

**Minutes of the CGLMC Ltd Finance Committee Meeting held in the Committee Room at 20 Links Parade on Monday 18<sup>th</sup> September 2017**

**Present:** G Murray (Finance Convenor), C Yule, T Healey, K Fraser, J McLeish

**In Attendance:** M Wells (Chief Executive), G Duncan (General Manager), D McDonald (Finance Manager)

Meeting began at 1900 hours.

**1. Apologies**

P Sawers, A McKeown, D Cheape, A McColgan

**2. Issue of Draft Audited Accounts**

G Murray issued the accounts to the board and explained that these would not be reviewed until the following meeting to allow members to peruse.

**4. Board Report – Salary Recommendation**

The committee considered the recommendations made by the Remuneration and Reward committee regarding salary increases and bonus payments for the 2016/2017 financial year. G Murray explained that he wasn't present at the meeting but that all the costings are provided and were deemed affordable.

The committee discussed the concept of making a general bonus payment to all staff. While it was agreed to honour and award a general bonus payment of £200 per staff member this year, M Wells indicated that he wishes to conduct a general review of bonuses going forward which was welcomed by the committee. He added that employees would be communicated with to inform them that this area will be reviewed in due course and to not assume that a bonus payment will be awarded every year. D McDonald clarified that the bonus would apply to any employees working at CGL during the 2016/2017 financial year (April 2016 - March 2017), which is paid in November 2017. A pro-rate payment would be made to any working less than the full financial year.

The committee then debated whether seasonal staff should also be provided with a bonus and G Murray asked M Wells whether this had been considered at remuneration and reward committee. M Wells confirmed that it had not been discussed specifically, but had

been highlighted for consideration within any review. After discussion, it was agreed by the committee that they would prefer seasonal staff to receive a bonus given the contribution made by them over the key operating months. It was proposed therefore that this recommendation be taken back to the remuneration and reward committee for approval. Given the next remuneration and reward committee does not meet until November, it was agreed that the executive would communicate this to the convener as soon as possible for approval, in order for any bonus to be included in the October salary run.

It was agreed that G Murray will take this to the Full Board.

J McLeish asked about the Head Greenkeeper Responsibility payment and questioned if this should not be part of the salary. D McDonald provided background to the payment explaining that there used to be a Deputy Links Superintendent role but the Head Greenkeeper on the Championship covers for the Links Superintendent in his absence and therefore gets this amount. M Wells indicated that this had also been discussed at the Remuneration and Reward meeting and that he was looking to include the Championship Head Greenkeeper salary within a review of salary bandings. One of the objectives of this is to establish a base salary for the Championship Head Greenkeeper, commensurate with his responsibilities working on CGL's greatest asset.

K Fraser asked how sustainable the 5% overall salary cost is to the organisation, to which is G Duncan confirmed that it is all affordable and in line with projections from Henderson Loggie.

#### **4. Board Report – Financial Statements**

D McDonald presented the Financial Statements to the committee in the layout previously agreed and explained that some narrative was also provided. She explained the costs for heating, lighting etc. are slightly above budget as they were estimates for the Portakabin. Costs associated with greenkeeping equipment are different due to entering into a credit agreement on some items, rather than purchase outright given large financial commitments with the new golf centre at this time. She also highlighted the costs associated with the recruitment of the new Chief Executive.

D McDonald indicated that CGL can claim 61% of VAT this quarter, which was very satisfactory.

T Healey asked if we should consider trading golf bookings through a separate company rather than via the pro-shop. G Duncan suggested that the VAT position would likely still be the same. G Murray added that the sales would then go through the hotel. M Wells suggested that we ask our accountants to undertake a top-line evaluation of our trading mechanisms to ensure we are processing payments in the most tax efficient way. This was agreed.

G Murray asked how many VIP members we have, D McDonald said approximately 100. M Wells said he will be meeting with C Sinclair and can discuss with him the benefits of VIP membership.

D McDonald explained that due to a strong trading surplus from green fees, we had not yet had to draw down any of the agreed loan from the bank. It had been forecasted that this may need to happen in July, but it is now not expected to be required until at least October.

#### **5. Board Report – Golf Centre Extension Expenditure Update**

K Fraser asked if the figures are where we would like them to be, T Healey said yes there are no issues so far. M Wells added that he is in the process of evaluating all expenditure within the new golf centre and that a more detailed report including an update on the overall cost will be provided as soon as possible. He added that a report on the development and food and beverage element, in particular, is due to go to the full board on Monday 25<sup>th</sup> September.

#### **6. Board Report - Winter Works Program**

G Murray said there is a budget of £50,000 for the Winter Works, T Healy said it was the same last year but it came in over budget. D McDonald said this was due to extra irrigation work. She explained that there is a Purchase Order system in place linked to Sage to provide more rigour around expenditure. This will ensure that budgets are not exceeded unless it has been authorised.

#### **7. Review Company Risk Register**

M Wells and G Duncan to meet to discuss the new Risk Register Policy, and M Wells to come back to board with full proposal. J McLeish asked if the IT one will cover cyber-attacks, C Yule agreed. T Healey said the current backup plan is Greenkeeping then the hotel.

#### **7. Any Other Competent Business**

There was no other business.

There being no other business the meeting closed at 1950 hours.