

**Minutes of the Finance Sub Committee Meeting held in the CGLMC Limited Office at
20 Links Parade on Monday 26th September 2016**

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

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

Meeting began at 1900 hours.

1. Apologies

A MacKenzie, C Yule, H Oswald, J McLeish, I Gaul

2. Declaration of Interest

There were no declarations of interest.

3. Audited Accounts.

The audited accounts were recommended for approval.

4. Audit Recommendations

G Duncan covered the audit recommendations for both CGLMC Ltd and Carnoustie Golf Links Limited.

There were 3 items identified by the auditor, 2 of which were errors which have been corrected. The third item was related to the manual storage of invoices and whether it was appropriate to move to electronic storage. D McDonald explained that as there is no available storage space within the Greenkeeping Sheds, she had discussed storage racks with A Reid for off-site facilities, and this would be investigated further at the end of the playing season. The off-site storage would cost £1,200 + vat per annum.

5. Staff Bonus

After a discussion it was agreed to recommend a 2% staff bonus.

6. Income and Expenditure Against Budget

D McDonald referred to the budget variances report which she was now producing, which highlighted items that were over budget. A McKeown said he was concerned about the accuracy of the budgeting and highlighted the need for a 10 year business plan. T Healey questioned the fact that items were allowed to go over budget and suggested that tighter controls should be introduced.

D McDonald covered the bank balance report and explained that we were already receiving income for 2017.

7. Season Ticket Price Proposals 2017

G Murray referred to the financial projections which had been prepared for the Golf Centre extension business case. He said that a 3% uplift for the season ticket had been specified in that business case and he did not feel that it would be reasonable to consider a higher uplift at this time. A McKeown agreed that this was correct but emphasised that the Trustees would be failing in their duty if they did not deal with the unreasonably low price. He highlighted the issue of golfers leaving other Angus golf clubs to join Carnoustie because the season ticket price was so low. P Sawers said that it always had to be remembered that each year there were periods of time that the courses were not available to season ticket holders. A McKeown accepted this but stressed it would be remiss of the Trustees not to consider such an important strategic issue in detail and ask some difficult questions.

It was agreed to recommend the season ticket prices rise by 3% in 2017/18.

Questions were asked with regard to the 65+ age group discount. G Murray said this was due to be reviewed every 3 years and this was due to be reviewed shortly. G Duncan said he would confirm when the review date would be due.

A McKeown asked if the Trustees could be provided with a customer profile showing the 65+ season ticket holders over the last 5 years.

8. Winter Works

G Duncan explained the additional items which had resulted in a higher than budget programme. These were the new irrigation on the 6th hole Championship and the raising of the bridge on the 10th hole Championship.

G Murray expressed concern that there were no proposals to do further work on the 8th and 14th holes Burnside. G Duncan said that the Greens sub-committee had asked the Links Superintendent to prepare a plan that would be discussed at the next Greens meeting.

T Healey said he felt that the budget should be adhered to and the Links Superintendent should be asked to deliver the works within that budget. P Sawers said that in the lead up to the Open Championship all works on the Championship course had to be delivered.

The committee agreed to recommend the funding of the winter works as laid out as long as an acceptable plan was produced for the 8th and 14th holes Burnside.

P Sawers pointed out that it had previously been agreed at the Full Board meeting that additional funding for winter works would be provided if necessary in the lead up to the Open Championship.

9. Company Risk Register

G Duncan said the Risk Register was now operational and referred the committee to the item on visitor income. The 2017 green fees were shown and Carnoustie was significantly lower than other comparable venues. P Sawers asked about how VAT was applied at other venues and it was agreed that a full detailed report should be produced for the Trustees to consider.

A McKeown agreed with that but repeated his point that a comprehensive 10 year business plan, which would include visitor green fees over that period, was what was required.

T Healey agreed with this but said that a production of a 10 year business plan was a complex operation and additional resources would be required including professional help. He said that a financial group was required which would include senior staff, Trustees and professionals. He made the point along with A McKeown that meeting 1 hour every 3 months only allowed for a brief review of the financial performance.

The committee asked G Duncan to come forward with a proposal on how the business plan should be produced.

T Healey referred to the Risk Register and said that more detail was required with regard to the actions to be taken and how the likelihood of particular events was going to be dealt with. T Healey said he would be happy to assist in improving the Risk Register.

10. Any Other Competent Business

There was no other business.

There being no other business the meeting closed at 2040 hours.