scottish Public Finance Manual which states that should any error have been made in the calculation of a cessation credit, the pension fund can seek recovery of any overpayment.

This potential risk will exist for a period of five years from the date of the payment of the credit.



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2023

21. RELATED PARTIES

The Trustees are not aware of any transactions with individuals or bodies falling within the definition of related parties contained in the Charities and Trustee Investment (Scotland) Act, 2005 or which would require disclosure under the SORP.

22. POST BALANCE SHEET EVENT

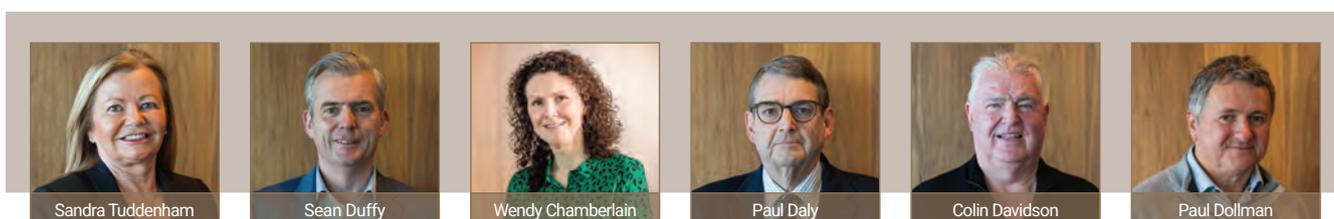
On the 6 February 2024, the Trust completed the acquisition of 70 acres of agricultural land adjoining the current Links Trust estate in St Andrews. This was purchased at a cost of £3.5M, and forms part of the Trust sustainability strategy.

REFERENCE AND ADMINISTRATIVE INFORMATION

1. Trustees

The following serve as Trustees. The appointing body for each Trustee is noted below, as are the Committees and Subsidiary Company Boards that each Trustee serves on.

| | | Committee posts held |
|---------------------------------|---------------------------------|---|
| Sandra Tuddenham (Chair) | Fife Council | F (Chair), G, L, S, R, N (Chair), C, T |
| Sean Duffy | The Scottish Government | G, R, S, L |
| Wendy Chamberlain | MP for North East Fife | |
| Paul Daly | The Royal and Ancient Golf Club | A (Chair), F, G, R, L, N |
| Colin Davidson | Fife Council | |
| Paul Dollman | The Royal and Ancient Golf Club | G, F, A |
| Alison J Denton | The Royal and Ancient Golf Club | A, G (Chair), R (Chair), N, S |
| Ann Verner | Fife Council | A |



Key to Committee & Subsidiary Company Board posts:

- A** = Audit & Risk
- F** = Finance
- G** = Corporate Governance Committee
- R** = Remuneration
- N** = Nomination
- L** = St Andrews Links Ltd
- S** = St Andrews Links Golf Shops Ltd
- C** = The Castle Course St Andrews Ltd
- T** = Tom Morris Ltd

James Leishman and Neil Donaldson resigned in the year and were replaced by Colin Davidson, and Paul Daly respectively. On 31 December, Mark T Dobell, and Alan Frizzell reached the end of their term appointment. After the nomination Committee had conducted its search and interview process in November 2023, Sean Duffy, and Paul Dollman were appointed as the replacement Trustees.



REFERENCE AND ADMINISTRATIVE INFORMATION CONTINUED

2. Links Management Committee

The following serve on the Links Management Committee. The appointing body for each member is noted below.

| | | Committee posts held |
|-------------------------|---------------------------------|-----------------------------|
| James Lindsay | Fife Council | A |
| Lesley Backhouse | Fife Council | |
| Allan Knox | Fife Council | |
| Tom Gallacher | Fife Council | |
| Walter Alexander | The Royal and Ancient Golf Club | |
| Ben Gray | The Royal and Ancient Golf Club | |
| Graham Murray | The Royal and Ancient Golf Club | F |
| Susan Bor | The Royal and Ancient Golf Club | |



Following the untimely death of Alison White in November 2023, James Lindsay was appointed the Chair of the Links Management Committee. On the 31st December 2023 David Comb reached the end of his term appointment, and at the first meeting of 2024, Walter Alexander and Susan Bor were appointed as new committee members.



Key to Committee posts:

F = Finance A = Audit & Risk

3. Address of Administrative Offices

The Trust's offices are located at:

Pilmour House
St Andrews
Fife, KY16 9SF
Telephone 01334 466666
www.standrews.com

4. Auditors

The Trust's auditors are:

Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

5. Bankers

The Trust's bankers are:

The Royal Bank of Scotland plc
113-115 South Street
St Andrews
Fife, KY16 9QB

Barclays Bank plc
1-4 Clyde Place Lane
Glasgow
G5 8DP

6. Lawyers

The Trust's lawyers are:

Thorntons Law LLP
Kinburn Castle
St Andrews
Fife, KY16 9DR

Shepherd and Wedderburn
9 Haymarket Square
Edinburgh
EH3 8FY

7. Charity Registration Number

St Andrews Links Trust is a registered Scottish charity.

The registered charity number is SC006161.

8. Statement of Trustees' responsibilities in respect of the Financial Statements

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and the group and of the incoming resources and application of resources of the charity and the group for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed, and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the St Andrews Links Order Confirmation Act, 1974. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.



UNAUDITED STATISTICAL DATA – GOLF PARTICIPATION

- Total rounds played and occupancy has increased in 2023, with total rounds played reaching record levels of 283,082.
- The level of ticket holder play increased during 2020 and 2021 due to the visitor restrictions imposed during the Covid pandemic, and has now returned to pre Covid normalised levels of 46%.
- The mix profile of ticket holder and visitor rounds, by course, has also returned to pre Covid levels.
- The volume of Old Course ballot applications increased by 23% in 2023, compared to the prior year.

Five Year analysis of rounds played on the Trust's courses

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------------|---------|---------|---------|---------|---------|
| Ticket Holder | 131,260 | 125,950 | 156,311 | 126,889 | 117,449 |
| Visitor | 151,822 | 128,350 | 83,110 | 47,400 | 137,533 |
| Total | 283,082 | 254,300 | 239,421 | 174,289 | 254,982 |
| Ticket Holder Mix % | 46% | 50% | 65% | 73% | 46% |

Five Year breakdown of occupancy on the Trust's 18 hole courses

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------|------|------|------|------|------|
| Occupancy | 78% | 76% | 68% | - | 71% |

Five Year breakdown of ticket holder play

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------|------|------|------|------|------|
| Old | 13% | 13% | 15% | 14% | 14% |
| New | 13% | 14% | 15% | 16% | 13% |
| Jubilee | 15% | 16% | 14% | 14% | 14% |
| Eden | 23% | 22% | 22% | 23% | 23% |
| Strathtyrum | 21% | 22% | 19% | 19% | 21% |
| Castle | 7% | 8% | 7% | 5% | 7% |
| Balgove | 8% | 5% | 8% | 9% | 8% |

Five Year analysis of visitor play

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-------------|------|------|------|------|------|
| Old | 23% | 23% | 23% | 23% | 25% |
| New | 18% | 18% | 16% | 14% | 18% |
| Jubilee | 17% | 18% | 14% | 14% | 17% |
| Eden | 12% | 12% | 13% | 11% | 11% |
| Strathtyrum | 6% | 6% | 8% | 9% | 6% |
| Castle | 16% | 18% | 15% | 14% | 17% |
| Balgove | 8% | 5% | 11% | 15% | 6% |

Notes:

1. FY2022 was impacted by the hosting of the 150th Open Championship.
2. FY2020 and FY2021 were both impacted by the Covid Pandemic.
3. Occupancy denotes tee times utilised, regardless of the number of golfers on each tee time.
4. Occupancy data not collected for 2020.





ST ANDREWS LINKS TRUST

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Scotland

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Scottish Charity No. SC006161