

**Minutes of the Carnoustie Golf Links Finance Sub-Committee Meeting
held in the CGLMC Ltd Office on Monday 17th December 2012**

Present: G Murray (Finance Convenor), P Sawers, W Thompson, G Wilson, H Oswald,
R Reyner, J McLeish.

In Attendance: G Duncan (General Manager), D McDonald (Finance Manager).

Meeting began 1900 hours.

1. Apologies

G Paton.

2. Finance Managers Report

D McDonald advised that the figures were as expected for this time of the year. The Season Ticket income has been split evenly over 12 months.

The course repairs figure is well over budget, but the cost of the new holes on the Buddon Links is still to be capitalised, and this will even out the figures.

The bank interest is very low.

The heating / lighting / cleaning of the golf centre is still being looked at, as the running figures are still very high.

CGLMC Ltd will run at a deficit of £150,000 until at least the end of March 2013. This is normal and it is hoped that April figures will break even.

£384,000 in visitor greenfees have been collected for next year.

The bank balance remains reasonable, although care will require to be exercised with regard to expenditure over the next few months.

G Murray advised the committee that the directors had agreed on a much simpler method of establishing the cost of living increase for staff. He proposed that the CPI figure for the year in question be applied, which this year was 2.4%. This is the figure that has been used in the draft budget and will be amended in the business plan if approved. The committee agreed to propose this to the full meeting.

R Reyner enquired to whether the month end bank balance for November was correct at £572,000. D McDonald advised that this figure was exclusive of the £250,000 reserve fund but did include prepaid greenfees. R Reyner expressed concern that CGLMC Ltd were using advance green fees in this way. G Murray said he was comfortable that the advance green fees were being used, but he emphasized that no new major projects should be undertaken until the reserves had been built up to a satisfactory level.

W Thompson asked that the month end figures be simplified for quicker viewing by the committee. D McDonald will arrange this.

D McDonald is also to show the month end figures with the prepaid greenfees deducted.

W Thompson advised that discussions still have to be held by the committee in regards to the hotel agreements, so that CGLMC Ltd are prepared for any future opportunities that may arise.

D McDonald advised that the corporation tax of £234,000 is to be paid by 31st December 2012.

G Duncan advised the committee that it seems that agreement has been reached on the Charitable Status issue between the legal representatives of CGLMC Ltd and Angus Council. Amended draft articles should be ready for the CGLMC Ltd meeting of Jan 7, 2013.

3. Draft Budget 2013 / 2014

D McDonald advised that the maintenance figure is higher in this budget as there now are more / larger buildings.

W Thompson enquired to whether CGLMC Ltd receive any grants in regards to Junior golf / coaching that offsets the budgeted figure. D McDonald advised that a £5,000 grant is received but it is added to the current figure, ie, £20,000 has been budgeted for in 2013/2014 then the extra £5,000 will be added, giving a total budget of £25,000. The whole budget is rarely spent.

W Thompson suggested that the client and staff entertainment budget figures seemed to be the wrong way around. He suggested that more money should be spent entertaining clients. G Duncan advised that the bulk of the staff entertainment figure was for one event per year which is the Christmas party.

G Wilson asked that the cost of the Senior discount for season tickets be made available to the committee once the figures were in. It would be interesting to find out how much it is costing CGLMC Ltd. The first year figure was £16,000, and it is expected to be higher each year. G Duncan is to confirm when the discount is to be reviewed.

W Thomson advised that the technology budget may need to be reviewed as it seems quite high. New hardware is not as expensive as it used to be. G Duncan agreed and advised that a large amount of new technology has recently been purchased so should not need renewed for a while.

W Thompson advised that the projected income of the Golf Centre seems to be very low at £69,000.

D McDonald advised the committee that the depreciation figure has been added to the draft budget as the same as last year. She advised that this may have to change depending on any new machinery purchased etc.

4. Any Other Competent Business

Finance Committee Meetings

G Murray advised the committee that there have been occasions in the past where a Finance Committee meeting has lasted only 5-10 minutes, and he suggested that the committee may want to consider having meetings bi-monthly or quarterly. He advised that the monthly figures would still be emailed out to the committee every month and any comments and questions could be dealt with by G Duncan and D McDonald by email or telephone.

W Thompson suggested that a conference call may be an appropriate compromise if there are questions that committee members have in between meetings. A minute would have to be taken of any discussion that took place.

G Murray advised that along with the committee, the auditors, the audit committee and the accountants also look at the figures, so things are not likely to be missed.

The committee agreed that this item should be discussed at the Management Committee meeting in January.

Starters

J McLeish enquired to how much saving was being made by having the Pro-shop staff double as Starters in the winter. G Duncan advised the figure was around a £9,000 saving.

J McLeish then enquired to whether, if the Pro-shop staff were not required to double as Starters in the winter, whether the head count of staff in the Pro-shop would be justified. G Duncan advised that the same amount of staff would be required in the shop as they need to fulfil the opening hours of the shop.

J McLeish advised the committee that he has received complaints in regards to there being no dedicated Starters on the course in the winter. He advised that a number of people have found that staff are not answering the telephone when they call. G Wilson advised that this is an issue that has been rectified. It was found that the engaged tone was not working on the Pro-shop telephone meaning that it appeared the phone was ringing out when it was in truth engaged. J McLeish advised that there have been various problems with ballots being reported to him.

W Thompson suggested that in the future, clubs, players and starters / Pro-shop staff should be given more warning of changes of this type. He suggested that the trial be given time to bed in and any flaws ironed out. The committee agreed to review this item in January / February 2013.

Supported Eco Group

R Reyner advised the committee about the Angus Energy Hub who can do an initial review/audit/action plan on the energy use of a business at no cost. R Reyner is to pass the details on to G Duncan.

There being no other competent business, the meeting was then closed at 1945 hours.

KS