

ANGUS COUNCIL

RESOURCES & CENTRAL SERVICES COMMITTEE

29 JANUARY 2004

ANNUAL ACCOUNTS – CARNOUSTIE GOLF LINKS MANAGEMENT COMMITTEE –  
YEAR ENDED 31 MARCH 2003

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 2003.

**1. RECOMMENDATIONS**

It is recommended that the Committee note the 2002/03 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 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 2003. The accounts were signed off by the Links Management Committee's external auditor on 28 November 2003 without qualification.

**3. COMMENTARY ON ANNUAL ACCOUNTS**

The following particular points are highlighted:

- ◆ Total income for the year to 31 March 2003 has decreased by £257,026 (-11.2%) to £2,037,413 – this compares with 2001/02 when income increased by £155,040 (+7.3%). The decrease in income can be attributed to the following areas:
  - Course income dropped by £168,192 (-8.6%) during the year from £1,962,906 to £1,794,714
  - Bank interest received dropped by £20,487 (-36.6%), as did income from gains made on the sale of assets (down £91,734, a reduction of 94.7%)
  - This has been partially offset by an increase in profit from sales of merchandising, which rose by £20,723 in 2002/03 (+47.6%).
- ◆ Total expenditure for the year to 31 March 2003 (before adjusting for VAT and corporation tax) has increased by £36,392 (+1.9%). This increase in expenditure is, in the main, due to:

|                                   | <u>£000</u> |
|-----------------------------------|-------------|
| Wage related costs                | 47.0        |
| Hire of equipment                 | 19.1        |
| Property repairs and maintenance  | 14.5        |
| Plant and sprinklers depreciation | 43.1        |
| Professional fees                 | 16.3        |
|                                   | <hr/>       |
|                                   | 140.0       |
| Offset by a reduction in:         |             |
| Course repairs and maintenance    | (84.5)      |
| Office costs                      | (17.6)      |
|                                   | <hr/>       |
|                                   | 37.9        |
|                                   | <hr/>       |

- ◆ The 2002/03 accounts show an overall deficit (after accounting for VAT and corporation tax) of £2,319, compared with a surplus in 2001/02 of £161,535. The deficit incurred during the year together with the reserves held at 31 March 2002, provides an accumulated surplus of £1,007,295. It should be noted that £863,936 of this surplus relates to the value of fixed assets and that the remaining £143,359 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 are currently discussing future management arrangements for the Carnoustie Links. This includes the development of a suitable business plan which will seek to ensure a firm financial footing exists for moving forward.

#### **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 2003 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.