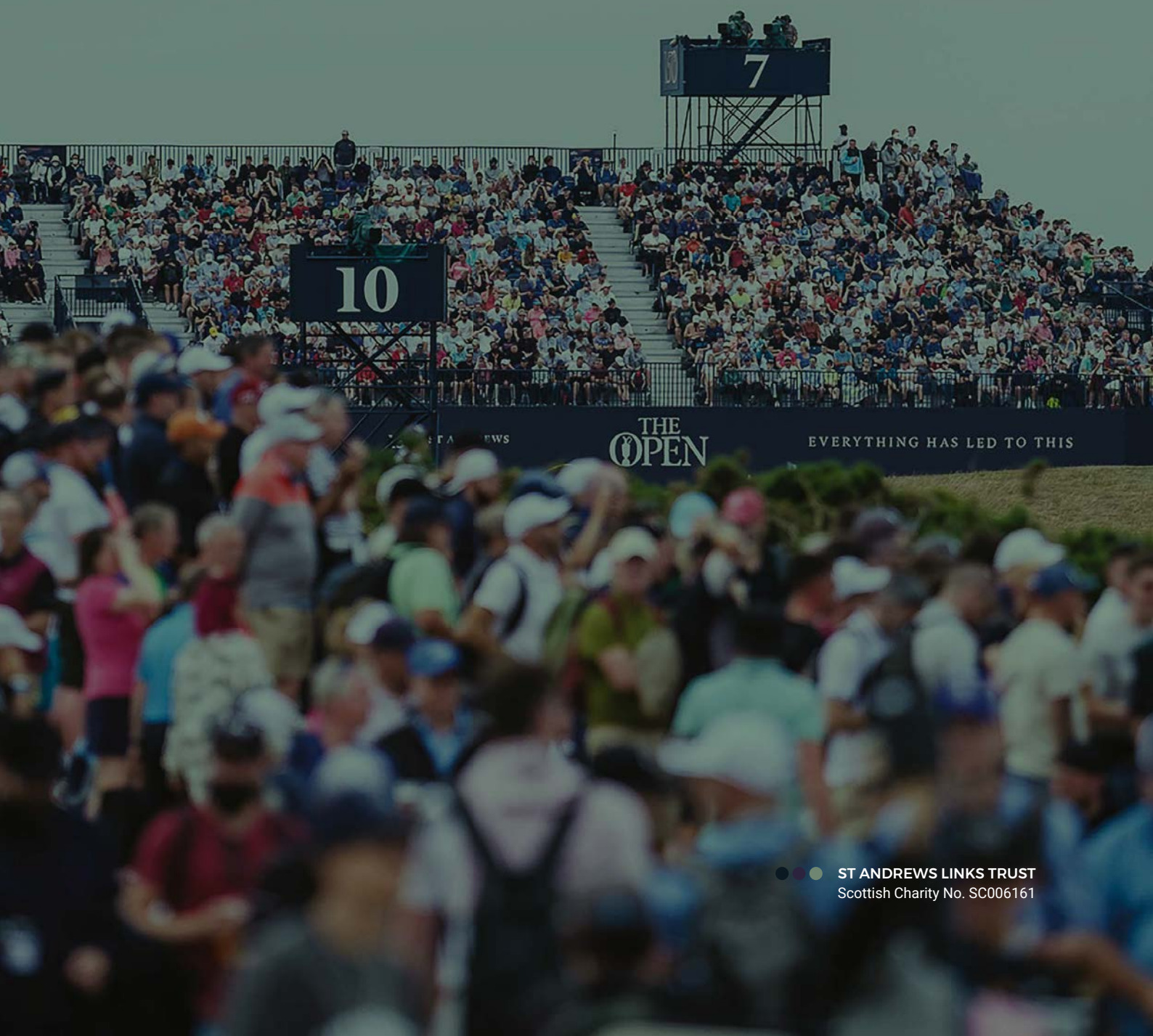




ANNUAL REPORT AND ACCOUNTS
2022



THE
OPEN

EVERYTHING HAS LED TO THIS

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WELCOME FROM OUR CHAIR AND CHIEF EXECUTIVE

MARK T DOBELL AND NEIL COULSON

It is our pleasure to invite you to read the 2022 Annual Report and Accounts of St Andrews Links Trust.

The year's financial performance provided a needed boost to the Trust funds, leaving the business in a much healthier position than anticipated even as 2022 began. Whilst this leaves us in an improved financial position going into 2023, we are still in a period of rebuilding and strengthening the balance sheet and that will continue through 2023.

Like so many other businesses the events of the past few years had a significant impact on the Trust's business model and against this backdrop the Trustees have concluded it is appropriate to increase the reserving policy ensuring the Trust can navigate a severe business interruption or to face unseen challenges ahead. More information on reserves policy is contained on page 14.

In 2022, we continued to operate efficiently and maximised revenue opportunities, but also started looking to the future and developing potential income streams. This will further enhance the financial health of the Trust, rebuilding reserves and enable investment to safeguard the Links and develop its facilities.

We are optimistic about the year ahead and continue to assess where future investment needs to be prioritised at the Trust. Such investment needs will largely be funded by internally generated funds, but it is likely that external fund raising will also be required in order to meet the strategic investment programme of the Trust.

Looking ahead we will continue to generate revenue to re-invest in the Links; making provision for the threat of sea level rises and protection of our natural coastal defences from erosion; improving the condition of our courses; developing our core facilities; and enhancing the reputation and renown of St Andrews to a global audience.

We hope you find the contents of our 2022 Annual Report and Accounts useful. This includes a recap of some of the significant points of progress, together with an outline of the key strategic themes that have been developed by the Board of Trustees this year.

Financial Highlights	Operational Highlights	Sustainability
<ul style="list-style-type: none"> Two fold increase in income following the removal of Covid 19 travel restrictions in March 2022. 	<ul style="list-style-type: none"> Successful hosting of 150th Open, the biggest Open in the history of the championship. 	<ul style="list-style-type: none"> Development of sustainability strategy in collaboration with Think Beyond, a leading social impact and sustainability consultant.
<ul style="list-style-type: none"> Reduction in debt levels following the early settlement of the CBILs term loan. 	<ul style="list-style-type: none"> Increase in ticket holder rounds played compared to pre Covid levels. 	<ul style="list-style-type: none"> Launch of St Andrews Links Trust West Sands ranger service, with one of the goals to better manage conservation and habitat of the West Sands and golf courses.
<ul style="list-style-type: none"> Reported surplus following two consecutive loss making years, with return to the pre Covid net income margin level, of 11%. 	<ul style="list-style-type: none"> Digital transformation programme progress including the launch of the new website and selection of new golf booking platform. 	<ul style="list-style-type: none"> Progressed a number of initiatives to reduce carbon emissions including 100% business waste recycling; 100% of green waste composted; All greens at the 150th Open were cut using electric triplex mowers and the Trust replaced four hybrid triplex mowers with all electric (lithium ion) models.
<ul style="list-style-type: none"> Contribution of £188,500 to the St Andrews Community Trust which is used to support projects of public benefit in St Andrews and the surrounding area. 	<ul style="list-style-type: none"> Installation of Toptracer Range technology resulting in over 1 million balls hit at the Academy in first three months of operation. 	<ul style="list-style-type: none"> Appointment of new Director of People to develop and deliver a modern and suitable approach to employee wellbeing, talent identification and recruitment.
<ul style="list-style-type: none"> Assisted in the raising of £126,000 which was distributed to local charities following the successful launch of Callaway's Big Bag trail. 	<ul style="list-style-type: none"> Successful launch of the dual branded Travis Mathew store in August. 	<ul style="list-style-type: none"> Progress towards the restoration of a £15m reserved target.

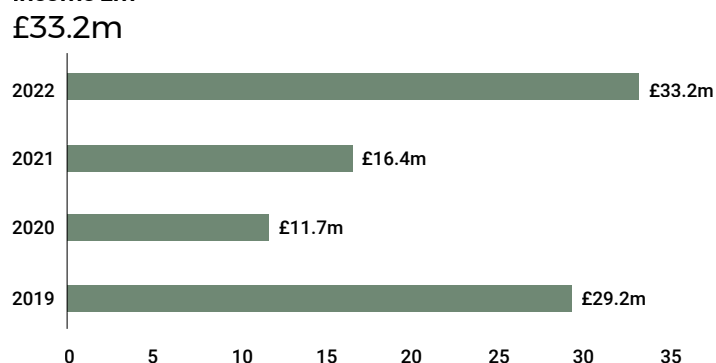


WELCOME FROM OUR CHAIR AND CHIEF EXECUTIVE CONTINUED

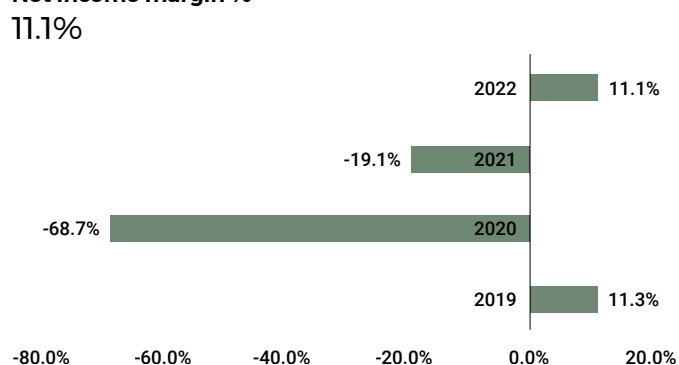
MARK T DOBELL AND NEIL COULSON

The vision of the St Andrews Links Trust financial strategy is to “Operate sustainably, generating a surplus, which will be invested into infrastructure, resources and innovation, to preserve the Links and to support enhancement of the experience and renown of the Home of Golf.”

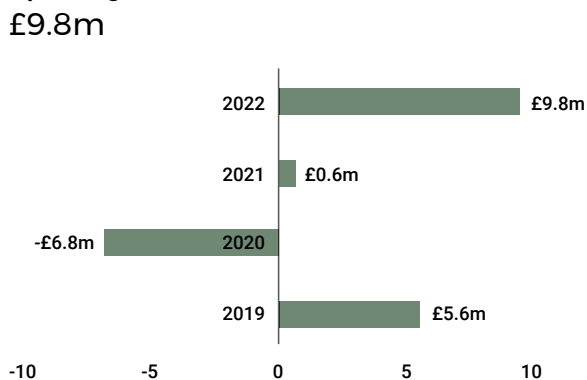
Income £m



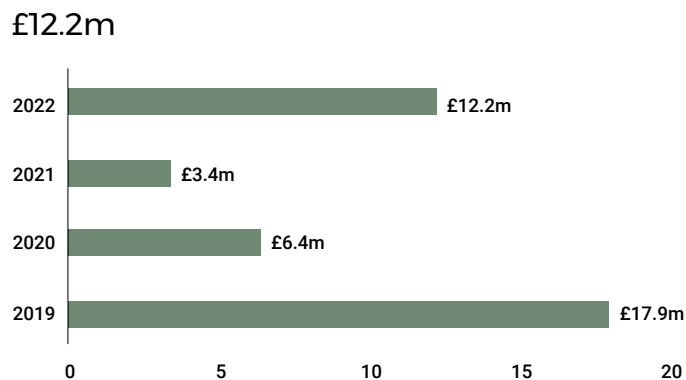
Net Income margin %



Operating cash flow £m



Net cash £m



OUR STRATEGY

The following summarises the vision statements within the seven key pillars at the heart of the St Andrews Links Trust strategic plan.





CHAIRS' STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

We are pleased to report positive results for 2022 as the Trust continues its recovery from the Covid-19 pandemic.

For many businesses and organisations around the world, their annual reports in 2020 and 2021 made for difficult reading as the effect of the devastating Covid-19 pandemic was laid bare. The Trust was no different and our previous annual reports made clear the significant impact the pandemic and subsequent travel restrictions had on our operations and ability to trade.

Despite those challenges we can look back with a sense of achievement at how the organisation adapted to the new landscape, ultimately laying the foundations for what has been a successful year in 2022 and one which allows us to look to the future with renewed optimism.

In 2022 the number of rounds played across our courses returned to pre-pandemic levels with 254,298 rounds played, which also improved the Trust earnings from two consecutive years of underlying losses. When we compare this to the previous years, significantly impacted by the pandemic, it highlights just how crucial the return of international visitors was to opening up our traditional income streams.

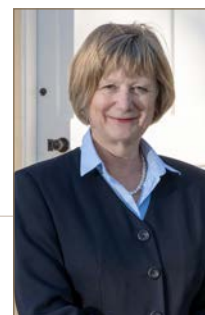
Visitors accounted for around 50% of rounds played at St Andrews Links, however it is also pleasing to note that 2022 saw an increase in the number of rounds played by our yearly ticketholders compared to 2019, despite the challenges of hosting The 150th Open resulting in restricted access to courses for periods of the year. The board remains acutely aware of continuing to balance the needs of our ticketholders against the income generated from visitor rounds.

There is little doubt that the green shoots of recovery, first sown in the organisation's initial response to the pandemic in 2020 and 2021, were significantly nurtured in 2022 and this has strengthened the cash reserves and balance sheet that were so impacted during covid times. However, this is also set against a backdrop of rising inflation, cost of living increases and many other global factors, meaning that despite a positive 2022 the Trust must still be wary of further pressures to come.

The organisation has already shown it can be flexible, adapt to new ways of working and explore new income streams. As a board, we will continue to encourage the Senior Leadership Team to capitalise on potential areas of growth identified during the past few years in order to diversify activity and become more resilient to external pressures.



Mark T Dobell
Chair of Trustees



Alison O White
Chair of Links
Management Committee

It should also be noted that 2022 saw the first full year of Neil Coulson's tenure as Chief Executive following his appointment in December 2021 and we are grateful for the impact he has already made in his time with the Trust. We have been impressed by the significant experience and insight he has brought to the organisation and his passion and commitment to build on what we have will stand the Trust in good stead for many years to come.

The 150th Open was an opportunity to further showcase the allure of the Home of Golf to a global audience and it is clear there was no better venue for such an historic Championship. We are grateful to our partners at The R&A for staging the Championship here and immensely proud of the efforts of every single member of staff at the Trust who went above and beyond to present the Links and its facilities on the biggest of stages. We are aware that, operationally, an Open year at St Andrews, even in normal circumstances, can be challenging and this was exacerbated with the return of visitor traffic that could not have been fully anticipated at the beginning of the year. The board would like to acknowledge and thank all individuals and teams who successfully navigated these challenges, which is a demonstration of the commitment, drive and talent of all those at the Trust.

We are delighted that as well as being able to look back with pride and satisfaction at what we have achieved, we can now look forward with optimism and confidence.

Finally, we would like to thank David Christie for his service as a Trustee between 2020 and 2022. David served as Chair of the Remuneration Committee, a Director of St Andrews Golf Shops Limited and a member of the Finance and Corporate Governance committees. We wish David a long and happy retirement.

Mark T Dobell
Chair of Trustees

Alison O White
Chair of Links Management Committee

26 May 2023



CHIEF EXECUTIVE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022



Neil Coulson

Chief Executive
St Andrews Links Trust

Looking back on 2022 now it is easy to see the year simply as a return to normality and the beginning of our strong recovery from the Covid-19 pandemic which did so much to impact operations across the organisation.

However, we should not forget that 2022 began with significant uncertainty and trepidation. Talk of new waves of Omicron variants were in the media with the potential for new periods of lockdown and a continuation of travel restrictions. This meant having to plan for a golf season without any real clarity or confidence in terms of international visitor numbers and whether we could deliver normal operations for our retail and clubhouse facilities.

Thankfully, within weeks it became clear that we would not be facing any new restrictions, the desire to travel to the Home Of Golf was back, and we were soon welcoming thousands of golfers on a weekly basis. This presented challenges of trying to deliver the levels of experience we aspire to as we quickly adjusted our plans, particularly in terms of recruitment. However, the large numbers of golfers and visitors was undoubtedly as welcome for us as it was for all of the businesses which rely on people travelling to St Andrews. I remain humbled and immensely proud of how every member of staff at the Trust rallied round and took the challenges we faced head on, ultimately delivering one of our most successful years on record. The commitment and passion of our team is something that has been

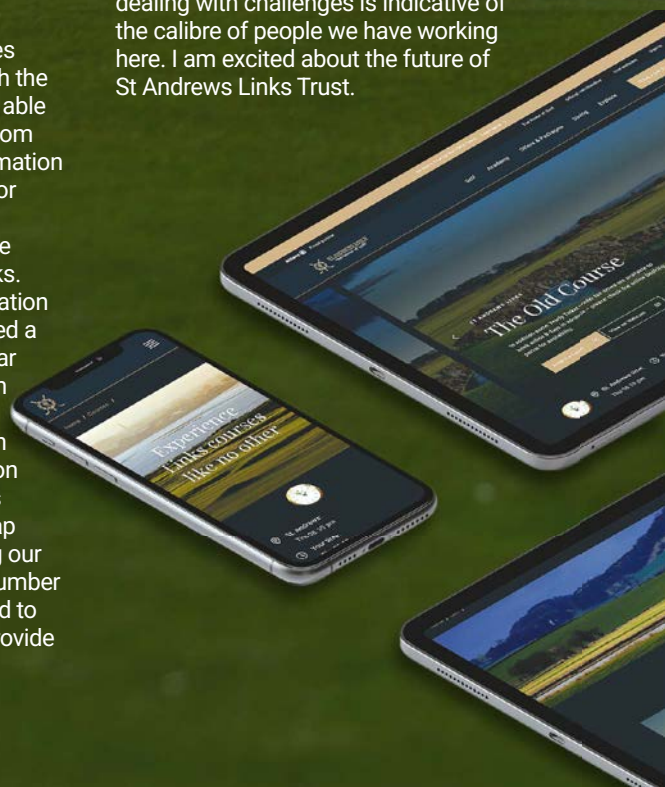
evident since I started with the Trust and is often remarked upon by visitors to our facilities.

Such was the appetite to play on the courses in 2022 that numbers of rounds played returned to similar levels seen in 2019 while income more than doubled from 2021. The year's financial performance provided a much welcomed boost to the balance sheet, leaving the Trust in a much healthier position than anticipated even as 2022 began. Whilst this leaves us in a vastly improved financial position going into 2023, we are still in a period of trying to rebuild the balance sheet and that will continue through 2023. The events of the past few years also led to an adjustment in our policy of reserves so that we are better equipped to navigate a severe business interruption or to face unseen challenges ahead. As also explained within this report, the financial statements also include a £3.4M accounting adjustment relating to the Trust's estimated liability to the Fife Council Pension Scheme. Such adjustments can often skew the perception of financial results. In order to gain a proper appreciation of the results from the Trust's normal operations, we have included a Consolidated Income and Expenditure account, introduced for the first time in last year's annual report.

As impressive as the 2022 figures are, I am particularly pleased with the incremental gains we have been able to achieve as a business away from the courses. Our digital transformation project will be a game-changer for us in future years as we seek to improve the customer experience and engagement across the Links. The requirement for a transformation of our digital assets was identified a number of years ago and this year some key elements of this began to come to fruition, including the launch of the new website, which helped cater for almost 1.5 million users and 7.2 million page views throughout the year. The roadmap we have developed for delivering our digital transformation spans a number of years and I am looking forward to the new opportunities this will provide us in future years.

The Senior Leadership Team was also bolstered with the addition of two new directors. Our engagement director, Laurie Watson who has been with the Trust for more than 10 years, has been pivotal in the rollout of the new digital projects, as well as delivering a commitment I made to communicating with our customers and stakeholders in a more transparent, open and meaningful way. Underlining an earlier point regarding our staff being our most crucial asset, we appointed a new director of people, Scott Semple, to focus on employee wellbeing, talent identification and recruitment, and the ongoing development of all of our people. It is vital that in the current recruitment market, which is extremely challenging, the Trust is seen as an employer of choice and a destination for the most talented individuals in each of the various fields of our business.

There are several ambitious projects and initiatives on the horizon as we look to elevate the experience we provide for all our staff, and deliver to all our golfers and visitors. The speed and enthusiasm with which our customers returned is testament to the global pull of this iconic destination, while the pride and commitment shown by our staff in dealing with challenges is indicative of the calibre of people we have working here. I am excited about the future of St Andrews Links Trust.



After many years of planning, preparation and anticipation, July saw the historic hosting of The 150th Open at St Andrews.



The 150th Open

After many years of planning, preparation and anticipation, July saw the historic hosting of The 150th Open at St Andrews. The Old Course provided a fitting stage for a Championship that will live long in the memory for all who attended and the many millions who watched the incredible pictures beamed around the world.

With more than 290,000 spectators attending during the week and an economic benefit in excess of £300 million delivered to Scotland, it represented the biggest Open Championship in its illustrious history.

The entire team at St Andrews Links Trust expresses our gratitude to all annual ticketholders and visitors in 2022 for their support and patience in accepting the disturbance to normal operations in the build-up to the event as we sought to deliver a venue befitting our proud status as the Home of Golf. We believe we achieved that and more, presenting our famous Links and wonderful town in an incredible light.

I am hugely grateful to all our staff at St Andrews Links Trust who displayed incredible commitment and dedication not only during the Championship itself across a variety of roles but also in the preparation and planning stages. They were undoubtedly central to the success of the Championship, played on the Old Course for the 30th time, in both event preparation and delivery across a number of key areas in collaboration with The R&A.

Front and centre was the St Andrews Links greenkeeping team, who presented the golf course in world-class condition, receiving plaudits from many of the players during the week, and setting the stage for an historic Championship. The team of 45 greenkeepers was led by Director of Greenkeeping Sandy Reid and course manager Gordon McKie and comprised the regular team of 17 Old Course greenkeepers supplemented by additional staff from St Andrews Links other courses as well as some drafted in from other clubs for additional support. More than 2,500 hours were dedicated to conditioning the golf course throughout the week.

Elsewhere across the Championship, St Andrews Links staff supported in a variety of ways including Golfers' Assistants working as Marshals across the course, Food & Beverage staff supporting hospitality provision, including catering for hundreds of Open staff within the Tom Morris Bar & Grill, and members of our Tournament team supporting scoring for the week.

I am sure it will be a career highlight for many involved in the Championship. The actual play during the Championship was excellent with a thrilling finish on Sunday seeing Cameron Smith seal his place in history by becoming the Champion Golfer of the Year at the Home of Golf.



CHIEF EXECUTIVE'S REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

Tournaments

In 2022 our annual tournaments held here at the Home of Golf went from strength to strength, highlighting the continued appeal of St Andrews whether it be for a dream trip or to test your mettle in the heat of competition.

This popularity is underlined by the fact that both the Eden and Strathtyrum Tournaments saw the first 120 first-come-first-served places taken within 38 seconds of going live online and each one of our annual tournaments receiving significantly more applications than places available.

The St Rule Trophy and St Andrews Links Trophy, presented by Allianz, saw the world's elite male and female amateurs compete on the grandest of stages. It was something of a homecoming victory for Scots-born Connor McKinney, who now represents Australia, following his 17-under-par total to lift the St Andrews Links trophy, while Dunfermline's Jennifer Saxton ensured the St Rule Trophy stayed a little closer to home completing the third Scottish victory in a row with a nine-under-par total.

Both events benefitted from enhanced social media coverage and content with more than 250,000 engagements and 100,000 videos views across social platforms as we continue to grow their profile worldwide.

The beauty of the annual tournaments at St Andrews Links is that they cater for all ages and abilities of golfer and August saw the playing of the Eden and Strathtyrum Tournaments as well as the St Andrews Boys' Open and the St Andrews Junior Ladies Open with the winners as follows.

- St Rule Trophy** Jennifer Saxton
- St Andrews Links Trophy, presented by Allianz** Connor McKinney
- Eden Tournament** Stephen Dines
- Strathtyrum Tournament** Martine Pow
- St Andrews Boy's Open:**
 - Merchants Cup (Scratch) Samuel Norman
 - Murray Mitchell Trophy (Handicap) Alfie Burnett
- St Andrews Junior Ladies' Open:**
 - Golf Monthly Trophy (Scratch) Gabrielle Venter
 - Girls Open Quaich (Handicap) Carly McDonald



2022 St Rule Trophy Winner, Jennifer Saxton



2022 Martine Pow (Strathtyrum) and Stephen Dines (Eden) tournament winners



2022 St Andrews Links Trophy Champion, Connor McKinney

Congratulations to all our winners on your achievements at the Home of Golf.

The Alfred Dunhill Links Championship returned to the Home of Golf in October with New Zealander Ryan Fox clinching his third DP World Tour win with an impressive final round of 68, for an overall 15-under-par total of 273.

It was an exciting finale for Fox who finished one shot ahead of Callum Shinkwin and Alex Noren at the event, which takes place annually across the Old Course, Kingsbarns and Carnoustie as a celebration of links golf.

Shinkwin and amateur partner Alex Acquavella posted a brilliant final round 63 at the Old Course to win the Alfred Dunhill Links Team Championship in the popular pro-am format by three shots.

Helping steer American art dealer Acquavella to victory was St Andrews Links caddie Chris Gallacher. Acquavella, who plays at the National Golf Links and Shinnecock Hills on Long Island, has made the cut just once in seven previous appearances at the Alfred Dunhill Links, but found the winning chemistry this week alongside English pro Shinkwin, who finished joint runner-up in the individual event.

Chris was amongst an incredible 108 St Andrews Links caddies who were on the bags of both pros and amateurs throughout the week.



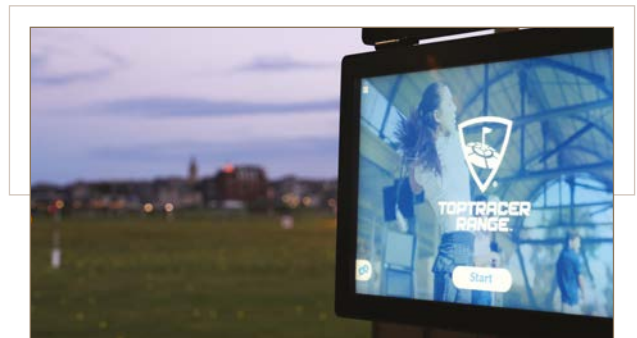
2022 Alfred Dunhill Links Champion, Ryan Fox

Toptracer Range

In August the St Andrews Links Golf Academy benefitted from further technological advancements with the installation of the innovative Toptracer Range technology following the beginning of a strategic partnership with Topgolf Entertainment Group (TEG) the previous summer.

Featuring the same ball-tracking technology seen on TV coverage of live golf, Toptracer Range revolutionised the experience at the Academy, providing players with accurate, live shot data that can be used for practice or to compete in fun challenges and games.

In its first three months Toptracer Range saw more than 10,000 individual sessions and almost one million golf balls hit at the Academy.



St Andrews Links by TravisMathew store

St Andrews Links Trust and TravisMathew created history in August with the opening of a new dual brand specific store behind the 18th green of the Old Course – the first dual brand-specific store to open at the Home of Golf.

The store occupies the building formerly known as The St Andrews Links Shop, which was fully refurbished during its temporary closure to accommodate a grandstand for The 150th Open in July.

The collaboration with TravisMathew, a premium men's golf and lifestyle brand, represented a further evolution of St Andrews Links Trust's retail operation, which comprises four stores, including The Old Course Shop on Links Place adjacent to the 18th green.

St Andrews Links Trust and TravisMathew created history in August with the opening of a new store behind the 18th green of the Old Course



CHIEF EXECUTIVE'S REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

West Sands Rangers Service

As part of our commitment to managing and protecting the West Sands beach and Eden Estuary, two sites of special scientific interest (SSSI) which adjoin the Links, 2022 saw the introduction of our West Sands Rangers Service. Headed up by Lead West Sands Ranger, Ranald Strachan, the service seeks to maintain, protect

and enhance the natural environment around the Links, including vital beach recharge work and dune restoration and stabilisation projects to combat coastal erosion. The introduction of the West Sands Rangers Service is indicative of the importance the Trust places on sustainable practices and protection of the natural environment. Working alongside Fife Council and

Fife Coast and Countryside Trust, the service will be crucial in preserving the area for current and future generations to enjoy. The service, as well as many other teams and departments across the Trust, will have a vital role to play in ongoing sustainability efforts as we develop a sustainability roadmap for the organisation.



Partnerships

As with all activity across the Links, our partnership programme returned to something more resembling normality in 2022 following the two years of pandemic which meant there was almost no activity on the ground.

We were delighted to once again welcome many of our partners back to the Links following their strong and unwavering support in previous years, which was headlined by our hugely successful partnership hospitality programme at The 150th Open. We were proud to be able to offer our partners and their clients and guests access to the historic championship, further strengthening our bond with our partners and underlining the benefits of a partnership with the Home of Golf. Several partners were also able to return to host their annual Old Course tournaments including Toro, Allianz and Callaway.

One benefit from the pandemic years was the focus on becoming more innovative and inventive with our partners in their activations with St Andrews Links and in 2022 this was demonstrated with the introduction of Callaway's Big Bag Trail around The 150th Open. This unique collaboration saw engagement with local schools to create 10 stunning golf bag sculptures placed around St Andrews as part of a tourist trail supported by an app to "collect" the sculptures. The winning design by 17-year-old Iona Turner was then used as the official staff bags for all of Callaway's players playing in The Open. Following the trail, each of the sculptures was auctioned off to support local charities, attracting bids from around the world and raising an impressive £126,000.

Other significant activations included The Old Course Challenge in association with Allianz and innovative online gaming platform WGT and the Toptracer Range installation at St Andrews Links Golf Academy.

We are proud of our partnership programme and grateful for the support of our partners, each one a leader in their respective fields. We look forward with great optimism as we continue to strengthen relationships with our existing partners, and we look to expand our commercial activity with the aim of providing income for reinvestment into St Andrews Links, and tangible benefits to the Trust and the experience we deliver our golfers and visitors.

Neil Coulson

Chief Executive, St Andrews Links Trust

26 May 2023



TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The Trustees of St Andrews Links Trust present their Annual Report and Accounts for the year ended 31 December 2022. 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).

Reference and Administrative Information

Reference and administrative information is shown on pages 37 to 40.

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 the latest Annual Report and Accounts, copies of past minutes and other background information and 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 a management 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 an executive management team, which takes the lead in most day to day matters.

The Audit and Risk Committee is responsible for meeting with the auditors to agree the planning for the audit, reviewing the audit findings and the draft audited Annual Report & Accounts and approving them for submission to Trustees. They also review the Trust's risk register and, if approved, recommend it to Trustees for adoption, and also have oversight over the Trust investments policy and performance.

The Finance Committee is responsible for reviewing and approving draft budgets and pricing recommendations prior to their submission to Trustees for approval. In addition, the Committee is 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 39.

Charitable purpose

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

Related parties

Information on transactions with related parties is given in Note 20 to the accounts.

Objectives and Activities

The Trust's principal objective, as stated in the Links 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".

St Andrews is famous worldwide, not just in golfing but also in academic and ecclesiastical circles and has a rich history. It is widely recognised as the "Home of Golf", where the game began



TRUSTEES' REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

and largely evolved into its current form, is home to The Old Course, the oldest and most famous golf course in the world, and is renowned for its golfing connections.

Many hundreds of thousands of people all over the world feel a strong emotional attachment to St Andrews and this bond raises the expectations of the thousands of visitors who flock to the town, many of them to fulfil a lifelong dream. Their expectations are high and the Trustees are acutely aware that only the highest standards of course presentation, facilities and service will meet or exceed those expectations. The Trustees' vision is to continually develop St Andrews Links as the most renowned public golf complex in the world, delivering unique and memorable experiences for golfers to play, learn, shop and relax.

Locally, too, the Trust and the golf courses play an important role in the everyday life of the town. This is recognised in the Links Act which extends certain entitlements to residents of the town and to members of The R&A. The town is home to several long-established golf clubs and the Trust works closely with those clubs to facilitate their access to the courses for fixtures and competitions.

Historically, nearly 50% of all golf on the Trust's courses is played by yearly ticket holders, yet only a very small proportion of the Trust's income is derived from these sources. The Trust depends on visitors for the great majority of its golfing and other revenues and it is therefore important, for both the Trust and the town, that the Trustees maintain an equitable balance between 'local' and 'visitor' play.

The activities of the Trust's subsidiaries, St Andrews Links Golf Shops Limited (SALGS) and St Andrews Links Limited (SALL), make a major contribution to the Trust's turnover and provide a degree of diversification from reliance solely on income derived from the golf courses.

The Trustees are proud that the town and the wider public benefit from the Trust's efforts to commercialise its intellectual property portfolio. St Andrews Links Limited pays a royalty to the St Andrews Community Trust which applies those royalties towards projects of public benefit to St Andrews and the surrounding area. Since 2010 the Trust has made contributions of £1.3m to the Community Trust, allowing them to support a number of local charities including improvements to Craigtoun Park, the St Andrews Tennis and Sailing Clubs, and the local charity Families First.

Achievements and Performance

Please refer to the Chair and Chief Executive reports.

Financial Review

Presentation of the accounts

The accounts are prepared in compliance with the Charities SORP (FRS102). Consolidated accounts are presented, with the results of the Trust and its subsidiary companies combined as if they were a single entity. Intra-group trading is eliminated from income and expenditure in the Consolidated Statement of Financial Activities and intra-group balances are eliminated from the consolidated balance sheet.

Commentary on the accounts

The Trustees are pleased to report an improvement to the losses reported in 2020 and 2021. This has enabled the Trust to strengthen the reserves that were so badly depleted during the previous two years.

Due to the disruption to Trust financials during 2020 and 2021, the following pro forma results summary has been prepared to include comparative results for 2019;

Pro Forma Results Summary (£)	2022	2021	2019
Income	33,241,335	16,412,617	29,155,952
Expenditure	29,544,338	19,539,035	25,858,770
Income/(Deficit)	3,696,997	(3,126,418)	3,297,182
Cash and Investments	16,787,115	11,261,026	17,870,630
Debt	(4,597,126)	(7,888,741)	-
Net Cash	12,189,989	3,372,285	17,870,630
Total Golf Rounds (No.)	254,298	236,811	254,982

Earnings

Trust net income for 2022 was £3.7M, compared to a net loss (£3.1M) in 2021.

Total income increased two-fold in the year to £33.2M, with activity across all key sectors of the business recording year on year growth. Total income was also 14% higher than 2019 income levels.

Golfing income increased from £9.2M to £18.2M. The restrictions on international travel were relaxed from the 18th of March 2022, and this drove a recovery of total rounds played to pre Covid levels. This together with the agreed green fee and ticket holder pricing uplifts contributed to the improvement in golfing income both compared to 2021 and 2019 levels.

Retail income also reported a strong recovery from prior year levels, increasing £6.9M to £9.6M. The instore performance also benefited from both an improved visitor footprint during 2022, but also the re-opening of the 18th hole shop following over two years of Covid related closure. The new and rebranded TravisMathew store was opened in August 2022, and activity levels out-performed expectation during the year. The division has strategic intent to expand further the online channel, and it was therefore pleasing to be able to report a double digit increase in e-commerce revenue during 2022.

The Food and Drink division income increased by £1M to £2.7M, including the full year impact of the opening of the Tom Morris Bar and Grill, which was opened in April 2021, together with income growth from all Trust facilities. This was offset by a reduction in gross margin due to the impact of well publicised supply chain pricing and availability challenges across the hospitality sector.

Partnership and licensing income grew slightly, to £2.1M in 2022, a result of new license arrangements in the year, whilst other income from trading activities included the recharge of partner hospitality arrangements during the 2022 Open Championship.

Total expenditure increased by £10M to £29.5M. Total payroll costs (excluding FRS 102 adjustments) increased by £2.5m from prior year levels. The increase in costs includes three key elements, namely the additional staffing levels required to meet the uplift in activity levels within the Golf, Retail and Food and Beverage operations; the introduction of additional central resources to augment the Corporate and Commercial growth ambitions of the Trust (including a new Director of People; Head of legal / Company Secretary and additional marketing and digital resource); and staff cost of living awards processed during the year to meet the ongoing inflationary pressures on the Trust workforce. It is worth noting that total payroll costs

as a percentage of total income actually fell from 42% in 2019 to 41% in 2022.

The food and beverage, non-payroll, and merchandising cost of goods sold expenditure increased by £3.5M in 2022. This is simply a factor of the increase in retail and food and beverage activity in the year, although as mentioned above the gross margin for F&B activity was under significant pressure due to supply chain pricing uplifts during the year.

Operating expenses increased by £2.1M in 2022. A key contributor to this increase was an uplift in links maintenance expenditure, including an increase to fertiliser expenditure and fuel costs, together with increased general insurance premiums following the uplift in the property sums insured relating to the completion of the new HQ in late 2021.

Depreciation charges were in line with the prior year levels.

Payments under operating leases increased in the year. During 2020 and 2021 the Trust negotiated reduced finance payments as part of the cost containment strategy.

Legal and professional costs increased in 2022. The increase in costs includes non-capitalised project costs relating to the delivery of the Digital Transformation programme.

Other income

During the year the Trust benefited from leisure and tourism grants of £17,800 in relation to hospitality support at the start of 2022.

Liquidity and Net Assets

During 2020 the Trust secured £8M in term debt funding which included £5M of long term financing to support the new HQ construction project, and £3M in CBILS funding to address the medium term working capital requirements in the retail division in 2020 and 2021. Following the improvement in retail performance during the year, the board took the decision to take advantage of the advantageous early settlement provisions and to repay the remaining balance of £2.5m relating to the CBILS loan.

Gross cash balances improved by £5.5m in 2022, which included the surplus for the year, together with an increase in prepaid premium golfing income receipts for the 2023 season. This increase is a result of previous Covid-19 rescheduled times being replaced by new times at a 2023 price. Gross cash balances includes prepaid golfing income of £8.9m, part of the overall deferred income balance shown in note 10.



TRUSTEES' REPORT CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

Local Government Pension Scheme

To comply with accounting standards, the Trustees are required to commission a valuation exercise of the Fife Council pension scheme, referred to as the FRS102 valuation, from the scheme actuary. That valuation is prepared on an estimated basis using projected figures from the latest available triennial valuation, in this case as at 31 March 2020, and using a prescribed formula for discount rates and other key elements.

This treatment contrasts with the triennial valuation, which sets the contribution rates for the period between triennial valuation dates, and is carried out in great detail on an individual member basis. It is this triennial valuation which the trustees of the pension scheme will use in assessing the long-term health of the pension scheme as a whole.

In 2022 the calculation has given rise to a decrease in the theoretical liability by £2,854,000, due largely to an improvement in fund investment performance during the year. In addition to the balance sheet impact, the FRS102 calculation also impacts on the Consolidated Statement of Financial Activities in the following ways.

- i) Included within payroll costs, as analysed in Note 15 to the accounts, is an amount intended to reflect the calculated difference between Current Service Cost, i.e., the increase in the present value of the long-term obligations resulting from employee service costs in the current financial year and the amount actually paid by way of employer calculations. This figure is calculated to be £472,000 for 2022 compared to £452,000 in 2021.
- ii) A notional interest cost is calculated, being the difference between the estimated cost of financing the long-term obligations of the scheme and the actual investment returns received during the year. This figure is disclosed within Note 3 to the accounts and has decreased from £118,000 in 2021 to £59,000 in 2022.

The latest triennial valuation, carried out as at the 31 March 2020, showed a funding level, based on a low risk exit basis, of 65% (2017 valuation 64%) and a funding deficit of £15.3m, (2017 deficit £13.1m).

The consolidated balance sheet is presented on page 22 of the Report and Accounts.

Reserves policy

The Trustees wish to accumulate reserves in the form of cash, near cash and financing facilities appropriate to the Trusts needs. Those 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 fund the Trust's infrastructure development plan. Following a strategic review of the Trust reserving requirements the Trustees have agreed to set a minimum reserve target going forward of £15M, with a target that this level be achieved during the 2023 financial year. The following principals have also been agreed;

- Two-thirds of this value (£10M) would be held in cash or investments, with one-third in a mixture of overdraft and/or other credit facility;
- Of the £10M (cash element);
 - * 50% of the cash element would be held in a managed investment fund;
 - * 40% would be held in notice and term deposit instruments, and
 - * 10% in treasury deposits.
- In order to address counter-party risk, no more than 50% of the cash element should be held with one financial institution.

Principal risks to the Trust's activities

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:-

- Agronomy risk: Risks which could affect the existence or quality of the playing surfaces.
- Facility Risk: Physical risks to buildings and infrastructure.
- Financial Risk: 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 / Legislative Risk: Risks from changes to key legislation, the political environment or changes to appointment arrangements for Trustees and Links Management Committee.
- People Risk: Risks resulting from staffing issues, including employment and health and safety matters.
- Commercial Risk: Risks from loss and/or poor financial performance of key commercial contracts.
- IT Risk: Risks resulting from IT infrastructure including software and hardware failure, cyber security and data compliance.

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>Lack of Financial Resources</p> <p>If funding requirements are not available to be met by third party institutions, this could have a significant impact on the ability of the Trust to deliver on the long term infrastructure development programme.</p>	<ul style="list-style-type: none"> • Detailed financial scenario planning to identify spread of financial risk and potential outcomes. • Additional external funding opportunities being discussed with current and alternative institutions.
<p>Coastal Erosion</p> <p>The failure of coastal erosion defences and impact on Trust facilities.</p>	<ul style="list-style-type: none"> • A scientific monitoring programme of existing coastline is in place with the aim of providing early warning of potential trouble spots. Additional activity is referred to within the Chief Executives report.
<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 as part of the 2023 financial planning process.
<p>Cyber Security Risk</p> <p>Impact on Trust finances and reputation if the Trust was 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>	<ul style="list-style-type: none"> • Training and monitoring has now been outsourced. • A cyber incident response plan is currently being developed. • The Trust has engaged with a third party to undertake a Cyber Risk Technical Assessment (CRTA) project, as part of Cyber Essentials accreditation.



TRUSTEES' REPORT CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

Identified Risk	Mitigation
Staff Resourcing Shortages	
<p>If recruitment challenges in the retail, hospitality and links maintenance sectors continue in line with 2022, the Trust may not have sufficient staff levels to maintain planned operational levels.</p>	<ul style="list-style-type: none"> • The Trust people team have established a cross functional working group to identify and exploit all available recruitment channels. • A trust wide rewards benchmarking has been completed.
GDPR data breach	
<p>Impact of a GDPR data breach on Trust finances and reputation.</p>	<ul style="list-style-type: none"> • A review, risk and action plan was developed by Thorntons and completed by SALT in 2018. • Since then a new governance framework has been developed and published. • 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. SALT also has network security in place, and an updated privacy policy on the website that covers GDPR legislation. • A GDPR training module is now available within the Knowbe4 platform, and it is planned to roll this out as part of the Trust learning and development compliance framework.

The Trustees are of the opinion that the major risks to which the Trust is exposed have been identified and evaluated and that systems are in place to manage those risks and identify any new risks to which the Trust may become exposed.

Going Concern

To assess the appropriateness of adopting the going concern basis for the Trust, the Trustees have reviewed the updated financial plan for the next three years, 2023 to 2025. For trading year 2023, there remains considerable uncertainty relating to the upward pressure on supply chain, including utility costs, and procurement activities across the Trust. Performance through the first quarter of 2023 has exceeded expectation, and mitigating steps continue to be made to offset cost pressures identified. The Trustees have therefore concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts and have a reasonable expectation that there is adequate resources to continue operation for the foreseeable future.

Financing Facilities

As mentioned in the 2020 annual report, the Trust put in place £11M of new financing facilities, including a £3M overdraft. Of the £8M loan funding, only £4.6M in draw down capital balance remains at the end of 2022, with the £3M CBILS loan now fully repaid. Regular dialogue remains in place with the Trust bankers to ensure that additional fund raising activity is able to be actioned in a timely manner should this be required.

Financial Planning

The Trust has a formal reporting and financial planning cycle in place which includes the preparation of an annual budget, a quarterly full year forecast, and a long range plan. The latest financial outlook for 2023, which was approved by the board of Trustees on the 26th May 2023, indicates that the liquidity outlook for the year is materially in line with the approved budget. The situation will continue to be monitored closely by the board of Trustees and Executive.

Plans for Future Periods

The Trustees continually review the adequacy of the Trust's facilities and will continue to invest in them and in the equipment used on the Links in pursuit of their objective of delivering unique and memorable experiences for all.

As mentioned in the 2019 Annual Report, all significant infrastructure investment plans were placed on hold in 2020. Given the improvement in earnings and liquidity in 2022 together with the current medium term outlook, the executive have been revisiting the strategic infrastructure investment plan with the board. It is anticipated that the updated investment strategy will be formalised during 2023.

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.

Mark T Dobell
Chair of Trustees

26 May 2023



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST ANDREWS LINKS TRUST FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022 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 39) 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 has 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. 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, 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, 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 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 valuation of defined benefit pension scheme liability; 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

26 May 2023



CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	£	2022 £	2021 £
INCOME				
INCOME FROM CHARITABLE ACTIVITIES				
Golfing income	2	18,152,653		9,219,373
Rents receivable		<u>50,873</u>		<u>5,000</u>
			18,203,526	<u>9,224,373</u>
INCOME FROM OTHER TRADING ACTIVITIES				
Merchandise income		9,566,734		2,730,231
Food and beverage income		2,656,371		1,612,282
Partnership and licence income		2,084,681		2,047,850
Other income		<u>681,335</u>		<u>47,541</u>
			14,989,121	<u>6,437,904</u>
INCOME FROM INVESTMENTS				
Bank interest		<u>30,888</u>		<u>863</u>
			30,888	<u>863</u>
OTHER INCOME				
Gain on disposal of fixed assets		-		2,308
Government grants		<u>17,800</u>		<u>747,169</u>
			17,800	<u>749,477</u>
TOTAL INCOME				
			<u>33,241,335</u>	<u>16,412,617</u>
EXPENDITURE				
Expenditure on raising funds		12,078,115		6,369,694
Expenditure on charitable activities		<u>17,466,223</u>		<u>13,169,340</u>
TOTAL EXPENDITURE	3		29,544,338	<u>19,539,035</u>
NET INCOME / (LOSS)				
			<u>3,696,997</u>	<u>(3,126,418)</u>

AUDITOR'S REPORT: PAGES 18 TO 19
THE NOTES ON PAGES 24 TO 36 FORM PART OF THESE ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	£	2022 £	2021 £
INCOME				
INCOME FROM CHARITABLE ACTIVITIES				
Golfing income	2	18,152,653		9,219,373
Rents receivable		<u>50,873</u>		<u>5,000</u>
			18,203,526	<u>9,224,373</u>
INCOME FROM OTHER TRADING ACTIVITIES				
Merchandise income		9,566,734		2,730,231
Food and beverage income		2,656,371		1,612,282
Partnership and licence income		2,084,681		2,047,850
Other income		<u>681,335</u>		<u>47,541</u>
			14,989,121	<u>6,437,904</u>
INCOME FROM INVESTMENTS				
Bank interest		<u>30,888</u>		<u>863</u>
			30,888	<u>863</u>
OTHER INCOME				
Gain on disposal of fixed assets		-		2,308
Government grants		<u>17,800</u>		<u>747,169</u>
			17,800	<u>749,477</u>
TOTAL INCOME				
			<u>33,241,335</u>	<u>16,412,617</u>
EXPENDITURE				
Expenditure on raising funds		12,078,115		6,369,694
Expenditure on charitable activities		<u>17,466,223</u>		<u>13,169,340</u>
TOTAL EXPENDITURE	3		29,544,338	<u>19,539,035</u>
NET INCOME / (LOSS)				
			3,696,997	(3,126,418)
OTHER RECOGNISED GAINS				
Remeasurement gain on defined benefit pension scheme	16		3,385,000	6,607,000
NET MOVEMENT IN FUNDS IN THE YEAR				
			<u>7,081,997</u>	<u>3,480,582</u>
RECONCILIATION OF FUNDS				
Balance brought forward			25,254,562	21,773,980
BALANCE CARRIED FORWARD	12		<u>£32,336,559</u>	<u>£25,254,562</u>

All funds are unrestricted.

AUDITOR'S REPORT: PAGES 18 TO 19
THE NOTES ON PAGES 24 TO 36 FORM PART OF THESE ACCOUNTS



BALANCE SHEETS

AS AT 31 DECEMBER 2022

	Notes	Consolidated		Links Trust only	
		2022 £	2021 £	2022 £	2021 £
FIXED ASSETS					
Tangible assets	5	30,797,110	31,100,988	30,761,006	31,054,166
Intangible fixed assets	6	634,892	1,379,968	-	-
Investment in subsidiary companies	7	-	-	3,150,001	3,150,001
TOTAL FIXED ASSETS		<u>31,432,002</u>	<u>32,480,956</u>	<u>33,911,007</u>	<u>34,204,167</u>
CURRENT ASSETS					
Stocks		1,762,937	2,723,650	440,201	381,962
Debtors - due within one year	8	1,290,418	1,947,716	587,687	1,499,097
Cash at bank and in hand		16,787,115	11,261,026	16,381,049	10,447,526
		<u>19,840,470</u>	<u>15,932,392</u>	<u>17,408,937</u>	<u>12,328,585</u>
CREDITORS					
Amounts falling due within one year	9	3,634,308	3,871,129	8,768,264	5,250,005
Deferred income	10	11,003,358	9,954,452	10,263,547	8,470,956
		<u>14,637,666</u>	<u>13,825,581</u>	<u>19,031,811</u>	<u>13,720,961</u>
NET CURRENT ASSETS / (LIABILITIES)		5,202,804	2,106,811	(1,622,874)	(1,392,376)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,634,806</u>	<u>34,587,767</u>	<u>32,288,133</u>	<u>32,811,791</u>
CREDITORS DUE AFTER MORE THAN ONE YEAR	11	(4,298,247)	(6,479,205)	(4,298,247)	(6,479,205)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY		<u>32,336,559</u>	<u>28,108,562</u>	<u>27,989,886</u>	<u>26,332,586</u>
PENSION SCHEME LIABILITY	16	-	2,854,000	-	2,854,000
NET ASSETS		<u>£32,336,559</u>	<u>£25,254,562</u>	<u>£27,989,886</u>	<u>£23,478,586</u>
REPRESENTED BY UNRESTRICTED RESERVES	12	32,336,559	25,254,562	27,989,886	23,478,586
		<u>£32,336,559</u>	<u>£25,254,562</u>	<u>£27,989,886</u>	<u>£23,478,586</u>

These accounts were approved by Trustees at their meeting on 26 May 2023 and are signed on their behalf by:

Mark T Dobell

Chairman of Trustees

AUDITOR'S REPORT: PAGES 18 TO 19
THE NOTES ON PAGES 24 TO 36 FORM PART OF THESE ACCOUNTS

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
Cash flows from operating activities				
Net cash provided from operating activities (Note a. below)	9,779,784	588,667	10,165,161	152,699
Cash flows from investing activities				
Interest received on bank deposits	30,888	863	30,021	772
Interest received on intra-group loan accounts	-	-	6,259	15,715
Payments to acquire tangible fixed assets	(976,741)	(3,599,070)	(960,076)	(3,599,070)
Receipts from sales of tangible fixed assets	4,500	30,053	4,500	30,053
Net cash used in investing activities	(941,353)	(3,568,154)	(919,296)	(3,552,530)
Cash flows from financing activities				
Finance Leases				
- Cash outflow in connection with finance lease payments	(20,728)	(29,079)	(20,728)	(29,079)
Loans from Royal Bank of Scotland				
- Increase in borrowings	-	6,633,099	-	6,633,099
- Repayments of loan balance	(3,291,614)	(44,359)	(3,291,614)	(44,359)
Net cash used in financing activities	(3,312,342)	6,559,661	(3,312,342)	6,559,661
Change in cash and cash equivalents during the year	5,526,089	3,580,174	5,933,523	3,159,831
Cash and cash equivalents at 1 January 2022	11,261,026	7,680,852	10,477,526	7,287,695
Cash and cash equivalents at 31 December 2022	16,787,115	11,261,026	16,381,049	10,447,526
NOTES TO THE CASH FLOW STATEMENT				
a. Reconciliation of net movement in funds to net cash flows from operating activities				
Net incoming / (outgoing resources before other recognised losses)	3,696,997	(3,126,418)	1,126,300	(3,665,854)
Add back: Depreciation charges net of asset disposals	1,276,119	1,183,486	1,248,735	1,151,279
Add back: Amortisation / impairment of intangible assets	745,076	369,150	-	-
Non-cash movements associated with FRS102	531,000	570,000	531,000	570,000
Deduct: Interest income shown in Investing activities	(30,888)	(863)	(36,280)	(16,487)
Decrease / (Increase) in stocks	960,714	371,883	(58,239)	54,435
Decrease / (Increase) in debtors due within one year	657,298	(630,493)	911,411	(106,652)
Increase / (Decrease) in creditors and deferred income	1,943,468	1,851,923	6,442,234	2,165,978
Net cash inflow from operating activities	9,779,784	588,667	10,165,161	152,699
b. Analysis of the balances of cash and cash equivalents as shown in the balance sheet				
Cash in bank and on hand	16,787,115	11,261,026	16,381,049	10,447,526
	16,787,115	11,261,026	16,381,049	10,447,526

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 net book value basis, which is 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 2022.
- 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 with NOW:Pensions. 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 £335,015 (2021 - £211,740). Support costs relating to governance are allocated on the basis described in Note 3 below. All other costs are regarded as directly related to the delivery of the charitable activity.
- z) Accounting Estimates: in the Trustees' opinion there are only two figures in these accounts which are the result of significant estimate. Firstly, the defined benefit pension scheme liability, calculated by the pension scheme actuary in compliance with FRS102. The actual performance is unlikely to be in line with the actuarial valuation as a result of the valuation being based upon assumptions on future unpredictable events such as return on assets and mortality rates. That estimate has a material impact on the accounts which is explained in more detail in Note 21 below. Secondly, 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.

During the year, the directors revised the useful life of the intangible assets from 10 years straight line to 3 years straight line prospectively. This has resulted in an additional amortisation charge of £118,747 on a 3 year basis.

The directors carried out an impairment review of the intangible assets during the year given the ongoing global market uncertainty post covid. This has resulted in an impairment charge of £285,087.

2. ANALYSIS OF GOLFING INCOME

Golfing income can be analysed as follows:

	2022	2021
	£	£
Visitor green fees and Old Course premium	11,930,056	5,777,338
Yearly ticket revenue and annual contribution from The Royal and Ancient Golf Club	2,539,475	1,983,547
Other golfing income	<u>3,683,122</u>	<u>1,458,488</u>
	<u><u>£18,152,653</u></u>	<u><u>£9,219,373</u></u>



NOTES TO THE ACCOUNTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Basis of apportionment	Expenditure on raising funds £	Expenditure on charitable activities £	Total expenditure 2022 £	Total expenditure 2021 £
Payroll costs (note 16)	Usage	3,711,256	9,925,096	13,636,352	11,098,868
Cost of goods sold and food and beverage non-payroll expenses	Usage	5,072,884	428,479	5,501,363	2,024,765
Operating expenses	Usage	1,961,403	3,785,380	5,746,783	3,636,731
Depreciation	Usage	139,218	979,374	1,118,592	1,185,796
Loss on disposal of fixed assets	Usage	-	9,540	9,540	-
Amortisation and impairment of intangible fixed assets	Usage	745,076	-	745,076	369,150
Payments under operating leases land and buildings	Usage	235,604	6,000	241,604	167,860
equipment	Usage	-	609,773	609,773	373,061
Legal & professional fees	Usage	170,702	687,198	857,900	115,342
Development expenditure (note 4)	Usage	-	96,825	96,825	32,341
Withholding tax		23,073	-	23,073	-
Bank interest	Usage	-	171,420	171,420	44,171
Notional net interest cost on FRS102 calculation on pension scheme liability	Usage	-	59,000	59,000	118,000
VAT not recoverable (note 1u)	Usage	-	350,681	350,681	144,948
Governance costs (see table below)	Usage	18,899	357,457	376,356	228,002
		<u>£12,078,115</u>	<u>£17,466,223</u>	<u>£29,544,338</u>	<u>£19,539,035</u>

GOVERNANCE COSTS

	Basis of apportionment	Expenditure on raising funds £	Expenditure on charitable activities £	Total expenditure 2022 £	Total expenditure 2021 £
Legal & professional fees	Usage	-	307,840	307,840	183,232
Auditors remuneration audit work	Usage	14,609	15,500	30,109	25,655
Auditors remuneration non-audit services	Usage	4,290	34,117	38,407	19,115
		<u>£18,899</u>	<u>£357,457</u>	<u>£376,356</u>	<u>£228,002</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:

	2022 £	2021 £
Road and pathways improvements	15,407	-
Irrigation system improvements	8,124	-
Greenkeeping centre improvements	-	26,835
Coastal protection works	59,044	5,506
On-course toilets and shelters	14,250	-
	<u>£96,825</u>	<u>£32,341</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 2022	28,249,795	6,736,699	3,610,508	7,074,299	702,698	46,373,999
Additions	59,139	-	300,454	199,320	417,828	976,741
Reclassifications	-	-	-	518,452	(518,452)	-
Disposals	-	-	(99,377)	-	(147,987)	(247,364)
At 31 December 2022	<u>£28,308,934</u>	<u>£6,736,699</u>	<u>£3,811,585</u>	<u>£7,792,071</u>	<u>£454,087</u>	<u>£47,103,376</u>
DEPRECIATION						
At 1 January 2022	3,564,445	2,603,427	3,258,144	5,846,995	-	15,273,011
Charge for year	330,415	131,178	187,902	469,097	-	1,118,592
Disposals	-	-	(85,337)	-	-	(85,337)
At 31 December 2022	<u>£3,894,860</u>	<u>£2,734,605</u>	<u>£3,360,709</u>	<u>£6,316,092</u>	<u>£-</u>	<u>£16,306,266</u>
NET BOOK VALUE						
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>
At 31 December 2021	<u>£24,685,350</u>	<u>£4,133,272</u>	<u>£352,364</u>	<u>£1,227,304</u>	<u>£702,698</u>	<u>£31,100,988</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 2022	28,249,795	6,674,211	2,982,178	5,095,121	702,698	43,704,003
Additions	59,139	-	283,789	199,320	417,828	960,076
Reclassifications	-	-	-	518,452	(518,452)	-
Disposals	-	-	(99,377)	-	(147,987)	(247,364)
At 31 December 2022	<u>£28,308,934</u>	<u>£6,674,211</u>	<u>£3,166,590</u>	<u>£5,812,893</u>	<u>£454,087</u>	<u>£44,416,715</u>
DEPRECIATION						
At 1 January 2022	3,564,445	2,540,938	2,623,516	3,920,938	-	12,649,837
Charge for year	330,415	131,178	182,268	447,348	-	1,091,209
Disposals	-	-	(85,337)	-	-	(85,337)
At 31 December 2022	<u>£3,894,860</u>	<u>£2,672,116</u>	<u>£2,720,447</u>	<u>£4,368,286</u>	<u>£-</u>	<u>£13,655,709</u>
NET BOOK VALUE						
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>
At 31 December 2021	<u>£24,685,350</u>	<u>£4,133,273</u>	<u>£358,662</u>	<u>£1,174,183</u>	<u>£702,698</u>	<u>£31,054,166</u>



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

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. During the year, the directors revised the useful life of the intangible assets from 10 years straight line to 3 years straight line prospectively. This has resulted in an additional amortisation charge of £118,747 on a 3 year basis.

In assessing the future economic benefits resulting from the company trademarks, the directors have previously taken a portfolio approach to valuation. This has been driven by the complex and related nature of the majority of the portfolio. On an annual basis the directors also carry out an impairment review to establish instances where there is no realistic potential of generating income from a particular class or territory. For the year ended 31 December 2022, there was an impairment charge of £285,087 (2021 - nil), due to uncertainty around certain trademarks, and their ability to generate future revenue.

The table below analyses intangible fixed assets:

	£
COST	
At 1 January 2022	5,040,976
Additions	-
Additions following impairment review as at 31 December	-
At 31 December 2022	<u>£5,040,976</u>
AMORTISATION	
At 1 January 2022	3,661,008
Charge for year	459,989
Additional charge following impairment review as at 31 December	285,087
At 31 December 2022	<u>£4,406,084</u>
NET BOOK VALUE	
At 31 December 2022	<u>£634,892</u>
At 31 December 2021	<u>£1,379,968</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	2022 £	2021 £
St Andrews Links Limited	7. i.	100%	2,150,000	2,150,000
The Castle Course St Andrews Limited	7. ii.	100%	500,000	500,000
St Andrews Links Golf Shops Limited	7. iii.	100%	500,000	500,000
Tom Morris Limited	7. 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 2022 the company's aggregate assets and liabilities were £2,461,475 and it reported an after tax loss of £364,178 (2021 – a profit of £547,085), after paying a management fee of £157,664 (2021 - £100,160), and impairment of intangible assets of £285,087 (2021 - nil). Gift Aid of £185,918 was paid to the Trust in 2022 (2021 - none).
- ii. The Castle Course St Andrews Limited: The company has not traded in 2022. As at 31 December 2022 the company's aggregate assets and liabilities were £590,118 and it reported a loss on ordinary activities of £695 (2021 - loss of £1,240) after paying a management fee of £160 (2021 - £150). No Gift Aid was paid to the Trust in 2022 (2021 - 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 2022 the company's aggregate assets and liabilities were £4,438,148 and it reported a profit on ordinary activities of £3,119,984 (2021 – a loss of £8,146), after paying a management fee of £177,031 (2021 - £111,280). No Gift Aid was paid to the Trust in 2022 (2021 - none).
- iv. Tom Morris Limited: The company operates the lease for one of the retail locations. As at 31 December 2022 the company's aggregate assets and liabilities were £6,934 and it reported a profit on ordinary activities of £1,504 (2021 – £1,735), after paying a management fee of £160 (2021 - £150) to the Trust. No Gift Aid was paid to the Trust in 2022 (2021 -none)

8. DEBTORS

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	309,249	301,560	122,689	113,707
Amount due by wholly-owned companies	-	-	-	785,886
Prepayments	981,169	1,646,156	464,998	599,504
	<u>£1,290,418</u>	<u>£1,947,716</u>	<u>£587,687</u>	<u>£1,499,097</u>

9. CREDITORS: Amounts falling due within one year

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	1,199,972	1,121,304	854,322	687,971
Finance Lease	10,351	21,590	10,351	21,590
Bank Term Loan	308,368	309,949	308,368	309,949
Bank CBIL's Loan	-	1,118,563	-	1,118,563
Amounts due to wholly-owned companies	-	-	5,809,997	2,153,758
Taxation and Social Security	1,044,836	193,529	973,093	176,518
Accruals	1,070,781	1,106,194	812,133	781,656
	<u>£3,634,308</u>	<u>£3,871,129</u>	<u>£8,768,264</u>	<u>£5,250,005</u>



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

10. DEFERRED INCOME

The following items are treated as deferred income:

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

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
The total of deferred income	£11,003,358	£9,954,452	£10,263,547	£8,470,956

11. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
Finance Lease	9,488	18,976	9,488	18,976
Bank Term Loan	4,288,759	4,593,275	4,288,759	4,593,275
Bank CBIL's Loan	-	1,866,954	-	1,866,954
	<u>£4,298,247</u>	<u>£6,479,205</u>	<u>£4,298,247</u>	<u>£6,479,205</u>
Bank Loans are repayable as follows:				
Within one year	308,368	1,428,512	308,368	1,428,512
Between one to two years	325,157	1,811,420	325,157	1,811,420
Between two to five years	3,963,601	4,648,809	3,963,601	4,648,809
	<u>£4,597,126</u>	<u>£7,888,741</u>	<u>£4,597,126</u>	<u>£7,888,741</u>

Both loans are with Royal Bank of Scotland and are secured against the Castle Course clubhouse and golf course. The term loan has a 15 year repayment profile with a five year refinancing break in 2025, whilst the CBIL's loan was fully repaid on 18 August 2022.

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	
	2022 £	2021 £	2022 £	2021 £
Unrestricted reserves brought forward at 1 January	25,254,562	21,773,980	23,478,586	20,537,440
Net incoming resources	7,081,997	3,480,582	4,511,300	2,941,146
Unrestricted reserves carried forward at 31 December	<u>£32,336,559</u>	<u>£25,254,562</u>	<u>£27,989,886</u>	<u>£23,478,586</u>

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:

	2022 £	2021 £
Gross incoming resources	21,825,372	11,603,745
Total expenditure on charitable activities	(19,654,917)	(15,058,272)
Governance costs	(1,044,155)	(211,327)
Net incoming resources before other recognised gain / (losses)	1,126,300	(3,665,854)
Remeasurement surplus on defined benefit pension scheme	3,385,000	6,607,000
Net incoming resources after other recognised gain	4,511,300	2,941,146
Total funds brought forward	23,478,586	20,537,440
Total funds carried forward	<u>£27,989,886</u>	<u>£23,478,586</u>
Represented by		
Unrestricted reserves	<u>£27,989,886</u>	<u>£23,478,586</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 2022 the net cost to the Trust was £28,595 (2021 - £20,691).

15. EMPLOYEES AND THEIR REMUNERATION

The average number of employees of the Trust and its subsidiary companies during the year ended 31 December 2022 was 352 (2021 - 298) and their aggregate remuneration, including the cost of pension contributions, employers National Insurance and benefits in kind was £13,636,352 (2021 - £11,098,868).

Payroll costs can be analysed as follows:

	2022 £	2021 £
Salaries and benefits in kind	10,326,669	8,170,160
Social Security costs	972,154	713,059
Contributions to Defined Benefit pension schemes	1,348,392	1,351,648
Contributions to Defined Contribution pension	364,968	269,028
Other employee benefits	152,169	142,973
FRS102 adjustments	472,000	452,000
	<u>£13,636,352</u>	<u>£11,098,868</u>



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

The numbers of employees whose pay and taxable benefits exceeded £60,000 fell within the following bands:

	2022	2021
£60,000 - £69,999	2	6
£70,000 - £79,999	5	1
£100,000 - £109,999	1	1
£110,000 - £119,999	1	1
£150,000 - £159,999	1	1
£160,000 - £169,999	-	1
£180,000 - £189,999	1	-
£210,000 - £219,999	1	-
£310,000 - £319,999	-	1
	<u>12</u>	<u>12</u>

In 2021 and 2022 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 £58,711 (2021 - £32,563) 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 £1,684,297 (2021 - £1,605,318).

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 operates a compliant defined contribution scheme with NOW:Pensions. Since 1 August 2014 this scheme has been 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).

During 2022 employer contributions of £306,257 (2021 - £236,465) were made to the NOW:Pensions scheme.

A separate defined contribution scheme was available to some staff, although is now closed. Total contributions in 2022 were nil (2021 - £17,975).

b) Defined Benefit scheme

The Trust is an admitted body to the Fife Council Pension Scheme, which is a funded defined benefit scheme providing benefits based on career average salaries. During the year the Trust made employers contributions to the scheme of £1,348,392 (2021 - £1,351,648). The Trustees closed this scheme to new members in August 2014.

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 2020. Based on this payment 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 triennial valuation indicated that the overall fund deficit has increased from £13,085K in 2017 to £15,337K.

The financial year end of the Fife Council scheme is 31 March. To meet the requirements of FRS102, the Trustees commissioned a valuation from the Scheme actuary, Hymans Robertson, of the Trust's portion of the overall scheme assets and liabilities as at 31 December 2022. That valuation was based on estimated information in some respects rather than detailed information and analysis as at 31 December 2022 and for the year then ended. The valuation impacted these accounts in the following ways;

- i) a decrease in the balance sheet liability of £2,854,000 due to the effect of an asset ceiling. (2021 - £6,037,000)
- ii) a charge of £472,000 (2021 - £452,000), included within payroll costs in Note 15, representing changes in employee service costs, and
- iii) a notional interest charge, included within Note 3, of £59,000 (2021 - £118,000) representing the finance cost of projected long-term pension obligations.

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 2020 and the actuary prepared his valuation at December 2022 by projecting the results of that valuation forward using approximate methods. The valuation as at 31 December 2022 used the following principal assumptions:

	2022	2021
Pension increase rate	3.1%	2.9%
Salary increase rate	3.6%	3.4%
Expected return on assets	4.8%	1.9%
Discount rate	4.8%	1.9%

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

	Males	Females
Current Pensioners	20.1 years	22.9 years
Future Pensioners	21.2 years	24.9 years

ii) Analysis of assets

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

	2022	2021
Equities	66%	66%
Bonds	24%	25%
Property	6%	6%
Cash	4%	3%

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	2021 £'000
Fair value of Scheme assets	39,203	42,292
Present value of funded Scheme liabilities	(25,993)	(45,133)
Net underfunding in funded plans	13,210	(2,841)
Present value of unfunded liabilities	(9)	(13)
Effect of asset ceiling	(13,201)	-
Net liability	-	(2,854)

Employer's contributions for the period to 31 December 2023 will be approximately £1,509,000.



NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2022

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	
	2022 £'000	2021 £'000
Opening defined benefit obligation	45,146	46,181
Current service cost	1,641	1,622
Past service cost	-	-
Interest cost	869	607
Contributions by members	195	193
Remeasurement (gains) / losses	(21,240)	(2,793)
Estimated unfunded benefits paid	(1)	(1)
Estimated benefits paid	(608)	(663)
Closing defined benefit obligation	<u>26,002</u>	<u>45,146</u>

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	
	2022 £'000	2021 £'000
Opening fair value of assets	42,292	37,290
Expected return on assets	(3,844)	4,303
Contributions by members	195	193
Employer contributions	1,168	1,169
Contributions in respect of unfunded benefits	1	1
Estimated unfunded benefits paid	(1)	(1)
Estimated benefits paid	(608)	(663)
Closing fair value of assets	<u>39,203</u>	<u>42,292</u>

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	
	2022 £'000	2021 £'000
Current service cost	1,641	1,622
Net interest cost	59	118
Remeasurement of return on assets	4,654	(3,814)
Total	<u>6,354</u>	<u>(2,074)</u>

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	
	2022 £	2021 £	2022 £	2021 £
i) Consolidated				
Operating lease payments due-				
Within one year	267,822	241,731	371,464	454,754
Between two and five years	1,118,633	1,101,093	43,531	326,632
More than five years	1,228,834	1,498,075	-	-
	<u>£2,615,289</u>	<u>£2,840,899</u>	<u>£414,995</u>	<u>£781,386</u>

	Land and Buildings		Plant & Equipment	
	2022 £	2021 £	2022 £	2021 £
ii) Links Trust only				
Operating lease payments due-				
Within one year	6,000	6,000	98,148	97,008
Between two and five years	8,520	14,520	12,250	102,124
	<u>£14,520</u>	<u>£20,520</u>	<u>£110,398</u>	<u>£199,132</u>

19. FUTURE COMMITMENTS

The following capital expenditure has been contracted for as at 31 December 2022:

	Consolidated		Links Trust only	
	2022 £	2021 £	2022 £	2021 £
Contracted for but not yet incurred	<u>£-</u>	<u>£-</u>	<u>£-</u>	<u>£-</u>

Other cost commitments as at the 31 December 2022 were nil (2021 - £530,000).

20. 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.



NOTES TO THE ACCOUNTS CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2022

21. EFFECT OF ACCOUNTING ESTIMATES

To comply with the requirements of FRS102 the Trustees have commissioned the actuary to the Fife Council pension scheme to carry out a valuation, following the rules set out in FRS102 of the Trust's theoretical liability to the scheme. That calculation depends on numerous estimates and has a material impact on these accounts. The component parts of the adjustment are analysed below.

	Year ended 31 December	
	2022	2021
	£'000	£'000
Remeasurement gain shown in Consolidated Statement of Financial Activities	3,385	6,607
Estimated changes in employee service costs (see Note 15)	(472)	(452)
Estimated notional interest cost of funding future scheme benefits (see Note 3)	(59)	(118)
	<u>£2,854</u>	<u>£6,037</u>
Decrease in estimated pension scheme liability on the balance sheet		

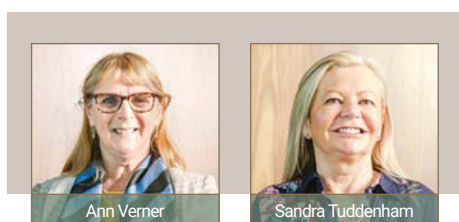
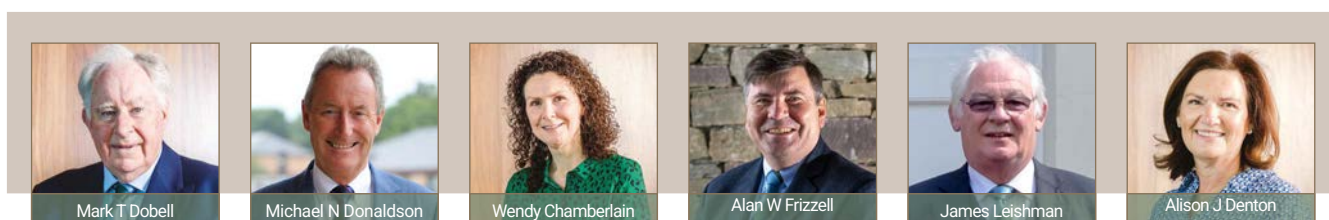
REFERENCE AND ADMINISTRATIVE INFORMATION

AS AT 31 DECEMBER 2022

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 has served on.

		Committee posts held
Mark T Dobell (Chair)	The Royal and Ancient Golf Club	F (Chair), R, G, N (Chair), L, S
Michael N Donaldson	The Royal and Ancient Golf Club	F
Wendy Chamberlain	MP for North East Fife	
Alan W Frizzell	The Scottish Government	A (Chair), R, G, L
James Leishman	Fife Council	
Sandra Tuddenham	Fife Council	A, F, G (Chair), L, S
Alison J Denton	The Royal and Ancient Golf Club	A, G, S, R (Chair)
Ann Verner	Fife Council	A



Key to Committee & Subsidiary Company Board posts:

- A** = Audit & Risk
- F** = Finance
- G** = Governance
- R** = Remuneration
- N** = Nomination
- L** = St Andrews Links Ltd
- S** = St Andrews Links Golf Shops Ltd

On 31 December 2022, David Christie reached the end of his term appointment. After the nomination Committee had conducted its search and interview process in November 2022, Michael N Donaldson was appointed as the replacement Trustee with an effective date of 1 January 2023.



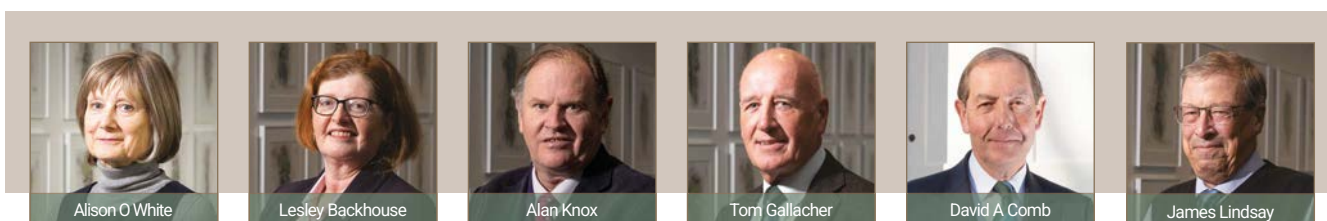
REFERENCE AND ADMINISTRATIVE INFORMATION CONTINUED

AS AT 31 DECEMBER 2022

2. Links Management Committee

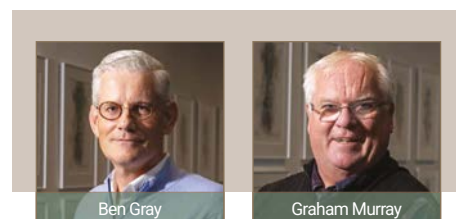
The following serve on the Links Management Committee. The appointing body for each member is noted below.

		Committee posts held
Alison O White	The Royal and Ancient Golf Club	
Lesley Backhouse	Fife Council	
Alan Knox	Fife Council	
Tom Gallacher	Fife Council	
David A Comb	The Royal and Ancient Golf Club	F
James Lindsay	Fife Council	A
Ben Gray	The Royal and Ancient Golf Club	
Graham Murray	The Royal and Ancient Golf Club	F



At the first Links Management Committee meeting of 2022 Alison White was elected Chair of the Committee.

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

6. Lawyers

The Trust's lawyers are:

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

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 2019 (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.

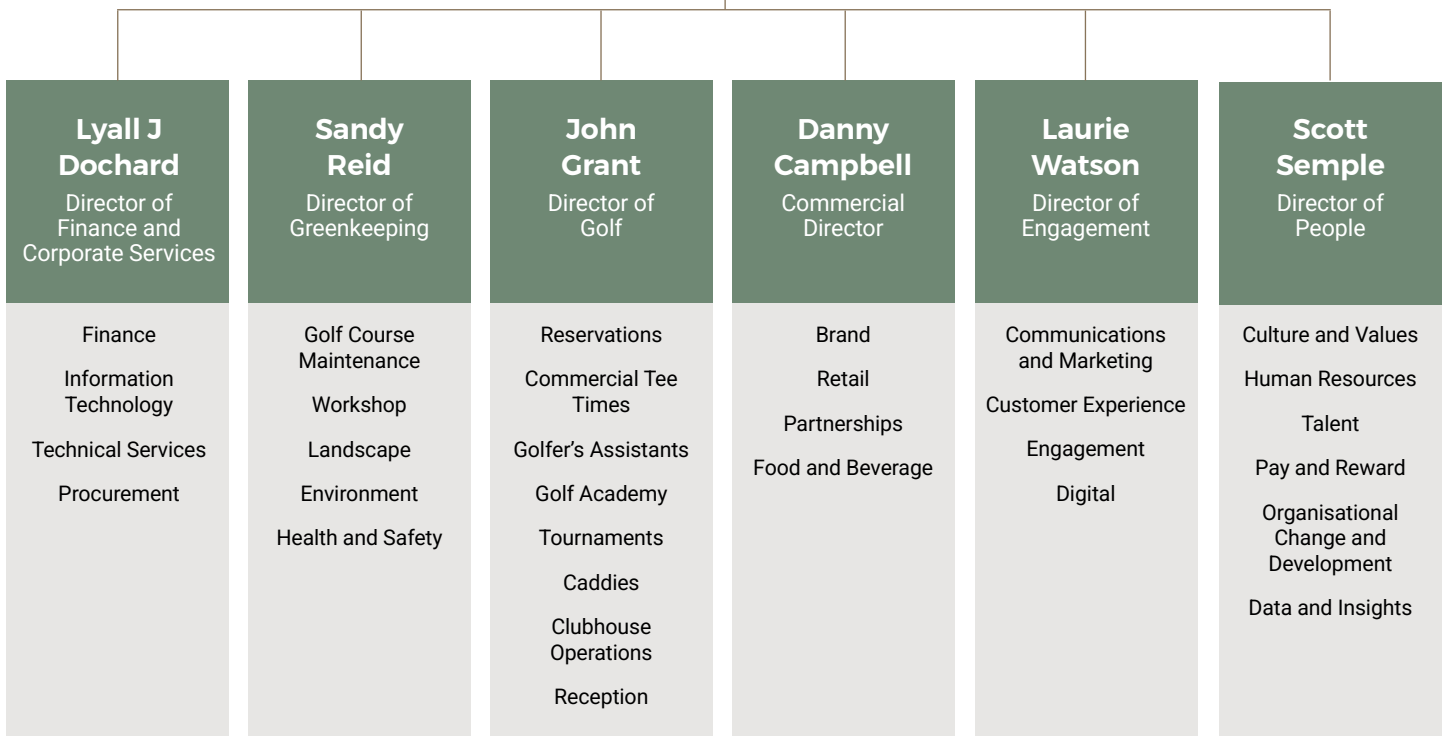


9. Organisation Chart

The day-to-day management of the Trust is carried out by a full-time executive team. The members of that team, and their principal areas of responsibility, are shown below.



Neil Coulson
Chief Executive



THANKS TO OUR PARTNERS

PROUD PARTNER



OFFICIAL PARTNERS



TSI Inc.

OFFICIAL SUPPLIERS



St Andrews Links Trust would like to thank our partners
for their continued support during 2022



ST ANDREWS LINKS TRUST

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E: enquiries@standrews.com
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Scottish Charity No. SC006161