

Public Document Pack

Southend-on-Sea City Council

Strategy, Change & Governance

Executive Director: Stephen Meah Sims (Interim)

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08 July 2022

THE SHAREHOLDER BOARD - TUESDAY, 12TH JULY, 2022

SUPPLEMENTARY REPORT PACK: AIRPORT BUSINESS PARK

Please find enclosed, for consideration at the next meeting of the The Shareholder Board taking place on Tuesday, 12th July, 2022, at 6.30pm the following report that was unavailable when the agenda was printed.

Agenda No Item

4. **Airport Business Park Southend Management Ltd: Receipt of Accounts 2020/21 and Other Matters (Pages 1 - 12)**

Report of Executive Director (Finance and Resources) attached

Robert Harris
Principal Democratic Services Officer

Southend-on-Sea Borough Council

Report of the Executive Director of Finance and
Resources

to

Shareholder Board

on

12 July 2022

Report prepared by:
Alan Richards - Director of Property and Commercial

Agenda
Item No.

4

Airport Business Park Southend Management Ltd: Receipt of Accounts 2020/21 and Other Matters

Cabinet Member - Councillor Paul Collins

A Part 1 Public Agenda Item

1 Purpose of Report

To present to the Shareholder Board the Annual Report and financial statements of Airport Business Park Management Ltd for year ended 30 June 2021, together with the report of their auditors.

2 Recommendations

- 2.1 That the Shareholder Board receives the Annual Report and financial statements of Airport Business Park Management Ltd (ABPML) for the year ended 30 June 2021 together with the report of the auditors which were submitted to Companies House 23 March 2022.
- 2.2 That Shareholder Board note the recommendations to appoint directors to ABPML and to transfer the freehold interest in the roads and common parts and to note that this will be actioned pursuant to the delegation to the Executive Director (Finance and Resources) set out in the Constitution (Part 3, Schedule 3, para 4.4).

3 Background

- 3.1 ABPML is the estate company established by HBD to manage the Airport Business Park Southend common areas and estate roads. ABPML has appointed Savills to deal with all estate management and to administer the estate service charge.

- 3.2 Currently, whilst it holds the majority shareholding, the Council does not have directors on this company however this situation should be reviewed now that the Costa Drive Thru has been formally completed and the Launchpad is nearing practical completion. This provides the Council with long-term operational land interests at the Airport Business Park. The Council remains the principal shareholder with shares being distributed to plot owners according to the land ownership as the business park is developed. All owners pay proportionately into the service charge therefore at this stage, the Council, Ipeco, Costa and HBD (in relation to the Quad) carry the main liabilities and this situation will change over time as more plots are agreed and developed.
- 3.3 This report also asks Shareholder Board to note the intention for the roads and common parts to be transferred to ABPML so that the liabilities in relation to this infrastructure move from the Council to ABPML and align with the principle of distributed ownership between the ultimate owners of the Business Park. There are some technical matters to deal with in progressing this intention and therefore whilst these are in hand, it is likely to take several months to progress the actual transfer. A valuation of the land to be transferred will also be required. The valuation is expected to be nominal and therefore the transaction would also be dealt with under delegated authority as set out in the recommendations.
- 3.4 A representative of Savills on behalf of Airport Business Park Management Ltd will present this report to the Shareholder Board and respond to Members' questions alongside relevant officers.

4 Corporate Implications

4.1 Contribution to Council's Vision & Critical Priorities

Robust oversight of the financial statements of Airport Business Park Management Ltd by the Shareholder Board on behalf of the Council plays a key part in maintaining the Council's reputation for strong financial probity and stewardship.

4.2 Financial Implications

The Statement of Accounts is required to present a true and fair picture of the Company's financial position as at 30 June 2021.

4.3 Legal Implications

The financial statements of Airport Business Park Management Ltd are governed by the Companies Act 2006

4.4 People Implications

It is recommended that two Council officers be appointed as directors onto the Airport Business Park Management Limited.

4.5 Property Implications

There are no property implications arising other than those set out in this report

4.6 Consultation

There are no consultation implications arising from this report

4.7 Environmental Impact

There are no environmental implications arising from the recommendations of this report.

5 Background Papers

Detailed working papers are held by Airport Business Park Management Ltd

Companies House link for further details: [AIRPORT BUSINESS PARK SOUTHEND MANAGEMENT LIMITED](#)

6 Appendices

Appendix 1 – Annual Report and financial statements of Airport Business Park Management Ltd

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Airport Business Park Southend Management Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 30 June 2021

Phillip Carroll
10 Ambassador Place
Stockport Road
Altrincham
Cheshire
WA15 8DB

Airport Business Park Southend Management Limited

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Airport Business Park Southend Management Limited

Company Information

Directors	Mr H Bunbury Mr A Ellis Mr S McKinlay Mr A M Schofield
Registered office	Banner Cross Hall Ecclesall Road South Sheffield S11 9PD
Accountants	Phillip Carroll 10 Ambassador Place Stockport Road Altrincham Cheshire WA15 8DB

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
Airport Business Park Southend Management Limited
for the Year Ended 30 June 2021**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Airport Business Park Southend Management Limited for the year ended 30 June 2021 as set out on pages 3 to 5 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at

<https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the Board of Directors of Airport Business Park Southend Management Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Airport Business Park Southend Management Limited and state those matters that we have agreed to state to the Board of Directors of Airport Business Park Southend Management Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at <http://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2009/october/factsheet-163-audit-exempt-companies.html>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Airport Business Park Southend Management Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Airport Business Park Southend Management Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and results of Airport Business Park Southend Management Limited. You consider that Airport Business Park Southend Management Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Airport Business Park Southend Management Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Phillip Carroll
10 Ambassador Place
Stockport Road
Altrincham
Cheshire
WA15 8DB

21 March 2022

Airport Business Park Southend Management Limited

(Registration number: 11441062)

Balance Sheet as at 30 June 2021

	Note	2021 £	2020 £
Current assets			
Debtors	<u>4</u>	73,715	56
Creditors: Amounts falling due within one year	<u>5</u>	<u>(73,659)</u>	<u>-</u>
Net assets		<u>56</u>	<u>56</u>
Capital and reserves			
Called up share capital		<u>56</u>	<u>56</u>
Shareholders' funds		<u>56</u>	<u>56</u>

For the financial year ending 30 June 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 March 2022 and signed on its behalf by:

.....

Mr H Bunbury
Director

Airport Business Park Southend Management Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Banner Cross Hall
Ecclesall Road South
Sheffield
S11 9PD

These financial statements were authorised for issue by the Board on 21 March 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Airport Business Park Southend Management Limited

Notes to the Unaudited Financial Statements for the Year Ended 30 June 2021

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 4 (2020 - 4).

4 Debtors

	2021 £	2020 £
Trade debtors	27,841	-
Other debtors	45,874	56
	<u>73,715</u>	<u>56</u>

5 Creditors

Creditors: amounts falling due within one year

	2021 £	2020 £
Due within one year		
Accruals and deferred income	41,389	-
Other creditors	32,270	-
	<u>73,659</u>	<u>-</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.