

Question	Response
Is there a minimum level that the Club must attract in subscriptions before the Notes are issued?	There is no minimum subscription envisaged. The Club is in the process of agreeing the likely funding shortfall by way of a commercial loan via its bankers. The plan is that this requirement will reduce depending on the success of the members loan/gift scheme and the sale of Club assets where deemed appropriate.
Is there any underwriting in this subscription in the event that it is under subscribed?	see above.
Is there an ability to withdraw from the subscription by a member in the event of unforeseen circumstances?	Early repayment would normally be on death or resignation of a member. Council would consider repayment in the event of other exceptional and compassionate circumstances.
If so, would this attract penalties?	No penalties are envisaged.
Is the 3% simple interest per annum guaranteed?	The interest return of 3% is guaranteed by the Club for the ten year period.
In the event that the Club repays the loan on the 30 December of any year, is the interest accrued payable in that year?	Yes.
What risks should members be aware of that would cause the payments not to be made or the capital amount withheld?	The ultimate downside risk for members who lend to the Club is that insufficient cash will be generated in future years to repay the interest and capital that has been borrowed. Changes to the Club's operating model are being introduced to mitigate this but no absolute assurance can obviously be given. It is worth noting however that GGC has significant assets in land, buildings and contents (eg. paintings) that are substantially undervalued in the Club's accounts and could be realised to meet any future liabilities. The Club has minimal longer term liabilities. Each member will require to assess their own risk and seek advice from their own professional advisers if thought necessary.
Is the Club considering the sale of assets during the term of the issue to fund the redeemable loan scheme?	Yes, as stated in the Reinstatement Funding Brochure, all the Club's assets are currently being reviewed to establish which might be realised to reduce the overall funding requirement in the short, medium and longer term. The decision on whether or not the Club sells appropriate Club assets will be driven by the level of funds raised from members. The Club have recently had the portrait of Old Tom Morris valued by Bonhams. Their current auction valuation is £400,000 - £600,000. If instructed to sell it they have identified their Scottish Sale in May 2020 as the ideal forum to sell the work to full potential.

<p>Would the annual interest repayments be deducted from my subscription?</p>	<p>We did consider the interest payments being deducted from subscriptions, however, the advice from our tax advisers was that we need to deduct tax from payments of 'yearly interest'.</p>
<p>At the end of the ten year period the Club will be faced with repayment of possibly a seven figure sum to members - how would that repayment be financed?</p>	<p>The repayment at the end of the 10 years will be substantial and this period was decided upon as we will then have been in our 'new 'clubhouse for 9 years. In that period we expect to grow revenues significantly however if there is going to be a shortfall the Club has significant assets in land, buildings and contents (eg paintings) that are substantially undervalued in the Club's accounts and could be realised to meet any future liabilities.</p> <p>The Club, in terms of the loan scheme, will have the right to repay loans early. If we have surplus cash from trading and/or asset sales future Councils will want the flexibility of paying down interest bearing loans early rather than letting them run the full term.</p>
<p>Would the Club consider extending the timescale to reply beyond 15th November?</p>	<p>The Club appreciates that the timescale is tight and the reason for this is that we want to quantify the level of support from members to assess what further level of funding may be required. We are aware that for some members, personal circumstances (eg. holidays etc.) will not allow them to reply by 15th November in which case late responses will still be acceptable.</p>
<p>Can you explain in detail how the interest works?</p>	<p>For the year to 31 December 2020 simple interest will be calculated at 3% p.a. for the period from receipt of the loan until 31 December 2020 and the interest will be paid in January 2021. For subsequent years the simple interest will be calculated at 3% pa on the outstanding loan held on the previous 31 December (eg. 2020) and the interest will be paid in January (eg.2022).</p>
<p>The funding brochure refers to anticipating a shortfall in the region of £2m can you provide more details on this?</p>	<p>As noted in the reinstatement FAQs the current project cost is £7.4m inclusive of VAT and fees. Our project managers Doig & Smith recently carried out a betterment assessment which they have estimated to be £2,292,000.</p>
<p>The payment has to be made to the Club before 31 March 2020, for tax reasons can it be deferred until April 2020?</p>	<p>We are aware that for some individuals they may want to realise some investments to allow them to contribute and to do so it might be beneficial to wait until the next tax year to utilise capital gains tax relief. In such circumstances deferral is acceptable.</p>