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SOUTHEND-ON-SEA BOROUGH COUNCIL

**The Shareholder Board**

**Date: Wednesday, 23rd February, 2022**

**Time: 6.30 pm**

**Place: MS Teams**

**Contact: Robert Harris**

**Email: [committeesection@southend.gov.uk](mailto:committeesection@southend.gov.uk)**

**A G E N D A**

- 1 Apologies for absence**
- 2 Declarations of Interest**
- 3 Minutes of the meeting held on 13th October 2021 (Pages 1 - 4)**  
Minutes attached
- 4 Minutes of the meeting held on 6th December 2021 (Pages 5 - 6)**  
Minutes attached
- 5 PSP Southend LSP - Receipt of Accounts 2020/21 (Pages 7 - 28)**  
Report of Executive Director (Finance and Resources) attached.
- 6 Southend-on-Sea Forum Management Limited (Pages 29 - 52)**  
Report of Executive Director (Finance and Resources) attached
- 7 Governance Arrangements - Future Work Plans (Pages 53 - 56)**  
Report of Executive Director (Finance and Resources) attached

**Chair & Members:**

Cllr I Gilbert (Chair), Cllr K Buck, Cllr T Cox, Cllr M Davidson, Cllr M Dent, Cllr C Mulroney, Cllr R Woodley and Cllr D Nelson

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## SOUTHEND-ON-SEA BOROUGH COUNCIL

### Meeting of The Shareholder Board

**Date: Wednesday, 13th October, 2021**

**Place: MS Teams**

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**Present:** Councillor I Gilbert (Chair)  
Councillors K Buck, T Cox, M Davidson, M Dent, C Mulroney,  
R Woodley and D Nelson

**In Attendance:** J Chesterton, Mr M Gatrell, S Dolling, G Halksworth and A Richards,  
G Halksworth  
Also in attendance: M Gatrell (SEH), D Lyons (SEH), R Eastwood  
(SEH), P Little (Southend Care Ltd), J Manzoni (Southend  
Care Ltd)

**Start/End Time:** 6.30 - 8.15 pm

#### **1 Apologies for absence**

There were no apologies for absence at this meeting.

#### **2 Declarations of Interest**

(a) Councillor Davidson – Agenda Items 5 and 6 (SEH – Receipt of Accounts and Review of Business Plan) – Disclosable non-pecuniary interest – Council appointed Member to the South Essex Homes Board (withdrew);

#### **3 Minutes of the meeting held on 1st December 2020**

Resolved:-

That the Minutes of the Meeting held on 1<sup>st</sup> December 2020, be confirmed as a correct record.

#### **4 Southend-on-Sea Forum Management Company**

The Board considered a report from the Executive Director (Adults and Communities) presenting the financial statements of the Southend-on-Sea Forum Management Company for year ended 31 July 2020.

The Committee asked a number of questions which responded to by officers and representatives of the company.

In consideration of the report the Committee commented on the need to review the Board's role in the monitoring and scrutinising performance for all Joint Venture Bodies.

The Chair undertook to include in the Council's current review of its governance arrangements the performance monitoring and scrutiny of the Joint Venture Bodies and where / if appropriate, the review to make recommendations on the level of scrutiny and/or where it needs to take place. Officers would also review the Shareholder Board Terms of Reference to ensure that the necessary performance monitoring requirements are covered.

Resolved:

That the financial statements of Southend-on-Sea Forum Management Company for the year ended 31 July 2020, be noted.

**5 South Essex Homes Limited - Receipt of Accounts 2020/21**

The Board considered a report from the Executive Director (Finance and Resources) presenting the financial statements of South Essex Homes Ltd for year ended 31 March 2021, together with the report of their auditors.

The Committee asked a number of questions which were responded to by representatives from South Essex Homes Ltd.

Resolved:

That the financial statements of South Essex Homes Ltd for the year ended 31 March 2021, together with the report of their auditors, be noted.

**6 South Essex Homes Limited - Review of Business Plan**

The Board considered a report of the Executive Director (Finance and Resources) presenting the current business plan for South Essex Homes Ltd for review.

The Board asked a number of questions which were responded to by representatives from South Essex Homes Ltd.

Resolved:

That the South Essex Homes Ltd Business Plan for 2021 to 2026, be noted.

**7 Southend Care Limited - Receipt of Accounts 2020/21**

The Board considered a report of the Executive Director (Finance and Resources) presenting the financial statements of Southend Care Ltd for year ended 31 March 2021, together with the report of their auditors.

The Board asked a number of questions which were responded to by representatives from Southend Care Ltd.

Resolved:

That the financial statements of Southend Care Ltd for the year ended 31 March 2021, together with the report of their auditors, be noted.

**8 Southend Care Limited - Review of Business Plan**

The Board considered a report from the Executive Director (Finance and Resources) presenting the business plan of Southend Care Ltd for review.

The Board asked a number of questions which were responded to by representatives from Southend Care Ltd.

Resolved:

That the Southend Care Ltd Business Plan for 2021/22, and the current 5-year financial forecast to 2025/26, be noted.

## **9 Governance Arrangements - Future Work Plan**

The Board considered a report of the Executive Director (Finance and Resources) presenting a proposed future work programme for the Board.

The Executive Director (Finance and Resources) welcomed any other ideas or areas of shareholder interest which the Board would like to see come forward to future meetings. The Board asked officers to review the work programme and make arrangements for additional meeting(s) of the Shareholder Board as necessary.

Resolved:

That the Shareholder Board work programme be noted and that arrangements for additional meeting(s) of the Shareholder Board be made as necessary.

**Chair:** \_\_\_\_\_

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## SOUTHEND-ON-SEA BOROUGH COUNCIL

### Meeting of The Shareholder Board

**Date: Monday, 6th December, 2021**  
**Place: MS Teams**

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**Present:** Councillor I Gilbert (Chair)  
Councillors T Cox, M Dent, C Mulroney, R Woodley and \*D Jarvis

\*Substitute in accordance with Council Procedure Rule 31.

**In Attendance:** E Cooney, A Grant and R Harris  
G Kauders (SWAN)

**Start/End Time:** 10.00 am - 10.16 am

#### **1 Apologies for absence**

Apologies for absence were received from Councillors Buck (no substitute), Davidson (substitute: Cllr Jarvis) and Nelson (no substitute).

#### **2 Declarations of Interest**

The following Councillors declared interests as indicated:

(a) Councillor Mulroney – Agenda Item 4 (Porters Place LLP Final RMA Proposals) – Non-pecuniary interest: member of Development Control Committee;

(b) Councillor Dent – Agenda Item 4 (Porters Place LLP Final RMA Proposals) – Non-pecuniary interest: member of Development Control Committee;

(c) Councillor Jarvis - Agenda Item 4 (Porters Place LLP Final RMA Proposals) – Non-pecuniary interest: member of Development Control Committee;

#### **3 Porters Place LLP End of Year Accounts**

This item was withdrawn.

#### **4 Porters Place LLP Final RMA Proposals**

The Board received a report of the Director of Regeneration and Growth which:

(i) provided an update on progress of the Better Queensway project. The report specifically dealt with the submission of the Final Proposals for the Better Queensway project which relates to the first Reserved Matters Planning Application Phase 1A ("RMA")<sup>2</sup>, a copy of which were attached to the submitted report at Appendix 1;

(ii) sought approval of a request from the Porters Place LLP to extend the budget period to enable the LLP to continue operation until the new budget and revised Business Plan are signed off early next year; and

(iii) provided an update on the progress of the delegations carried out this calendar year.

Resolved:

1. That Cabinet be recommended to approve the Final Proposals (Phase 1A Reserved Matters Application) submitted by the LLP, subject to the submission of a budget and viability assessment, which will accompany the revised Business Plan and budget for approval by the Council as Shareholder by March 2022. Should the new appraisal prove not to be viable, the LLP will be required to cease work on this RMA whether it has been granted planning consent or not.
2. That Cabinet be recommended to note the LLP Quarterly update set out at Appendix 2 to the submitted report.
3. That Cabinet recommended to approve the extension of the LLP budget period, as set out in Section 3.2 of the report.
4. That Cabinet be recommended to note the delegations exercised this calendar year, as set out in Section 3.3 of the report.

**Chair:** \_\_\_\_\_



# Southend-on-Sea Borough Council

Report of the Deputy Chief Executive (Executive Director  
of Finance and Resources)

to

**Shareholder Board**

on

**23rd February 2022**

Report prepared by: Peter Bates  
Interim Director of Financial Services

Agenda  
Item No.

**5**

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## **PSP Southend LLP: Receipt of Accounts 2020/21**

**Cabinet Member - Councillor Ian Gilbert**

***A Part 1 Public Agenda Item***

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### **1 Purpose of Report**

To present to the Shareholder Board the financial statements of PSP Southend LLP for year ended 31 March 2021, together with the report of their auditors.

### **2 Recommendation**

That the Shareholder Board receives the financial statements of PSP Southend LLP for the year ended 31 March 2021, together with the report of the auditors.

### **3 Background**

A senior representative of PSP Southend LLP will present this report to the Shareholder Board and respond to Members' questions.

### **4 Corporate Implications**

#### **4.1 Contribution to Council's Vision & Critical Priorities**

Robust oversight of the financial statements of PSP Southend LLP by the Shareholder Board on behalf of the Council play 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 at 31 March 2021 and also the profit and loss for the financial year.

#### 4.3 Legal Implications

The financial statements of PSP Southend LLP are governed by the Companies Act 2006.

#### 4.4 People Implications

There are no people implications arising from this report.

#### 4.5 Property Implications

There are no property implications arising from this report

#### 4.6 Consultation

There are no consultation implications arising from this report.

#### 4.7 Equalities Impact Assessment

There are no equalities implications arising from this report.

#### 4.8 Risk Assessment

There are no risk implications arising from this report.

#### 4.9 Value for Money

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

#### 4.10 Community Safety Implications

There are no community safety implications arising from this report.

#### 4.11 Environmental Impact

There are no environmental implications arising from this report.

### 5 Background Papers

Detailed working papers are held by PSP Southend LLP.

### 6 Appendices

**Appendix 1** Report to shareholders on the financial statements of PSP Southend LLP.



PSP Southend LLP  
Synergy House  
114 – 118 Southampton Row  
London  
WC1B 5AA

020 3675 0057

Alan Richards  
Director of Property & Commercial  
Southend-on-Sea Borough Council  
Civic Centre, Victoria Drive  
Southend-on-Sea, Essex  
SS2 6ER

11 February 2022

Dear Alan

**PSP Southend LLP: Statutory Accounts 2020/21**

Good to see you at yesterday's board meeting of the PSP Southend LLP.

Further to recent correspondence in advance of the Shareholder Board scheduled for 23 February 2022, please find enclosed a copy of the statutory accounts for the LLP for financial year 2020/21. The audit for these accounts was completed during December 2021 and the accounts were filed on time with Companies House.

The statutory accounts for 2020/21 reflect the following activity within the LLP:

- i) Completion of the Friars scheme. This saw just under £750,000 of income recognised in connection with the final plot sales for the project. This was offset by cost of sales amounting to £434,000, producing gross profit of just over £315,000 in the year. This was attributable to the Council per the Development Agreements in place.

This needs to be read in the context of an accounting provision for the project having previously been booked during 2019/20 for c.£650,000. This was due to the fact that as at 31 March 2020, the costs incurred exceeded the agreed proceeds so the value of the stock was written down to equal the value of the agreed proceeds.

- ii) Write-off of some abortive costs on projects including Ilfracombe Avenue (earlier iteration of scheme) and Avro Road, amounting in total to some £51,000. These costs are shared jointly by the Council and PSP Facilitating Limited as designated members in the entity.

Company reg: OC370692

Registered office: PSP Southend LLP, Synergy House, 114-118 Southampton Road, London, WC1B 5AA



PSP Southend LLP  
Synergy House  
114 – 118 Southampton Row  
London  
WC1B 5AA

020 3675 0057

The LLP is in a strong overall financial position because of its successful trading activity to date.

Distributable profit carried forward into financial year 2021/22 totalled some £1.015 million which is backed by cash generated by that prior activity, and which is available for reinvestment or distribution as agreed by the Board of the LLP.

Of this amount, the majority is available to the Council with just over £100,000 available to PSP Facilitating Limited.

I trust this suffices for your purposes, but obviously I am very happy to discuss at any time to assist you in preparing your report.

Yours sincerely,

A handwritten signature in black ink that reads 'Mark Ewing'.

Mark Ewing

**Chief Finance Officer**

## **PSP Southend LLP**

Financial Statements

Year Ended

31 March 2021

Company Number OC370692

# PSP Southend LLP

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# **PSP Southend LLP**

## **Limited Liability Partnership Information**

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### **Designated Members**

Southend on Sea Borough Council  
PSP Facilitating Limited

### **LLP registered number**

OC370692

### **Registered office**

Synergy House, 114 - 118 Southampton Row, London, England, WC1B 5AA

### **Independent auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

# **PSP Southend LLP**

## **Members' Report For the Year Ended 31 March 2021**

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The members present their annual report together with the audited financial statements of PSP Southend LLP (the LLP) for the year ended 31 March 2021. The comparatives are for the year ended 31 March 2020.

### **Principal activity**

The principal object of the LLP is the development of sites as part of the regeneration of the Borough of Southend on Sea.

### **Designated members**

PSP Facilitating Limited and Southend on Sea Borough Council were designated members of the LLP throughout the year.

### **Members' capital and interests**

Each member's subscription to the capital of the LLP is determined by their percentage interest in the LLP. Any decision to return capital must be approved by all of the members.

Details of changes in members' capital in the year ended 31 March 2021 are set out in the reconciliation of members' interests.

Net profit or loss for each accounting period shall be allocated to the members in proportion to their agreed share.

### **Disclosure of information to auditor**

Each of the persons who are members at the time when this members' report is approved has confirmed that:

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

### **Auditor**

The auditor, BDO LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on and signed on their behalf by:



**PSP Facilitating Limited**    15 December 2021  
Designated member



# **PSP Southend LLP**

## **Members' Responsibilities Statement For the Year Ended 31 March 2021**

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The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **PSP Southend LLP**

## **Independent Auditor's Report to the Members of PSP Southend LLP For the Year Ended 31 March 2021**

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### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of PSP Southend LLP ("the Limited Liability Partnership") for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the reconciliation of members interest and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

## **PSP Southend LLP**

### **Independent Auditor's Report to the Members of PSP Southend LLP (Continued) For the Year Ended 31 March 2021**

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#### **Other information**

The Members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Other Companies Act 2006 reporting as applied to limited liability partnerships**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us 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
- we have not received all the information and explanations we require for our audit; or
- the Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Members' report.

#### **Responsibilities of Members**

As explained more fully in the Members' responsibilities statement, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership'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 the Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report to the Members of PSP Southend LLP (Continued)**  
**For the Year Ended 31 March 2021**

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**Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework that the Limited Liability Partnership operates in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the statutory financial statements; and
- do not have a direct effect on the statutory financial statements but compliance with which may be fundamental to the Limited Liability Partnership's ability to operate or avoid a material penalty.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and where fraud might occur in the statutory financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures to address it is described below:

- determining the carrying value of stock includes the use of assumptions and unobservable inputs requiring significant management judgement, therefore, there is a potential for management bias. In response, we challenged the appropriateness of the inputs and assumptions used in the valuation methodology.
- we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risk identified included the following:

- reviewing non-statutory financial information disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the non-statutory financial statements;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charges with governance.

## PSP Southend LLP

### Independent Auditor's Report to the Members of PSP Southend LLP (Continued) For the Year Ended 31 March 2021


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Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
A69F3BF7808C49C...

Christopher Young (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
Date 17 December 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# PSP Southend LLP

## Statement of Comprehensive Income For the Year Ended 31 March 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
	Notes		
Turnover	4	749,391	1,731
Cost of sales	4	(511,520)	(665,551)
Gross profit/(loss)		237,871	(663,820)
Administrative expenses		(12,671)	(16,538)
<b>Operating profit/(loss)</b>		<b>225,200</b>	<b>(680,358)</b>
<b>Profit/(loss) for the year before members' remuneration and profit shares</b>	6	<b>225,200</b>	<b>(680,358)</b>
Members' remuneration charged as an expense		(225,200)	680,358
<b>Results for the year available for discretionary division</b>		<b>-</b>	<b>-</b>

There was no other comprehensive income for 2021 (year ended 31 March 2020 - £Nil).

The notes on pages 10 to 14 form part of these financial statements.

# PSP Southend LLP

Registered number: OC370692

## Statement of Financial Position For the Year Ended 31 March 2021

	Notes	31 March 2021 £	31 March 2021 £	31 March 2020 £	31 March 2020 £
<b>Current assets</b>					
Stocks	7	2,330		831,658	
Debtors: amounts falling due within one year	8	1,738		95,438	
Cash at bank and in hand		1,016,259		290,227	
		<u>1,020,327</u>		<u>1,217,323</u>	
Creditors: amounts falling due within one year	9	<u>(4,327)</u>		<u>(426,525)</u>	
<b>Net current assets</b>			<b>1,016,000</b>		<b>790,798</b>
<b>Net assets</b>			<b><u>1,016,000</u></b>		<b><u>790,798</u></b>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts	10		1,015,998		790,796
<b>Members' other interests</b>					
Members' capital classified as equity			2		2
			<u>1,016,000</u>		<u>790,798</u>
<b>Total members' interests</b>					
Loans and other debts due to members	10		1,015,998		790,796
Members' other interests			2		2
<b>Total equity</b>			<b><u>1,016,000</u></b>		<b><u>790,798</u></b>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on

The notes on pages 10 to 14 form part of these financial statements.

  
**PSP Facilitating Limited**

Designated member

15 December 2021

## PSP Southend LLP

### Reconciliation of Members' Interests For the Year Ended 31 March 2021

	Equity Members' other interests	Debt Loans and other debts due to members less any amounts due from members in debtors	Total member' interests
	Members' capital (classified as equity) £	Other amounts £	Total £
<b>Balance at 1 April 2019</b>	2	1,471,154	1,471,156
Allocated loss	-	(680,358)	(680,358)
<b>Members' interests after profit for the year</b>	2	790,796	790,798
Facilitation and resource return due to members	-	-	-
<b>Balance at 31 March 2020</b>	2	790,796	790,798
Allocated profit	-	228,424	228,424
Members' interests after profit for the year	2	1,019,220	1,019,222
Facilitation and resource return due to members	-	(3,222)	(3,222)
<b>Balance at 31 March 2021</b>	2	1,015,998	1,016,000

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

The notes on pages 10 to 14 form part of these financial statements.



# PSP Southend LLP

## Notes to the Financial Statements For the Year Ended 31 March 2021

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### 1 General information

PSP Southend LLP is a limited liability partnership (LLP) incorporated in England and Wales under the Companies Act 2006. Its registered office is given on the LLP information page and the nature of the LLP's operations and its principal activity is shown in the members' report.

### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The members have made an assessment as to whether the LLP is a going concern. The members consider that the LLP is able to continue as a going concern due to ongoing support from PSP Facilitating Limited, company jointly controls the LLP. The LLP has obtained confirmation of ongoing support from PSP Facilitating Limited.

The LLP has seen very little impact of Covid-19 to its operations. Despite an initial slow down as all businesses adapted to a new way of working, deals have continued moving forward. The Government has committed to deliver a wide range of financial support to businesses. Covid-19 is an unprecedented public health emergency thus the members continue to keep the situation under close review.

#### 2.3 Exemption from preparing consolidated financial statements

The LLP, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

#### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured.

Property sales are recognised upon legal completion at the transaction price, net of VAT.  
Rental income is recognised on a straight line basis over the term of the lease.

## **PSP Southend LLP**

### **Notes to the Financial Statements (continued) For the Year Ended 31 March 2021**

---

#### **2 Accounting policies (continued)**

##### **2.5 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.6 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. At each statement of financial position date, stocks are assessed for impairment.

If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.7 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.

##### **2.8 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.

##### **2.9 Financial instruments**

The LLP 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.

# PSP Southend LLP

## Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

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### 2 Accounting policies (continued)

#### 2.9 Financial instruments (continued)

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 statement of comprehensive income.

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 LLP would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

#### 2.10 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.

#### 2.11 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.12 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

# PSP Southend LLP

## Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

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

In preparing these financial statements, the members have made the following judgements:

Carrying value of stocks

In applying the LLP's accounting policy for the valuation of stocks the members are required to assess the expected selling price and costs to complete and sell each scheme. Estimation of the selling price is subject to significant inherent uncertainties, in particular the prediction of future trends in the market value of property.

### 4 Turnover

All turnover arose within the United Kingdom.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Sales of trading stock properties	749,391	1,731
Cost of sales	(511,520)	(665,551)
Gross loss	<u>237,871</u>	<u>(663,820)</u>

### 5 Auditor's remuneration

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	<u>3,975</u>	<u>3,631</u>

### 6 Allocated profit/(loss)

	31 March 2021 £	31 March 2020 £
Members' remuneration charged as an expense	225,200	(680,358)
Facilitation returns payable to a member	3,224	-
	<u>228,424</u>	<u>(680,358)</u>

# PSP Southend LLP

## Notes to the Financial Statements (continued) For the Year Ended 31 March 2021

### 7 Stocks

	31 March 2021	31 March 2020
	£	£
Freehold and leasehold properties	2,330	831,658

An impairment loss of £77,873 (year ended 31 March 2020 - £651,109) was recognised in cost of sales against stock during the year due to aborted projects.

### 8 Debtors: amounts falling due within one year

	31 March 2021	31 March 2020
	£	£
Other debtors	1,738	95,438
	1,738	95,438

### 9 Creditors: amounts falling due within one year

	31 March 2021	31 March 2020
	£	£
Other Creditors	31	331,838
Accruals and deferred income	4,296	94,687
	4,327	426,525

### 10 Loans and other debts due to members

	31 March 2021	31 March 2020
	£	£
Other amounts due to members	1,015,998	790,796

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

### 11 Related party transactions

As at 31 March 2021 the LLP owed £1,015,998 (31 March 2020 - £790,796) to its members, PSP Facilitating Limited and Southend on Sea Borough Council in respect of profits accumulated by the LLP.

### 12 Controlling party

The LLP is jointly controlled by PSP Facilitating Limited and Southend on Sea Borough Council, and as such there is no ultimate controlling party.

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**Southend-on-Sea Borough Council**  
**Report of Strategic Director for Adults and Communities**  
**To**  
**Stakeholder Board**  
**On**  
**23 February 2022**

Report prepared by: Scott Dolling, Director of Culture &  
Tourism

**Agenda  
Item**

**6**

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**Southend on Sea Forum Management Limited**

**Cabinet Member – Cllr Anne Jones**

**Part 1 (Public Agenda Item)**

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**1. Purpose of Report**

- 1.1 To update the board on Southend on Sea Forum Management Limited and present the audited accounts for year ending 31<sup>st</sup> July 2021.

**2 Recommendations**

- 2.1 That Members note the financial performance and audited accounts of the company for last full financial year to 31<sup>st</sup> July 2021.

**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 SBC councillors are appointed to the board through the annual appointments committee. For the period reported, 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 three times per year 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.
- 3.10 The major variances in the Profit and Loss account for the last full financial year was that there was a £15k increase in facilities management due to variation works on Chiller and Boiler and a £2k increase in audit fees due to an abortive tender. There was also a £50k decrease in gas and electricity and a 7k decrease in water and sewerage due to decrease usage over lockdown
- 3.11 The major variance in the Balance Sheet was a £355k decrease in accounts receivable and payable due to payment of the outstanding business rates credit note, along with its redistribution back to the partners.

#### **4. Other Options**

- 4.1 The current arrangements have been in practice for 8 years and work effectively for managing the various stakeholders. An informal partnership was proposed at the outset as an alternative but was not agreed by the University of Essex.

#### **5. Reasons for Recommendations**

- 5.1 The financial reporting and auditing is required by law and reporting the audited accounts to the Council's Shareholder Board is in accordance with the Council's constitution.

#### **6. Corporate Implications**

##### **6.2 Financial Implications**

There is an agreed formula to share costs and provision is made in the annual budget cycle, no issues are reported or anticipated.

##### **6.3 Legal Implications** N/A

##### **6.4 People Implications** N/A

##### **6.5 Property Implications** N/A

##### **6.6 Consultation** N/A



6.7 Equalities and Diversity Implications  
N/A

6.8 Risk Assessment  
N/A

6.9 Value for Money  
N/A

6.10 Community Safety Implications  
N/A

6.11 Environmental Impact  
N/A

## **7. Background Papers**

## **8. Appendices**

Financial return and audit report for year ended 31st July 2021.

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**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2021**

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## SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Miss Zoe Manning Mrs Gwynneth Williams Mr Anthony McGarel Cllr Derrick Thompson Cllr Stephen George (resigned 20 May 2021) Ms Catherine Jane Walsh Cllr Martin Berry (appointed 20 May 2021)
<b>Company secretary</b>	Richard Fern
<b>Registered number</b>	07830172
<b>Registered office</b>	The Forum Southend-on-Sea Elmer Square Southend-on-Sea Essex SS1 1NE
<b>Independent auditor</b>	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
<b>Banker</b>	Lloyds Bank 27 High Street Colchester Essex CO1 1DU

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**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

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<b>Balance Sheet</b>	8
<b>Statement of Changes in Equity</b>	9
<b>Notes to the Financial Statements</b>	10 - 16

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JULY 2021**

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The directors present their report and the financial statements for the year ended 31 July 2021.

**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).

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 judgments and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use 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.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

**Directors**

The directors who served during the year were:

Miss Zoe Manning  
Mrs Gwynneth Williams  
Mr Anthony McGarel  
Cllr Derrick Thompson  
Cllr Stephen George (resigned 20 May 2021)  
Ms Catherine Jane Walsh  
Cllr Martin Berry (appointed 20 May 2021)

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**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2021**

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**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.

**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 on 16 December 2021 and signed on its behalf.

*Zoe Manning* 16/12/21

Zoe Manning  
Director

**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 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 2021 and of its result 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 in on page 2 of the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the company will continue in operation.

**Fraud and breaches of laws and regulations - ability to detect**

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk



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

---

assessment procedures included:

- Enquiring of directors and the Group Audit and Risk Management Committee, as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Group Board meeting minutes and Group Audit and Risk Management Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships or transactions.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit:

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period or the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of Group-wide fraud risk management controls.

We performed procedures including:

- For a sample of income recognised and cash received in the period 01 July 2021 to 31 August 2021, assessing whether the income had been recognised in the appropriate accounting period.
- Reviewing all journals posted across period 1-12, and those posted in "period 13" comparing the identified entries to supporting documentation via related substantive procedures.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, distributable profits and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on the amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

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

---

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover this 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 this report for the financial year is consistent with the financial statements; and
- in our opinion this 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 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**

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

---

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](http://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 (Senior statutory auditor)

for and on behalf of

*Chartered Accountants*  
15 Canada Square  
Canary Wharf  
London  
E14 5GL

17 December 2021

**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2021**

	Note	2021 £	2020 £
Turnover	4	767,292	806,478
Cost of sales		(719,137)	(753,218)
<b>Gross profit</b>		<b>48,155</b>	<b>53,260</b>
Administrative expenses		(48,155)	(53,344)
Other operating income		50,000	50,000
Contribution to Sinking Fund		(50,000)	(52,050)
<b>Operating profit/(loss)</b>		<b>-</b>	<b>(2,134)</b>
Interest receivable and similar income		-	2,134
<b>Profit before tax</b>		<b>-</b>	<b>-</b>
<b>Profit for the financial year</b>		<b>-</b>	<b>-</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 10 to 16 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 JULY 2021**

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	7,146	357,186
Cash at bank and in hand	9	516,616	389,969
		<u>523,762</u>	<u>747,155</u>
Creditors: amounts falling due within one year	10	(284,082)	(557,475)
<b>Net current assets</b>		<u>239,680</u>	<u>189,680</u>
<b>Total assets less current liabilities</b>		<u>239,680</u>	<u>189,680</u>
<b>Net assets</b>		<u><u>239,680</u></u>	<u><u>189,680</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Other reserves	12	239,580	189,580
		<u>239,680</u>	<u>189,680</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 16 December 2021.

*Zoe Manning* 16/12/21

**Zoe Manning**  
Director

The notes on pages 10 to 16 form part of these financial statements.

**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2021**

	Called up share capital £	Sinking Fund £	Total equity £
<b>At 1 August 2019</b>	<b>100</b>	<b>252,865</b>	<b>252,965</b>
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Transfer between other reserves	-	(63,285)	(63,285)
<b>Total transactions with owners</b>	-	(63,285)	(63,285)
<b>At 1 August 2020</b>	<b>100</b>	<b>189,580</b>	<b>189,680</b>
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-
Transfer between other reserves	-	50,000	50,000
<b>Total transactions with owners</b>	-	50,000	50,000
<b>At 31 July 2021</b>	<b>100</b>	<b>239,580</b>	<b>239,680</b>

The notes on pages 10 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

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**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.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

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).

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate.

This is because the company is purely a cost sharing arrangement and is unlikely to ever make a profit or loss. There is a high degree of certainty over the level of income and expenses, and the two will always be equal. The company is therefore not exposed to the commercial risks arising from the Covid-19 pandemic.

Additionally, University of Essex has issued a letter of financial support to ensure the company will be able to meet its liabilities as they fall due. As with any company placing reliance on other entities for support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors therefore continue to adopt the going concern basis 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 2021**

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**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 profit or loss 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 2021**

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**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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Statement of Comprehensive Income.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**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**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Other operating income	<b>50,000</b>	<i>50,000</i>
	<b>50,000</b>	<i>50,000</i>

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.

**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**6. Operating profit/loss**

The operating profit/loss is stated after charging:

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	6,600	4,680
	<u>6,600</u>	<u>4,680</u>

**7. Employees**

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

**8. Debtors**

	2021 £	2020 £
Trade debtors	-	(12,402)
Other debtors	-	355,997
Prepayments and accrued income	7,146	13,591
	<u>7,146</u>	<u>357,186</u>

**9. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	516,616	389,969
	<u>516,616</u>	<u>389,969</u>

£239,580 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.

**SOUTHEND-ON-SEA FORUM MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2021**

**10. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Other creditors	38,239	362,735
Accruals and deferred income	245,843	194,740
	<u>284,082</u>	<u>557,475</u>

**11. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	516,616	389,969
Financial assets that are debt instruments measured at amortised cost	7,146	357,186
	<u>523,762</u>	<u>747,155</u>
<b>Financial liabilities</b>		
Creditors: Amounts Falling Due Within One Year	<u>284,082</u>	<u>557,475</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 2021**

	(Sales) 2021 £	Purchases 2021 £	(Sales) 2020 £	Purchases 2020 £
<b>(Sales)/Purchases</b>				
University of Essex	(168,181)	2,266	(284,143)	3,039
South Essex College	(82,028)	-	(134,703)	-
Southend-on-Sea Borough Council	(221,969)	695,258	(377,443)	854,769
	<u>(472,178)</u>	<u>697,524</u>	<u>(796,289)</u>	<u>857,808</u>

	2021 Debtors £	2020 Debtors £
University of Essex	-	(12,402)
South Essex College	-	-
Southend-on-Sea Borough Council	-	355,997
	<u>-</u>	<u>343,595</u>

**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.

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# Southend-on-Sea Borough Council

Report of the Deputy Chief Executive (Executive Director  
of Finance & Resources)

to  
**Shareholder Board**  
on  
**23rd February 2022**

Agenda  
Item No.

**7**

Report prepared by: Peter Bates  
Interim Director of Financial Services

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

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**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

	Proposed Meeting Dates*			
Items for Consideration	TBA	12th July 2022	12th October 2022	22nd February 2023
<b><i>Better Queensway Special Meeting</i></b> Business Plan Final Proposals  <b><i>Other Joint Ventures</i></b> Porters Place Southend LLP - Receipt of Accounts Porters Place Southend LLP - Review of Business Plan LHCS and Southend Travel Partnership LTD Airport Business Park Southend Management Southend-on-Sea Forum Management Company PSP Southend LLP – Receipt of Accounts 2021/22  <b><i>Wholly Owned Subsidiaries</i></b> South Essex Homes Limited - Receipt of Accounts 2021/22 South Essex Homes Limited - Review of Business Plan Southend Care Limited - Receipt of Accounts 2021/22 Southend Care Limited - Review of Business Plan	✓ ✓	✓ ✓ ✓ ✓	✓ ✓ ✓ ✓	✓ ✓

\* Subject to confirmation and approval by Council

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