

**Minutes of the Carnoustie Golf Links Finance Sub-Committee Meeting held in the CGLMC Ltd Office on Monday 19<sup>th</sup> November 2012**

Present: G Murray (Finance convenor), W Thompson, G Wilson, J McLeish, R Reyner.

In Attendance: G Duncan (General Manager).

Meeting began 1900 hours.

**1. Apologies**

G Paton, H Oswald, P Sawers.

**2. Finance Managers Report**

In D McDonald's absence, G Duncan dealt with any matters arising.

R Reyner enquired to what the original budget for the 2 new holes was. G Duncan advised that the original budget was £571,000. He advised that approximately £70,000 was paid in year 2011-2012, and £500,000 was for the rest of the contract. £481,000 had been paid to date with £19,000 left for the last of the expenses (mainly M Ebert, STRI and J Costner visits). R Reyner suggested that he did not think the original budget was so high. J McLeish asked if the expenditure budget would be back on track once the cost for the new holes had been capitalised. G Duncan advised that this was correct.

**3. Any Other Competent Business**

**Carnoustie Golf Hotel**

G Duncan advised the committee that there have been changes made to the management at the Carnoustie Golf Hotel. Bespoke Hotels are taking over the management of the hotel, but the owners will remain the same. All the agreements that CGLMC Ltd have are with the parent company, Mineflow, so these will not be affected.

R Reyner enquired to whether the hotels was up to date with its payments to CGLMC Ltd. G Duncan advised that all accounts were up to date.

R Reyner enquired to what Oxford Hotels and Inns paid for in the coffee shop. G Duncan advised that they paid for anything that was movable. CGLMC Ltd paid for the structure, electrical wiring etc.

W Thompson suggested that with the movement of management for the hotel, it may mean that in the future, the hotel may be willing to discuss the arrangements and contracts that CGLMC Ltd have with them. He suggested that CGLMC Ltd should think of a 5 year plan strategy that includes any amendments to contracts that CGLMC Ltd might want to discuss with the hotel. It is more efficient to have these proposed amendments in place in advance, in case the day comes that the hotel are willing to discuss them.

#### Golf Clubs Facility Fees

R Reyner advised that the Facility Fee agreements fall at the end of December 2012. Although he felt the amount paid to the clubs was minimal for the services received, he suggested that the contracts be renewed under the same terms and conditions. G Wilson said this matter was also on the agenda for the Tournament sub-committee meeting, but, regardless, it will be a matter for discussion at the next full meeting.

Discussions were held regarding whether the Facility Fee was a worthwhile expense to CGLMC Ltd. R Reyner advised that the clubs provide an excellent service by offering facilities that CGLMC Ltd cannot provide and therefore it is a very worthwhile expense.

W Thompson suggested that CGLMC Ltd need to look at the bigger picture, in that the local clubs provide the golfing visitor with a considerable enhancement to the experience of playing a round at Carnoustie.

This matter will now be discussed at the full meeting of Dec 3 and a decision reached.

There being no other competent business, the meeting was then closed at 1930 hours.

KS