

**Minutes of the Finance Sub Committee Meeting held in the CGLMC Limited Office at
20 Links Parade on Monday 15th May 2017**

Present: G Murray (Finance Convenor), P Sawers, T Healey, A McKeown, A McColgan, J McLeish, K Fraser, D Cheape

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

The meeting began at 1900 hours.

1. Apologies

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2. Declaration of Interest

There were no declarations of interest.

3. Financial Statements

D McDonald explained that the board report was in a different format, which she hoped would provide the information required by the sub-committee.

D Cheape said he had some questions on the figures. He asked, as this was the year end information, whether a stocktake would take place in the Professional Shop. D McDonald confirmed that a stocktake took place every year and that the auditors attended.

D Cheape asked about the season ticket holders insurance. G Duncan explained that this was an insurance cover provided to all season ticket holders and visitors, which covered them for accidental damage and personal injury.

D Cheape asked about the contract with GMS. D McDonald explained that GMS (Golf Marketing Services) were the company who delivered the marketing and advertising for Carnoustie Golf Links.

D Cheape asked for the background to the provision of a golfer's souvenir. D McDonald said that, some years ago, £5 had been added to the green fee to pay for a souvenir. J McLeish explained that the souvenir was for visiting golfers only. P Sawers advised that the souvenir had changed over the years. It had originally been a souvenir bag with tees and ball markers. However, this was no longer popular and had been replaced with a course guide.

D Cheape asked about the sunk costs for the Golf Centre project and why these had not been capitalised. D McDonald explained that the design produced by the original architect was not used and therefore the costs could not be capitalised.

D Cheape asked if the copy of the balance sheet could also be provided to the Trustees. It was agreed that this would be provided twice a year.

G Murray explained that the 2016/17 draft accounts should be with the Trustees by the end of July.

4. Golf Centre Extension Expenditure Update

D McDonald advised of the expenditure to date and the conditions in place with regard to the RBS loan. She said the bank balances were very strong at the moment, and this may influence the decision on the timing of drawing down the loan.

P Sawers said the report needed to provide some context to the figures provided, such as whether the project was on budget.

G Murray said the report from Christies will have more detail. A McKeown said it would be good to have more detail for the next meeting.

5. Championship Green Fees 2018/19

G Duncan explained that the detailed report on income generation had been commissioned, but would take some time to produce. The decision on the green fees for 2018/19 was required before this report was complete and therefore a 2018/19 board report had been submitted, which made proposals for only that year.

G Duncan said that the management team had different views on the green fee amount. He recommended that a Championship green fee of £190 be approved for 2018/19.

P Sawers said she was disappointed that the board report did not contain a recommendation from the General Manager. In the event of the management team not having a united position, she said she expected the General Manager to recommend a green fee to the board. She said she was supportive of a Championship green fee of £200 for 2018/19. This was supported by A McKeown, who said it reflected the improved standard and quality of services which would be provided in 2018/19.

T Healey said he was very unhappy about the discussion that was taking place. He said that the Finance sub-committee had instructed the management team to recommend a 2018/19 green fee which would deliver a 1 year holding position. A recommendation had been received and was now being ignored. He suggested that figures were being pulled out of the air without any proper supporting information.

Following further discussion, G Murray proposed that a Championship green fee of £200 for 2018/19 be recommended to the full board.

This was seconded by A McKeown.

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The recommendation was supported by P Sawers, A McColgan, K Fraser and D Cheape.

T Healey voted against and J McLeish abstained.

K Fraser said that in the business plan it stated there would be no impact on season ticket holders and said this needs to be stuck to.

6. Information Technology Proposal

G Duncan spoke to the proposal which had been requested by the Finance sub-committee. The Trustees agreed that the proposal delivered was what they had requested. It was agreed that it should be recommended to the full board along with the expenditure, which was unbudgeted.

P Sawers asked if the company involved would be able to assist with the tender process for IT service provision. It was agreed they would, but that was not included in the costs shown.

7. Risk Register

K Fraser said a risk policy should be produced to sit alongside the Risk Register.

A McKeown said he could provide a template to be used.

K Fraser said there were actually two risks with regard to the Open Championship and the Risk register should reflect this. First, there was the successful delivery of the 2018 Open and second was the return of the Open in the longer term.

T Healey said he felt that the Open Championship 2018 was an R&A risk as it was their tournament. He said risks were only financial, or health and safety, related.

8. Any Other Competent Business

There was no other business.

There being no further business the meeting closed at 2000 hours.