

ANGUS COUNCIL

FINANCE & INFORMATION TECHNOLOGY COMMITTEE – 11 MARCH 2003

ANNUAL ACCOUNTS – CARNOUSTIE GOLF LINKS MANAGEMENT COMMITTEE –
YEAR ENDED 31 MARCH 2002

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

The purpose of this report is to highlight the salient points contained in the Annual Accounts of the Carnoustie Golf Links Management Committee for the year ended 31 March 2002.

1. RECOMMENDATION

It is recommended that the Committee note the 2001/02 Annual Accounts for Carnoustie Golf Links Management Committee, a copy of which is attached to this report.

2. BACKGROUND

The Carnoustie Golf Links Management Committee, which comprises representatives from the local golf clubs, manage the Carnoustie public courses on behalf of the Council in terms of a management agreement which expires on 31 March 2033.

This report provides a commentary on the Links Management Committee's Annual Accounts for the year ended 31 March 2002.

3. COMMENTARY ON ANNUAL ACCOUNTS

The following particular points are highlighted:

- ❖ The accounts for the year to 31 March 2001 have been restated to correct accounting errors made in the years to 31 March 2000 and 2001. These errors have resulted from the reclassification for VAT purposes of certain income from exempt to taxable. The effect of this restatement is a decrease in the surplus (after tax) for the financial year to 31 March 2001 by £70,815, from £267,745 to £196,930.
- ❖ Total income for the year to 31 March 2002 has increased by £155,040 (+7.3%) to £2,294,439 – this compares with a 2000/01 increase of £320,633 (+17.6%).
 - Income generated from visitors to the various golf courses has increased by £37,570 (+2.0%) – this compares with a 2000/01 increase of £525,347 (+37.5%).
 - Other income has increased by £117,470 (+54.9%) in 2001/02 compared with a decrease in 2000/01 of £204,714 (-48.9%). This is due in the main to an increase in facility fees and a significant gain on the sale of assets, partially offset by a drop in profit from merchandising sales and bank interest received.
- ❖ Total expenditure for the year to 31 March 2002 before adjusting for VAT and corporation tax has increased by £239,550 (+14.5%). This increase in expenditure is, in the main, due to:

	<u>£000</u>
Wage related costs	141.9
Hire of equipment	127.7
Sundry expenses & office costs	53.7
Publicity, brochures & advertising	11.3
Professional fees	37.4
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	372.0
Offset by a reduction in :	
Repairs and maintenance – course and machinery	(25.9)
Depreciation charge	(108.8)
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	237.3
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- ❖ The 2001/02 accounts shows a surplus after accounting for corporation tax of £161,535, compared with a restated surplus of £196,930 in 2000/01. The surplus generated during the year together with the restated reserves held at 31 March 2001, provides an accumulated surplus of £1,009,614. It should be noted that £862,173 of this surplus relates to the value of fixed assets and that the remaining £147,441 is the value of the liquid assets of the Committee.

4. FINANCIAL IMPLICATIONS

There are no additional financial implications arising from this report.

5. HUMAN RIGHTS IMPLICATIONS

There are no human rights implications as a result of this report.

6. CONSULTATION

The Chief Executive and the Director of Law and Administration have been consulted on the contents of this report.

7. CONCLUSION

The audited Annual Accounts of the Carnoustie Golf Links Management Committee should be noted for information.

DAVID S SAWERS
Director of Finance

NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.