

Culture and Sport Glasgow
(Incorporated in Scotland, registered number SC313851)

MINUTES of a MEETING of the
Interim Board Directors of Culture
and Sport Glasgow held in Glasgow
on 9 February 2007 at 3.30pm.

Present: Councillor Elizabeth Cameron
Councillor Steven Purcell
Bridget McConnell

Attending: Susan Deighan, Strategic Manager Culture and Sport, GCC,
Graeme Elder, Head of Finance, Personnel and IT, GCC; Elaine
Galletly, Assistant Chief Solicitor, GCC and John Salmon, Pinsent
Masons.

1. **VARIATION OF ORDER OF BUSINESS**

The Board agreed to vary the order of business as hereinafter minuted.

2. **CHAIR**

It was agreed that Councillor Elizabeth Cameron be appointed Chair for this meeting.

3. **QUORUM**

The Chair noted that

- (1) whilst the quorum of the Board was 6, Article 80 of the Articles of Association of the Company allowed for a quorum of 3 during the period of 18 weeks from incorporation of the company; and
- (2) a quorum of 3 was present and the meeting had been duly convened and was competent to proceed to business.

4. **DIRECTORS INTERESTS**

Each Director declared their interests, if any, in the business to be transacted at the Meeting for the purposes of s317 Companies Act 1985 ("the Act") and generally. In particular, Councillors Purcell and Cameron declared that they were both elected members of Glasgow City Council and Mrs McConnell declared that she is an employee of Glasgow City Council.

5. **MEMORANDUM AND ARTICLES, SUMMARY NOTE AND GOVERNANCE PAPER**

The Memorandum and Articles of the Company, a summary report together with a paper regarding governance were tabled and the Board having heard Elaine Galletly and Susan Deighan in explanation of the various papers noted the position.

6. **INCORPORATION OF THE COMPANY**

It was recorded that the Company had been duly incorporated in Scotland on 22 December 2006 (Registered Number SC313851) as "Culture and Sport Glasgow". The Certificate of Registration of the Company issued by the Registrar of Companies was produced and noted. It was further noted that the Company shall retain the Certificate of Registration of the Company at its Registered Office.

7. **RESIGNATION OF COMPANY SECRETARY AND APPOINTMENT OF COMPANY LAWYERS AND NEW COMPANY SECRETARY**

The Board noted the resignation of Burness as Company Secretary and agreed that Pinsent Masons and Pinsent Masons Secretarial Limited be appointed as Company lawyers and Company Secretary respectively, both appointments up to 30 June 2007.

8. **REGISTERED OFFICE**

It was recorded that the Company's registered office was situated at 20 Trongate Glasgow G1 5ES.

9. **LIST OF MEMBERS ON INCORPORATION**

An application for membership by Glasgow City Council (GCC) was tabled and the Board noted that under the Articles of Association GCC automatically became a member on receipt by the Company of this application.

10. **BOARD DIRECTORS**

The Board noted that Glasgow City Council at its meeting held on 8 February 2007 had selected

- (1) 5 elected members (including Councillors Cameron and Purcell) to act as Directors along with 4 Independent Directors and that their appointment would be formalised in early course; and
- (2) an elected member from the opposition who had declined to take up the appointment and accordingly one position as Director remained vacant.

11. **ACCOUNTING REFERENCE DATE**

IT WAS RESOLVED that the Accounting Reference Date of the Company should be set at 31st March. The first financial year of the Company shall end on 31st March 2008.

12. **FREQUENCY AND TIMES OF MEETINGS INCLUDING APPOINTMENT OF SUB-COMMITTEES AS APPROPRIATE**

It was agreed that the Board meet again toward the end of March 2007 and that the calendar of meetings thereafter be discussed at a future meeting.

13. **APPLICATION TO OFFICE OF THE SCOTTISH CHARITY REGULATOR (OSCR)**

The Board noted that

- (1) an application for charitable status for Culture and Sport Glasgow had been made to the Office of the Scottish Charity Regulator (OSCR) on 22 December 2006 ;
- (2) a decision would be made by OSCR within 3 months of submission of the application;
- (3) OSCR was currently considering the application and had requested some clarification to assist with its deliberations; and
- (4) during this 3 month period OSCR will seek further clarification and any additional information which it needs in order to reach a decision.

14 **INDUCTION AND TRAINING FOR BOARD DIRECTORS**

The Board noted that an induction pack together with induction training would be provided for Directors and would cover:-

- Structure of the company

- Directors duties under company law
- Additional duties applicable to charity trustees especially requirement for independent judgement in decision making
- Other issues relating to charitable status including the split between the charitable company and non charitable subsidiary
- Key features of the legal framework, the process of transferring assets from the Council to the new company and its subsidiary, ensuring appropriate policies and procedures are in place to enable the Company to comply with best practice as from the transfer date.

15. **NAME OF COMPANY AND BRANDING**

The Board having noted that the Company would be named Culture and Sport Glasgow considered and approved a proposed company logo which would be passed to Pinsent Masons for registration as a trademark.

16. **COMPANY OFFICE MANAGEMENT STRUCTURE- CONFIRMATION OF INTERIM MANAGEMENT TEAM**

It was noted that the interim management team would consist of :-

Bridget McConnell, Executive Director (Culture and Sport)
 Susan Deighan, Strategic Manager (Culture and Sport)
 Ian Hooper, Strategic Manager (Culture and Sport)
 Jill Miller, Strategic Manager (Culture and Sport)
 Graeme Elder, Head of Finance, Personnel and IT
 Alan Horn, Head of Development

It was further noted that the Chief Executive of GCC would report further on the management structure of the Company at a future meeting of the Board.

17. **AGREEMENT OF INTERIM BUSINESS CASE**

The Interim Business case prepared by Grant Thornton, Financial Consultants was agreed.

18. **BANK ACCOUNT**

It was noted that the Company intends to open a bank account with The Royal Bank of Scotland plc, Registered in Scotland number 90312 and having its Registered office at 36 St Andrew Square, Edinburgh EH2 2YB. In furtherance of this, the Company requires to pass the necessary resolutions to complete the account opening mandate, in terms of the wording provided by the Bank, and to be certified as an Excerpt from this meeting. The account opening mandate was then tabled.

19. ACCOUNT OPENING MANDATE

The Board Directors then discussed the form of mandate required and, noting the actual wording required by the Bank, IT WAS RESOLVED that: -

1. The Royal Bank of Scotland plc is requested to act as the bankers of the Company.

Meanings of the words used in this Authority:-

'Account' means an account or accounts held with the Bank in name of the Company

'Bank' means The Royal Bank of Scotland plc

'Instructions' means

- (a) cheques or other orders for payment, bills accepted and promissory notes or negotiable instruments made, drawn or given on the Account;
- (b) instructions to countermand payment of cheques, bills of exchange or other orders;
- (c) endorsement on behalf of the Company of cheques and other orders, drafts, bills, promissory notes and deposit receipts payable to or in the name of the Company;
- (d) instructions to withdraw securities, documents or articles lodged for safe custody in the name of the Company;
- (e) requests for borrowing facilities by way of loan, overdraft, discount or otherwise, and whether secured or otherwise;
- (f) indemnities, guarantees and bonds and instructions for the opening of credits or the issue of guarantees, bonds or indemnities by the Bank;
- (g) instructions for discounting inland or foreign bills;
- (h) instructions to withdraw, deliver, dispose of or deal with any property, documents or securities held in the name of the Company;
- (i) instructions to open further Account(s) in the name of the Company;
- (j) any instruction, request, agreement, undertaking or document necessary for the provision of any of the above purposes; or otherwise for the provision of banking services (including, in particular, any agreement for the provision of these services by electronic, internet-based or similar means); or giving of information, as between each of the Bank and the Company.

(2) **Authority**

- (a) The Bank is requested to open or continue an Account in the name of the Company and is authorised to accept Instructions from two authorised signatories one from management and one from operations are hereby appointed an authorised signatory on behalf of the Company, even if the Account becomes overdrawn as a result of the Instructions.
- (b) Where Instructions to the Bank are given in any format that is not in writing, 'writing' means for this purpose a document bearing an original written authorised signature(s), the Bank is entitled to accept them if the Bank is satisfied that the Instruction is genuine. We accept that the Bank may require us to enter into a separate agreement(s) with the Bank and/or comply with any further conditions covering any means of providing the Bank with Instructions that are not in writing.
- (c) Unless the Bank has received written notice of cessation of a member from the Company, whether or not an authorised signatory, or of dissolution of the Company, the Company accepts, for the Bank's benefit only, that the Bank may assume such member remains authorised to bind the company or all purposes herein; and that the Bank is not obliged to search for or be affected constructively alone by registration of a member cessation or Company dissolution with the Registrar of Companies.
- (d) The Company accepts that in the event of a winding up petition being presented against the Company, the Bank may refuse to make payments out of the Account.

(3) **Constitution of the Company**

The Bank is to be given a copy of the Certificate of Incorporation (including a Certificate of Incorporation on Change of Name) of the Company.

The Bank is to be given a list of names of the Directors of the Company and advised of any alterations to the list.

The Bank is to be given a list of the names of the authorised signatories with their specimen signatures.

The Bank will be advised of additions to the list by way of certified Resolutions of the Board Directors of the Company.

Any member, or Board Member, of the Company, or either of the aforementioned authorised signatories when authorised by the Board Directors, is authorised to notify the Bank of resignations and retirements of those authorised to give instructions.

This authority shall continue until receipt by the Bank of a certified copy of a later Board Directors Resolution amending or rescinding this resolution.

After due consideration IT WAS RESOLVED that an Excerpt of this Minute relating to the account opening (as requested in terms of the mandate tabled) be provided to the Bank, together with the relevant papers referred to herein, together with a certificate stating:-

"We certify that the above is a true Excerpt from the Minutes of the Meeting of the Board Directors of the Company at which these resolutions were agreed by the Board Directors of the Company, authorised to bind the Company and act on its behalf in accordance with the terms of the Memorandum and Articles of Association, and that the specimen signatures attached are correct."

20. Cheque authorisation – The Board

(1) having noted that

- (i) it was intended to authorise signatories for both electronic and manual cheques;
- (ii) for those suppliers who were not paid electronically by BACS, cheques were produced by GCC Central Finance with electronic signatures (embedded in the software) ;
- (iii) the strongest system of control was for cheques to be hand signed, given the volumes, this may be impractical;
- (iv) the proposed process would be in line with the Council's current procedures; and

(2) agreed to

- (i) request the Bank to open or continue an Account in the name of the Company and is authorised to accept Instructions from Graeme Elder, Alistair Miller, Jim Logan and Jon Allen each hereby appointed an authorised signatory on behalf of the Company, even if the Account becomes overdrawn as a result of the Instructions as detailed below:-

(A) Electronic Cheques

- Cheques up to £98K signed electronically by Graeme Elder

- Cheques over £98K signed electronically by Graeme Elder and Alistair Miller

(B) Manual cheques

These will be relatively few in number and would be delegated without limit to any

One of:-

Bridget McConnell, Susan Deighan, Jill Miller, Ian Hooper; Graeme Elder, and

one of:-

Alistair Miller, Jim Logan and Jon Allen

- (ii) that the company operate both BACS and Bankline (an electronic payment method).

21 **APPOINTMENT OF BOARD DIRECTORS OF CULTURE AND SPORT (TRADING) LIMITED**

The Board noted that

- as Culture and Sport Glasgow was the Holding Company in relation to Culture and Sport (Trading) Limited it was their responsibility to appoint Directors to the Board of that Trading Company;
- there should be no less than 4 and no more than 7 Directors on the Board of that Company;
- at any given time 3 of the Directors should be Directors of the Holding Company;
- the remaining Director or Directors (if any) are individuals who, in the opinion of the Holding Company, have skills and experience which would allow them to make a substantial contribution to the work of the Board of Directors; and
- Article 21 of the Articles of Association of the Trading Company stated that during the period of 18 weeks from incorporation of the company, the number of directors shall be not less than 3; and
- the current 3 Directors were:-

Councillors Elizabeth Cameron and Steven Purcell; and Mrs Bridget McConnell

22. **FILING OF DOCUMENTS**

The secretary was instructed to record the resolutions passed at this meeting in the Minute Book of the Company, and to file the requisite returns with the Registrar of Companies.

23. **CLOSE OF MEETING**

There being no further business the Chair declared the meeting closed.

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Chair