

ANGUS COUNCIL

RESOURCES & CENTRAL SERVICES COMMITTEE

21 OCTOBER 2004

ANNUAL ACCOUNTS – CARNOUSTIE GOLF LINKS MANAGEMENT COMMITTEE –
YEAR ENDED 31 MARCH 2004

REPORT BY THE DIRECTOR OF FINANCE

ABSTRACT

The purpose of this report is to highlight the salient points contained in the audited Annual Accounts of the Carnoustie Golf Links Management Committee for the year ended 31 March 2004.

1. RECOMMENDATIONS

It is recommended that the Committee note:

- a. The 2003/04 Annual Accounts for Carnoustie Golf Links Management Committee, a copy of which is attached to this report.
- b. The brief commentary highlighting the most salient points of the accounts.

2. BACKGROUND

The Carnoustie Golf Links Management Committee, which comprises representatives from the local golf clubs, manage the Carnoustie public courses on behalf of Angus 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 2004. The accounts were signed off by the Links Management Committee's external auditor on 20 September 2004 without qualification.

3. COMMENTARY ON ANNUAL ACCOUNTS

The following particular points are highlighted:

- ◆ Total income for the year to 31 March 2004 has increased by £100,901 (+4.7%) to £2,138,314 – this compares with 2002/03 when income decreased by £257,026 (-11.2%). The increase in income can be attributed to the following areas:
 - Course income increased by £104,718 (+5.8%) during the year from £1,794,714 to £1,899,432
 - Tournament surplus increased by £5,499 (+14%) from £38,898 to £44,397.
 - This has been partially offset by a decrease in profit from sales and merchandising, which fell by £3,648 in 2003/04 (-5.7%) and a loss on sale of assets of -£982 (-119.2%) compared to a gain of £5,105 in 2003.
- ◆ Total expenditure for the year to 31 March 2004 (before adjusting for VAT and corporation tax) has increased by £23,538 (+1.2%). This increase in expenditure is, in the main, due to:

	<u>£000</u>
Wage related costs	68.2
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	68.2
Offset by a reduction in:	
Course repairs and maintenance	(4.7)
Overhead Expenses	(10.8)
Administration Expenses	(18.7)
Hire of Equipment	(3.7)
Depreciation	(6.6)
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	23.7
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- ◆ The 2003/04 accounts show an overall surplus (after accounting for VAT and corporation tax) of £70,911, compared with a deficit in 2002/03 of -£1,434. The surplus together with the reserves held at 31 March 2004, provides an accumulated surplus of £1,020,581. It should be noted that £724,066 of this surplus relates to the value of fixed assets and that the remaining £296,515 is the value of the liquid assets of the Committee.

4. FINANCIAL IMPLICATIONS

There are no additional financial implications for Angus Council arising from this report. Members will be aware that the Links Management Committee and Council officers have discussed future management arrangements for the Carnoustie Links. A Business Plan has been produced for the next five years to ensure a firm financial footing.

5. HUMAN RIGHTS IMPLICATIONS

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

6. CONSULTATION

The Chief Executive and 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 for the year ended 31 March 2004 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.