

Minutes of the CGLMC Ltd Finance Committee Meeting held in the Committee Room at 20 Links Parade on Monday 26th February 2018

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

Attendees: M Wells (Chief Executive), D McDonald (Finance Manager).

Meeting began at 1900 hours.

1. Apologies

None

2. Presentation of Carnoustie Golf Links Ltd Draft Budget

The Finance Manager took the committee through the various income & expenditure figures within the Carnoustie Golf Links Ltd draft budget. Various points were discussed and scrutinised by the committee, which were answered by the Finance Manager and the Chief Executive. The following areas were discussed in particular;

- A presentation was made within the accounts to allow for budget increases to allow additional staff to be recruited over both CGLMC Ltd and CGL Ltd. These additions are broken down into two areas, namely; 1. Additional staff as part of an organisational review and 2. Additional staff relating to the operation of the new golf centre and re-structuring of roles and responsibilities within the customer facing side of the business.
The Chief Executive explained that all of the roles and by default the proposed budget attributed to additional staff was still to be fully broken down and ratified prior to final approval. This would be carried out in two stages. Firstly, staff as a result of the proposed re-organisation would be considered during the forthcoming Trustee workshops. Secondly, a paper would be produced and sent to this committee to fully evaluate the additional hours and positions being proposed for golf operations.

The committee agreed that this level of detail would be required as well as understanding the desired outcomes of recruiting these staff and assessing the affordability of these additions prior to making final decisions. The Chief Executive confirmed that he would produce a paper and will circulate to the board.

- D Cheape commented that it would be useful to look again at the presentation of accounts to assure that an appropriate level of detail is available. The Chief Executive agreed and added that a satisfactory agreement between the committee and the Executive is required to finally determine the level of information to be presented. The Executive will review the presentation of accounts and liaise with Finance committee members to finalise an appropriate presentation of accounts.
- K Fraser enquired as to where income for tuition was displayed within the accounts, to which D McDonald confirmed that professionals retain their own income and that this is commonplace in the golf industry.
- A discussion was held around rates and D Cheape commented that while it is prudent to accrue for anticipated costs for the new golf centre, we should establish whether we can continue to receive small business relief.

3. Presentation of CGLMC Draft Budget

The Finance Manager took the committee through the various income & expenditure figures within the CGLMC Ltd draft budget. Various points were discussed and scrutinised by the committee, which were answered by the Finance Manager and the Chief Executive. The following areas were discussed in particular;

- A discussion was held around the VIP Season Ticket Holders scheme following an enquiry from A McColgan as to whether the organisation receives the best return on this initiative. After discussion, it was agreed that this should be considered as part of the wider strategy around season ticket holder prices and the structure going forward over the next five years. A McKeown stated that he supported this approach and the topic of season ticket holders and benefits required to be reviewed as a considered piece of work.
- The Chief Executive confirmed that figures for the new bar and restaurant had not yet been included within the draft accounts, although a contingency provision has been made within the draft CGLMC accounts. A revised P&L for the F&B operation will be provided to the committee in due course. The Chief Executive confirmed that while the bar & restaurant business would be traded through CGL Ltd, some costs and income (central utility costs etc) are subsequently traded through CGLMC Ltd.
- K Fraser stated that he was uncomfortable with wording in the budget around Trustee entertainment and it was agreed that this is required to be ratified and

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reviewed by the Chief Executive. D Cheape agreed that any spend should be carefully considered and clearly demonstrate benefit for the organisation.

- K Fraser asked for the Chief Executive to provide critical success indicators around the money which the board had agreed to spend around brand development. The Chief Executive highlighted several reasons which such expenditure was required, but confirmed that it would also be picked-up as part of the Trustee workshops, where he would present his vision and strategy for the organisation going forward.
- A McKeown reminded the committee of the decisions which the board had made to instigate change within the organisation prior to the appointment of a Chief Executive and to expect requests for additional expenditure such as that looked at during the meeting to come, which is as a result of our strategic development which will be communicated to the board over the coming weeks. He did stress that investment is likely to be required and it is the boards job to ensure that expenditure is aligned with the strategic vision and can be justified with outcomes and financial return where appropriate.

4. HMRC VAT Review

Following discussions, it was agreed that the Chief Executive should instruct Alan Davis of Henderson Loggie to lodge our intent to appeal with HMRC.

The Chief Executive is to seek the advice of an independent VAT Specialist to ascertain whether it would be financially viable to proceed with the appeal.

5. Any Other Competent Business

None

There being no other business the meeting closed at 20:55.