

**Minutes of the Finance Sub Committee Meeting held in the CGLMC Limited Office at
20 Links Parade on Monday 27 June 2016**

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

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

Meeting began at 1900 hours.

1. Apologies

A MacKenzie, C Yule, H Oswald

2. Declaration of Interest

There was none.

3. Draft Accounts.

G Murray referred to the interim audit report which had been provided by Henderson Black prior to the full draft accounts for 2016 being available.

He said the surplus for the year was significantly down on 2014/15 and went over the reasons stated in the report.

He mentioned the increase in salary and pension costs for the year and said this was an area which would require close scrutiny from now on.

A McKeown said it was important the reasons for increases in salary and pension costs should be detailed and fully explained.

G Murray also expressed concern at the rise in the closing stock figure for the Pro shop, and requested that the Head professional provide a report on this.

A McColgan said that the professional fees relating to the Golf Centre should be capitalised as soon as possible and he asked D McDonald to contact the auditors with regard to this.

3. Income & Expenditure Figures

D McDonald said that greenfee income was ahead of budget for both April and May. She said there had been considerable expenditure on Course repairs, but the Links Superintendent had advised this was a timing issue and the next few months would see the figures back on budget.

T Healey said that a trigger percentage should be in place so that any income or expenditure figure which was higher or lower than the budget by the trigger amount should be reported with an explanation.

The committee agreed this would be helpful and set a trigger of 5 per cent.

P Sawers asked when the tendering process was to take place for legal and accountancy services. G Duncan said it had been agreed for this financial year. G Murray said it would be appropriate that this take place once this year's accounts were signed off and this was agreed.

5. Monitoring of Capital Expenditure Projects

D McDonald provided the information on the 2015/16 and 2016/17 capital projects.

G Murray said that the budget in 2015/16 had been exceeded, but so far 2016/17 was within the agreed budget.

A McKeown said that the charges made by the consultants working on the Golf Centre extension were very reasonable, particularly considering the quality of the work done. He said the standard had been as high as he had seen for work of this type.

6. Board Report on Financial Procedures

D McDonald referred to the modifications to the original report which had been introduced to cover working practices of the Links Superintendent and the Head Mechanic.

The Committee supported the option where orders raised by the Links Superintendent would be authorised by the General Manager. However, the Committee said there were no acceptable circumstances where the inputter and authoriser could be the same person.

D McDonald was asked to remove that section from the Board Report. With that change, the report was recommended to go forward to the full board for approval.

7. Review Company Risk Register

G Duncan said that the Risk Register was now complete and the next stage was to undertake the necessary actions to mitigate the risks.

He said the report for the next Finance meeting would include details on the actions taken in the previous quarter.

8. AOCB

A McKeown asked that a report be delivered showing how Carnoustie Golf Links protected its intellectual property.

P Sawers said that St Andrews Links Trust could provide valuable assistance on how they managed their IP.

79.

G Duncan said he would prepare a report for the next Finance meeting.

There being no other competent business the meeting closed at 1955 hours.