

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

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

**Attendees:** M Wells (Chief Executive), D McDonald (Finance Manager), Alistair McNaughton (Henderson Loggie)

Meeting began at 1900 hours.

**1. Apologies**

J McLeish

**2. Financial Statements**

The Finance Manager explained that all monthly categories were in line with budget and there were no areas she felt required highlighting, except a marked increase in electricity costs over three winter months. The Chief Executive explained that the finance team had investigated the reason behind the rapid increase in electricity costs and ascertained that they were due to the golf centre builders using mains electricity to power heaters, without prior consultation with CGLMC Ltd. He confirmed this matter had been raised with the project QS and project manager, Darron McKay and with the builders Ogilvie's directly. The Trustees expressed their understanding and confirmed that they had no further questions.

**3. Board Report – Finance Director**

D Cheape and D McDonald (Finance Manager) left the room at this point, to allow sub-committee members to discuss the proposition fully and remove any potential for conflict of interest.

The Chief Executive talked the sub-committee through the board report he had prepared. Discussion included investigation around how the proposed position affected any organisational change processes, affordability of the position and clarity around justification for the appointment in-line with the objectives of the organisation over the short and long-term periods.

19.

The sub-committee agreed in principle with the appointment on the basis that the report was adjusted to further clarify the positions role to focus around strategic financial overview and additionally as an immediate management support for the Chief Executive. The sub-committee also confirmed that the appointment was affordable, having been provided with information on projections by Alistair McNaughton from Henderson Loggie accountants who were present at the meeting. The report would also clarify that internal consequences of the appointment had been fully considered.

The Chief Executive will prepare a revised board report for this position accordingly.

#### **4. Board Report – HR Manager (D Cheape and D McDonald re-joined the meeting at this point)**

The sub-committee considered a board report requesting approval for a new position of HR Manager for CGLMC Ltd to be taken to full board for approval.

A McColgan felt that the salary was too low to ensure we attract and employ the right person for this role. This point was discussed by sub-committee members, and it was agreed that the salary be increased appropriately to meet market requirements commensurate to this role.

The Chief Executive was asked to provide a revised report, detailing further information on the roles and responsibilities of the requested HR appointment (in addition to that included in the report) and re-send to the sub-committee, prior to escalating to full board for approval.

#### **5. Board Report – Staffing Pro Shop, Golf Operations & Golf Services**

Following a short discussion, the Trustees agreed to recommend the additional expenditure to Full Board for approval on the 16<sup>th</sup> April.

#### **6. Henderson Loggie – Financial Projections**

Alistair McNaughton talked through the figures and confirmed that the positions of Finance Director and HR Manager are affordable. He explained that he had used the assumption of 3% inflation across the board for calculations. No additional income streams were included and the loan repayments had been factored in.

The Trustees requested that projected costings be compiled for 3 different scenarios, best case, worst case and middle ground.

Alan McKeown reminded the Trustees that the Restaurant was part of the overall proposition at Carnoustie and we should be careful not to focus on this as a separate entity

and was introduced to add value for our visitors and Season Ticket Holders, rather than profit.

#### **7. Approval of Draft Budgets**

The Trustees agreed to recommend the draft accounts for both companies to the Full Board.

#### **8. HMRC VAT Appeal**

The Chief Executive advised the HMRC paper was included as confirmation that an appeal had been lodged in respect of unreclaimable VAT for costs associated with the new golf centre.

#### **9. Golf Centre – Additional Requirements**

Trustees agreed to recommend that the cost of £5,000 for TV's and in the region of £8,000 - £10,000 for Sky TV to Full Board be approved.

Also agreed for recommendation was £30,000 for the Heritage Project within the new golf centre (£20,000 for phase 1 - to be spent now, with phase 2 being completed later in the year).

#### **10. Any Other Competent Business**

None

There being no other business the meeting closed at 2030 hours.