

ANGUS COUNCIL

ANGUS COUNCIL 23 OCTOBER 2014

CGLMC LIMITED

REPORT BY HEAD OF LEGAL AND DEMOCRATIC SERVICES

Report updating members on the application by CGLMC Limited, who manage the Carnoustie Golf Links, for charitable status and seeking the approval for a mechanism by which the company may contribute to local charitable causes.

1. RECOMMENDATION(S)

It is recommended that the Council:

- (i) Notes that CGLMC Limited has been granted Charitable Status by the Office of the Scottish Charity Regulator who has approved amendments to the Articles of Association of the Company to reflect this;
- (ii) Notes that the Management Agreement between the Council and CGLMC Limited has been updated to reflect the revised status of the Company;
- (iii) Approves that CGLMC Limited will set up a sub-committee represented by an elected member director to consider making contributions from financial surplus to local charitable projects, subject to the approval of the Company's Board of Directors.

2. BACKGROUND

Reference is made to Article 15 of the minute the of meeting of the Council on 1 November 2012 at which it was agreed to consent to the change to the Articles of Association of CGLMC Limited to enable it to apply for charitable status. It was further approved that the sum of 50% of tax savings be donated to local community purposes should charitable status be gained.

3. CURRENT POSITION

Legal advice is that in terms of company law, the Company is unable to make such a binding commitment as the directors have a primary duty to act in the best interests of the Company at all times. A binding commitment to divest itself annually of a fixed percentage of savings would be contrary to that corporate duty and would therefore be unlawful.

4. PROPOSAL

To address this it is proposed that a sub-committee of the Company be set up with a view to considering potential local charitable projects worthy of support on a year to year basis, each on its merits. The community will be represented on that sub-committee by one of the local elected member directors of the company. Final decisions regarding charitable community project funding will be for the Board of Directors of the Company having received recommendations from the sub-committee.

5. FINANCIAL IMPLICATIONS

There are no financial implications for the Council. It is anticipated that suitable local charitable projects will be offered grant contributions by the Company on a case by case basis at the discretion of the Company.

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

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