

Minutes of CGLMC Ltd Finance Sub-Committee Meeting Held in the Committee Room on Monday 25th January 2016.

Present: G Murray (Finance Convenor), C Yule, T Healey, A McKeown, A MacKenzie, A McColgan, J McLeish

In Attendance: G Duncan (General Manager)

Meeting began at 1855 hours.

1. Apologies

P Sawers, H Oswald

2. Declaration of Interest

There was no declarations of interest.

3. Income & Expenditure Against Budget

G Duncan said that the Carnoustie Golf Links figures were broadly on budget for the year. The tenant's improvements/property maintenance was well above budget but this was covered earlier in the year and was due to external works in the Golf Centre. CGL Ltd (Pro Shop) had exceeded the budget again and had a very impressive year. The bank balance continued to be strong.

J McLeish asked how we were able to increase the bank balance over the winter months when we were running at a loss. G Duncan explained that visitor green fees were starting to be collected.

A McKeown said that the figures were very strong and they reflected a positive trend year on year. A McKeown asked if he could see the trends over the last 10 years in graph form.

4. Season Ticket Proposals 2016/17

G Murray referred to the paper on season ticket proposals, which provided various options to the Trustees. G Duncan explained the difficulty in determining the season ticket increase without a full business plan. A McKeown said it was essential, particularly with the potential of large projects ahead that a 10 year business plan be delivered.

J McLeish said that the ratio between season tickets and visitor green fee was now lower than in the past and he would not like to see it reduce further.

T Healey said he felt the visitor green fee was too low compared to the other Championship venues and it would have to be closely reviewed for next year. This could therefore have an impact on the season ticket price and it was critical to have an approved business plan in order to provide a reasonable explanation for the season ticket holder if the season ticket price did go up. He said if we did not have such a plan the season ticket holder would link any season ticket price increase directly to major projects carried out by CGLMC Ltd.

A MacKenzie said he felt the Trustees had forgotten what they were there for, and their responsibility was to promote golf in the local area. G Murray said that was one of the objects but the primary responsibility was to act in the best interest of Carnoustie Golf Links at all times. A McKeown said there was a considerable business risk relying so heavily on visitor income and the Trustees had a legal duty to make sure that risk was minimized as much as possible. T Healey said that the season ticket price was a sensitive matter and it was important to have a sensible PR strategy to explain the reasons behind increases.

G Murray proposed that a season ticket increase of 3.1% be implemented for 2016/17, this was the same as the visitor green fee.

The sub-committee agreed to recommend a 3.1% season ticket increase to the full board for 2016/17.

5. Audit Action Plan

G Duncan referred the sub-committee to the two letters from the auditors Henderson Black and that there were no matters that required to be brought to the attention of the Trustees. A McKeown said to have a clean audit reflected very well on the organisation.

6. Company Risk Register

G Duncan said that he had met with representatives from Angus Council who provided us with assistance. G Duncan said that he expects to have a new risk register for the next Finance meeting.

7. 2016/17 Budget Proposals

G Murray went over the two draft budgets and asked if there were any questions from the Trustees. T Healey asked about the facility fee for the Dunhill Links Championship and G Duncan said it rose by £1000 each year. A MacKenzie said he was surprised by the low figure received for the Seniors Open. G Murray explained this was part of an overall package with the R&A and the facility fee for the Open Championship was very substantial.

A McKeown asked whether all the fuel for the year could be purchased now as the price was very low. G Duncan said he would bring this to the attention of A Reid.

8. Any Other Competent Business

Additional Employees

G Murray referred the sub-committee to the paper on additional employees. He said this had been forwarded by the Pro Shop sub-committee which had met on 21st January 2016. He apologised for the short notice, but said a request had come forward from the Pro Shop sub-committee to recruit more employees to improve the customer journey. G Murray covered the duties of the additional employees and the cost involved.

T Healey said he thought this was an excellent idea and would provide the level of service that was appropriate to Carnoustie. A MacKenzie again raised the point that a higher hourly rate would be required to employ suitable concierge staff. However it was agreed to start the process with the hourly rate indicated and see how this progressed.

The sub-committee agreed to add their recommendation to that of the Pro Shop sub-committee to recruit the additional staff required.

There being no other business the meeting closed at 1930 hours.