

Minutes of the CGLMC Ltd Finance Sub-Committee Meeting at the CGLMC Ltd Office at 20 Links Parade on Monday 27th April 2015 at 7pm

Present: G Murray (Finance Convenor), P Sawers, J McLeish, A McKeown,
A McColgan

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

The meeting began at 1855 hours.

1. Apologies

W Thompson, H Oswald, R Gillespie

2. Income & Expenditure Figures

CGL Ltd (Pro Shop)

D McDonald explained that we were ahead of budget and also significantly ahead of 2013/14. She explained that the new software allowed for a more accurate breakdown of the figures.

A McColgan asked what costs were attributed to the Pro Shop. D McDonald explained that only those costs which were directly incurred by the Pro Shop were shown in the overhead expenses. Costs which were shared between CGLMC Ltd and CGL Ltd, such as heating and lighting, were paid by CGLMC Ltd. However she did point out that the hotel commission was paid by CGL Ltd and this was not a cost incurred by any other business. The hotel commission was considerably more than any other costs which might be allocated to the Pro Shop.

A McColgan said that the margins demonstrated that the Pro Shop was very much a viable business.

A McKeown asked about an explanation of the custom fit costs. D McDonald explained that a licence fee had to be paid. G Murray said that the custom fit was a service to the members and should be seen in this regard.

G Murray gave a breakdown of the up to date position with this years VIP membership.

J McLeish pointed out that the cut off date for VIP direct debits said the end of March on the leaflet and this was different than the date specified on the accompanying letter which stated the end of February. D McDonald explained that the end of February was required to give the banks time to set these up for the beginning of April. The leaflet will be updated correctly for next year.

CGLMC Ltd

D McDonald said that the green fees were significantly up on 2013/14.

A McKeown asked if there was any specific reason for the improved figures.

G Duncan said that we were now coming out of a recession and this was reflected in the number of golfers booking.

D McDonald explained that the Golf Centre improvements were dealt with differently and she would discuss this with the auditor to see if the expenditure is to be capitalised or not. She also explained that a number of prepayments were shown in the stationery and IT support budgets.

G Murray explained that the situation with the purchase of greenkeeping equipment was in line with the approved expenditure.

3. Monitor of Capital Expenditure Projects

G Murray reported on the expenditure for the Golf Centre works and the greenkeeping equipment.

4. Recommendation of Visitor Green Fees for Approval by the Full Board

G Murray said that the recommendation for the visitor green fee for the Championship course was 3% which would increase the cost of a round from £160 to £165. He explained that we were close to St Andrews Old Course but still lower than other equivalent courses.

Following discussions the fees shown on the Price Proposal Report were agreed to be recommended to the full board.

G Murray said that increases would have to be looked at in future to fund major projects and decisions would have to be taken on visitor green fees and season ticket prices.

A McKeown referred to the 3 course combination ticket and said that this was outstanding value. G Murray commented that the current board decision was that these tickets were not to be advertised. P Sawers said that this was an ideal ticket for local hotels and B&B establishments and suggested that G Duncan look into ways that this could be implemented.

5. Review Progress from Audit Action Plan

G Murray explained that the letter of comment from the Auditor was being worked on. Some issues were completely resolved and some were still being worked on.

6. Review Company Risk Register

G Duncan covered the issue of slow play complaints and explained that no consistent problem had been discovered.

A McKeown said that he would speak to Walter Scott of Angus Council with regard to our flooding issue.

P Sawers asked about the 2 course season ticket and what the feedback had been. G Duncan said that the situation was being monitored closely, especially regarding play on the Burnside.

A McKeown asked about whether more tickets could be made available as there is no longer a waiting list for the 2 course 7 day ticket. G Duncan explained the course capacity was very difficult to measure as many golfers wanted to play at the same time.

J McLeish asked about tournaments not being well supported. G Duncan explained that the Tassie and Senior Open were oversubscribed but the Junior Open, Links Championship, Ladies Links Championship and Cant Cup all struggle to fulfil the number of entries.

A McColgan asked about the popularity of the Tassie and whether the entry fee was appropriate given the fact that it sells out in 5 minutes. G Duncan explained the history of the Tassie and agreed that, based on the green fee of the Championship, it was an outstanding bargain. J McLeish said that the average number of Championship rounds played in the Tassie was 4 but could be up to 8 for the Tassie finalists. J McLeish further explained that he had a workable proposal which would allow a larger entry but this had never been implemented by the tournament sub-committee.

A McColgan said that we should be looking to significantly increase the entry fee but this would be a decision for the tournament sub-committee.

G Murray said that this was linked to the previous discussion regarding the funding of major projects.

7. Any Other Competent Business

Organisation Performance

G Murray said he was delighted to report on the excellent results produced by both of the Carnoustie Golf Links Limited companies. He said that this was due to the hard work and commitment of all the staff and he would like to express his thanks to all the members of staff for their outstanding contribution in the last 12 months.

There being no other business the meeting closed at 1947 hours.