

Public Document Pack
SOUTHEND-ON-SEA BOROUGH COUNCIL

The Shareholder Board

Date: Wednesday, 26th February, 2020

Time: 6.30 pm

Place: Committee Room 3

Civic Centre, Civic Suite

Contact: Robert Harris (Principal Democratic Services Officer)

Email: committeesection@southend.gov.uk

AGENDA

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes of the meeting held on 4th November 2019** (Pages 1 - 2)
Minutes attached (for noting)
- 4 Southend-on-Sea Forum Management Ltd** (Pages 3 - 24)
Report of the Executive Director (Finance and Resources) attached
- 5 Governance Arrangements - Future Work Plan** (Pages 25 - 28)
Report of the Executive Director (Finance and Resources) attached
- 6 Date and time of next meeting**

Monday 23rd March 2020 at 7.00pm (special meeting)

Members:

Cllr I Gilbert (Chair), Cllr T Cox, Cllr M Davidson, Cllr C Mulroney, Cllr R Woodley, Cllr D Nelson, Cllr K Robinson and Cllr S Wakefield

This page is intentionally left blank

Public Document Pack
SOUTHEND-ON-SEA BOROUGH COUNCIL

Meeting of The Shareholder Board

Date: Monday, 4th November, 2019
Place: Committee Room 1 - Civic Suite

3

Present: Councillor I Gilbert (Chair)
Councillors T Cox, C Mulroney, R Woodley, K Robinson and
S Wakefield

In Attendance: J Chesterton, T Holland and R Harris
Also in attendance: M Gatrell (South Essex Homes)

Start/End Time: 5.00 - 5.20 pm

1 Apologies for absence

Apologies for absence were received from Councillor Davidson (no substitute) and Councillor Nelson (no substitute).

2 Declarations of Interest

There were no declarations of interest at this meeting.

3 South Essex Homes Partnership & Membership Agreement Renewal

The Board considered a report from the Director of Housing Development providing an update on the work undertaken between Southend Council (the Council), its specialist advisors and South Essex Homes (SEH) to draft new agreements to govern the relationship between the Council and SEH.

The Board asked a number of questions which were responded to by officers and the representative from South Essex Homes Ltd.

Resolved:

That the newly drafted Partnership and Member Agreements to govern the relationship between the Council and South Essex Homes be recommended to Cabinet for approval.

This page is intentionally left blank

Southend-on-Sea Borough Council

**Report of the Executive Director of Finance and
Resources**

To

Stakeholder Board

On

26 February 2020

Report prepared by: Scott Dolling
Director of Culture & Tourism

**Agenda
Item No.
4**

**Southend on Sea Forum Management Ltd: Receipt of Accounts
for year ending 31 July 2019**

**Cabinet Member - Councillor Kevin Robinson
Part 1 (Public Agenda Item)**

1. Purpose of Report

To provide some background information and present to the Shareholder Board the financial statements of Southend on Sea Forum Management Board Ltd for year ending 31 July 2019, together with the report of their auditors.

2 Recommendations

That the Shareholder Board receives the financial statements of Southend on Sea Forum Management Board Ltd for year ending 31 July 2019, together with the report of their auditors.

3 Background

- 3.1 The Forum was the country's first combined public and academic library where a local authority and higher education providers joined resources.
- 3.2 The building opened on time and on budget in Elmer Square in 2013 following a £28M capital project managed by Southend On Sea Borough Council's property team.
- 3.3 In addition to the combined library, the space also houses Focal Point Gallery, a contemporary arts venue funded by SBC and the Arts Council as one of their National Portfolio Organisations.
- 3.4 Southend-on-Sea Forum Management Ltd (SoSFML) is a zero profit joint venture between the University of Essex, Southend-on-Sea Borough Council (SBC) and South Essex College (SEC). It was set up to manage the property of The Forum, allowing mutual benefit through sharing of resources.

- 3.5 SoSFML functions by charging the partners three times a year in advance for expected costs, it then makes adjustments in the following invoice for any differences between expected costs and actual costs, thus at the end of the year SoSFML will always net to zero profit.
- 3.6 The financial year of SoSFML runs from August to July.
- 3.7 Two Southend Borough councillors are appointed to the board through the annual appointments committee. For the current municipal year, the representatives are Cllr George and Cllr Thompson.
- 3.8 The Council has the largest stake in the company and costs are attributed proportionately based on space utilisation.
- 3.9 The board meets quarterly to agree strategic activity that involves all partners. Shared operations where representatives from each organisation contribute include an SLA for the library management, a user group and the big screen management group.

4. Other Options

- 4.1 The current arrangements have been in practice for six years and work effectively for managing the various stakeholders. An informal partnership was proposed as an alternative but not agreed by the University of Essex.

5. Corporate Implications

- 5.1 Contribution to Council's Vision & Critical Priorities

The ongoing development of the Forum supports Southend 2050 objectives particularly concerning Opportunity and Prosperity and Pride and Joy outcomes for outstanding cultural offer and skills development.

In 2021 the Forum offer develops into a further building which South Essex College and the Borough Council (through Focal Point Gallery) expand into. It has been proposed to use SoSFML vehicle to manage the governance for the new operation rather than develop a separate model.

- 5.2 Financial Implications

The Statement of Accounts is required to present a true and fair picture of the Company's financial position at 31 July 2019.

Costs to the Council and the other partners for the last financial year reduced due to the move from the University's Facility Management provider and is now managed by Southend Borough Council through South Essex Property Services. No changes are anticipated that will result in the company requiring additional costs in the next financial year.

5.3 Legal Implications

The financial statements of Southend on Sea Forum Management Board Ltd are governed by the Companies Act 2006.

5.4 People Implications

There are no people implications arising from this report.

5.5 Property Implications

There are no property implications arising from this report.

5.6 Consultation

There are no consultation implications arising from this report.

5.7 Equalities and Diversity Implications

There are no equality implications arising from this report.

5.8 Risk Assessment

There are no risk implications arising from this report.

5.9 Value for Money

There are no value for money implications arising from this report.

5.10 Community Safety Implications

There are no community safety implications arising from this report.

5.11 Environmental Impact

There are no environmental implications arising from this report.

6. Background Papers

Detailed working papers are held by Southend on Sea Forum Management Board Ltd.

7. Appendices

Financial Statements and Auditors report of Southend on Sea Forum Management Board Ltd for year ending 31 July 2019.

This page is intentionally left blank

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Miss Zoe Manning Mrs Gwynneth Williams Mr Anthony McGarel Richard Murphy Cllr Ann Holland (resigned 7 June 2019) Cllr Lesley Salter (appointed 17 May 2018, resigned 7 June 2019) Cllr Carole Mulrone (appointed 15 June 2019, resigned 18 July 2019) Cllr Derrick Thompson (appointed 6 August 2019) Cllr Stephen George (appointed 15 June 2019)
Company secretary	Marc Albano
Registered number	07830172
Registered office	The Forum Southend-on-Sea Elmer Square Southend-on-Sea Essex SS1 1NE
Independent auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
Banker's	Lloyds Bank 27 High Street Colchester Essex CO1 1DU

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report to the shareholders of Southend-on-Sea Forum Management Limited	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 15

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2019**

The directors present their report and the financial statements for the year ended 31 July 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities). a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Miss Zoe Manning
Mrs Gwynneth Williams
Mr Anthony McGarel
Richard Murphy (resigned 30 September 2019)
Cllr Ann Holland (resigned 7 June 2019)
Cllr Lesley Salter (appointed 17 May 2018, resigned 7 June 2019)
Cllr Carole Mulroney (appointed 15 June 2019, resigned 18 July 2019)
Cllr Stephen George (appointed 15 June 2019)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

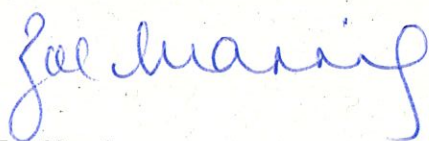
Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Zoe Manning
Director

Date: 13 December 2019

The Forum Southend-on-Sea
Elmer Square
Southend-on-Sea
Essex
SS1 1NE

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND-ON-SEA FORUM
MANAGEMENT LIMITED**

Opinion

We have audited the financial statements of Southend-on-Sea Forum Management Limited ("the company") for the year ended 31 July 2019, which comprise the Statement of Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out on page 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND-ON-SEA FORUM
MANAGEMENT LIMITED**

impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTHEND-ON-SEA FORUM
MANAGEMENT LIMITED**

misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Nieboer

Fleur Nieboer (Senior statutory auditor)

for and on behalf of

KPMG LLP

Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

Date: *15 January 2020*

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Turnover	4	752,881	977,738
Cost of sales		(732,043)	(821,760)
Gross profit		20,838	155,978
Distribution costs		(1,011)	-
Administrative expenses		(19,827)	(155,978)
Other operating income	5	-	50,000
Contribution to Sinking Fund		(2,993)	(51,397)
Operating loss	6	(2,993)	(1,397)
Interest receivable and similar income		2,993	1,397
Profit before tax		-	-
Profit for the financial year		-	-

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 15 form part of these financial statements.

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED
REGISTERED NUMBER: 07830172

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	8	466,032	87,490
Cash at bank and in hand	9	373,665	413,561
		<u>839,697</u>	<u>501,051</u>
Creditors: amounts falling due within one year	10	(586,732)	(245,971)
Net current assets		<u>252,965</u>	<u>255,080</u>
Total assets less current liabilities		<u>252,965</u>	<u>255,080</u>
Net assets		<u>252,965</u>	<u>255,080</u>
Capital and reserves			
Called up share capital		100	100
Other reserves	12	252,865	254,980
		<u>252,965</u>	<u>255,080</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

Zoe Manning
 Director

The notes on pages 9 to 15 form part of these financial statements.

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2019**

	Called up share capital £	Sinking Fund £	Total equity £
At 1 August 2017	100	203,583	203,683
Total comprehensive income for the year	-	-	-
Transfer between other reserves	-	51,397	51,397
Total transactions with owners	-	51,397	51,397
At 1 August 2018	100	254,980	255,080
Total comprehensive income for the year	-	-	-
Transfer between other reserves	-	(2,115)	(2,115)
Total transactions with owners	-	(2,115)	(2,115)
At 31 July 2019	100	252,865	252,965

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. General information

The principal activity of the company during the year was the property management of the Forum in Southend-on-Sea, which is a multi-let building.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Forum Southend-on-Sea, Elmer Square, Southend-on-Sea, Essex SS1 1NE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

In the preparation of the financial statements the company has taken advantage of the disclosure exemptions conferred by section 1.12 of FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Sinking Fund

The Sinking Fund is a ring-fenced, designated reserve which is separately invoiced to the partners to be used for significant repairs and maintenance programmes in the medium to long term. Tax is payable on any investment income received from the Sinking Fund holdings however the only investment income received on the Sinking Fund was bank interest which was already taxed at source.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in the Profit and Loss account using the effective interest method.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision.

4. Turnover

The whole of the turnover is attributable to service charges payable to the company for the property management of the Forum.

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £	2018 £
Other operating income	-	50,000

Other operating income represents funds received by Southend-on-Sea Forum Management Limited from University of Essex, Southend-on-Sea Borough Council and South Essex College for their contribution towards the company's Sinking Fund.

6. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	4,561	4,290

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

8. Debtors

2019 £	2018 £
-----------	-----------

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

8. Debtors (continued)

Trade debtors	449,634	17,064
Prepayments and accrued income	16,398	70,426
	<u>466,032</u>	<u>87,490</u>

Trade debtors relate to invoices due from South Essex College of £89,725, a credit note of £3,913 due from Wave and £355,996 due from Southend-on-Sea Borough Council for a refund of business rates paid in the financial year ending 31 July 2014.

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	373,665	413,561
	<u>373,665</u>	<u>413,561</u>

£256,446 of the total cash balance relates to the Sinking Fund and has been ringfenced to provide for any major repair or maintenance works to the Forum that are required over a medium to long term period of time.

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	35	184,251
Other creditors	365,861	-
Accruals and deferred income	220,836	61,720
	<u>586,732</u>	<u>245,971</u>

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

11. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	373,665	413,561
Financial assets that are debt instruments measured at amortised cost	466,032	87,490
	<u>839,697</u>	<u>501,051</u>
Financial liabilities		
Accruals and deferred income	<u>(586,732)</u>	<u>(245,971)</u>

Financial assets measured at fair value through profit or loss comprise the company's cash balances.

Financial assets measured at amortised cost comprise trade debtors, other debtors, prepayments and accrued income. These are debt instruments which are receivable within one year and are measured, initially and subsequently, at the undiscounted amount of the cash expected to be received. There is no stated interest rate attached to any of these assets.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals. These are debt instruments which are payable within one year and are measured, initially and subsequently, at the undiscounted amount of the cash expected to be paid. There is no stated interest rate attached to any of these liabilities.

12. Reserves

Other reserves

The Sinking Fund has been generated to provide for any major repair or maintenance works to the Forum that are required over a medium to long term period of time.

13. Related party transactions

A summary of related party transactions is shown below:

SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

	(Sales) 2019 £	Purchases 2019 £	(Sales) 2018 £	Purchases 2018 £
(Sales)/Purchases				
University of Essex	(333,223)	1,889	(340,812)	49
South Essex College	(159,015)	-	(165,016)	-
Southend-on-Sea Borough Council	(439,705)	713,759	(451,343)	207,133
	<u>(931,943)</u>	<u>715,648</u>	<u>(957,171)</u>	<u>207,182</u>
				Debtors 2019 £
Debtors/(Creditors)				
University of Essex				-
South Essex College				89,724
Southend-on-Sea Borough Council				355,997
				<u>445,721</u>

The nature of the relationship between the related parties disclosed in this note is described in note 14.

14. Controlling party

The company is owned and controlled jointly by University of Essex, South Essex College and Southend-on-Sea Borough Council. These are the venturers in respect of which Southend-on-Sea Forum Management Limited is a joint venture. Each of these three entities has two directors on the Board of Directors who carry equal voting rights in relation to any decision made for and on behalf of the company. They therefore have the ability to direct the financial and operating policies of the company. All three parties were incorporated within the United Kingdom.

Southend-on-Sea Borough Council

Report of the Executive Director of Finance & Resources

to
Shareholder Board

on
26 February 2020

Agenda
Item No.

5

Report prepared by: Peter Bates
Interim Head of Corporate Finance

Governance Arrangements – Future Work Programme
Cabinet Member - Councillor Ian Gilbert
A Part 1 Public Agenda Item

1 Purpose of Report

To propose a future work programme for the Shareholder Board.

2 Recommendation

That the Shareholder Board consider and agree a future work programme.

3 Background

Members are asked to consider the attached work programme and highlight any other areas of shareholder interest that they would like to see coming to future meetings of the Shareholder Board.

4 Other Options

This report merely sets out a proposed future work programme for the Shareholder Board. No other options were therefore considered.

5 Reasons for Recommendations

To provide a future work programme for consideration and agreement.

6 Corporate Implications

6.1 Contribution to Council's Vision & Critical Priorities

The objectives of all Council Companies and Joint Ventures align with the Council's vision and critical priorities.

6.2 Financial Implications

None arising from this report.

6.3 Legal Implications

None arising from this report.

6.4 People Implications

None arising from this report.

6.5 Property Implications

None arising from this report.

6.6 Consultation

None arising from this report.

6.7 Equalities Impact Assessment

None arising from this report.

6.8 Risk Assessment

None arising from this report.

6.9 Value for Money

None arising from this report.

6.10 Community Safety Implications

None arising from this report.

6.11 Environmental Impact

None arising from this report.

7 Background Papers

None

8 Appendices

Appendix 1 Shareholder Board - Future Work Programme

Shareholder Board – Future Work Programme

Items for Consideration	Proposed Meeting Dates			
	23 March 2020 (Special)	June 2020	October 2020	February 2021
Porters Place Southend-on-Sea LLP final proposals	√			
Joint Ventures				
Airport Business Park Southend Management		√		
Porters Place Southend LLP - Receipt of Accounts 2019/20			√	
Porters Place Southend LLP - Review of Business Plan			√	
Wholly Owned Subsidiaries				
South Essex Homes Limited - Receipt of Accounts 2019/20			√	
South Essex Homes Limited - Review of Business Plan			√	
Southend Care Limited - Receipt of Accounts 2019/20			√	
Southend Care Limited - Review of Business Plan			√	

This page is intentionally left blank