

## Third Party Companies Update at Quarter 1 2020/21

### 1.0 Introduction

- 1.1 The purpose of this Annex is to provide information in line with the Local Government Ethical Standards and The Review undertaken by the Committee on Standards in Public Life. This identified areas of 'best practice' for local authorities which represent a benchmark for ethical practice. It recommends that the Council should report on separate bodies they have set up / created or which they own and publish the separate bodies annual reports and minutes in an accessible place. Reporting on the separate bodies will also be included in the Council's annual governance statement which is presented to the Audit Governance and Standards Committee on an annual basis in July each year.
- 1.2 In order for the Council to provide a full picture of the relationship with separate bodies and abide by the Nolan principle of openness and to be transparent the information included here reports on the financial position of the Council's third party bodies and also provides information on the location of the annual reports.
- 1.3 The Council has set up third party bodies, in line with legal requirements, as set out in the Council Plan to ensure ongoing financial sustainability and further information is included below. The Council creates and supports new opportunities and new income streams to ensure the on-going affordability of council services.

### 2.0 Third Party Companies

- 2.1 The Council currently has a Joint venture Partnership with Wykeland – Central Northallerton Development Company Ltd - that was formed in October 2017. Further information is detailed below.
- 2.3 In addition, two further companies limited by shares have been set up in line with the September 2019 Council approval of the Commercial Property Investment Portfolio and delegated authority given to the Chief Executive to set up a further wholly owned company for the purpose of acquiring and managing investment properties. The two companies are:
  - Hambleton District Holdings
  - Hambleton Property Limited
- 2.4 At Quarter 1, 30 June 2020 no investment had occurred and a further report – Commercial Investment Strategy - is included as a separate agenda item at this 8 September 2020 Cabinet.

### 3.0 Central Northallerton Development Company Limited

- 3.1 **Annual Accounts 2019/20** – Central Northallerton Development Company Limited has produced final accounts for three years where the annual report and financial statements 31 March 2020 are published at Companies House and are also available on the Council's website. The link is as follows:  
[https://www.hambleton.gov.uk/info/20257/council\\_budget\\_and\\_spending/267/statement\\_of\\_accounts/4](https://www.hambleton.gov.uk/info/20257/council_budget_and_spending/267/statement_of_accounts/4)
- 3.2 **Quarter 1 2020/21 as 30 June 2020** - Attached at Appendix A is Central Northallerton Development Company Limited's financial position at Quarter 1 2020/21, which is supplied for transparency purposes. The following highlights information from the accounts:
  - The accounts show a small loss for the financial period from 1 April 2020 to 30 June 2020 of £1,957 due to the general running costs of CNDCL being slightly higher than the rent received from Crosby Road Car Park.

- The 'Turnover' is the rent received from Crosby Road Car Park of £17,697 where HDC receives 100% of the initial £55,000, £55,000 to £70,000 goes to CNDCL (of which HDC will receive 50%) and then after £70,000 HDC receives 60% and Wykeland 40%. This is detailed in the 4 September 2018 Cabinet report;
- The 'Investment Properties' detailed in the balance sheet mainly relate to the Crosby Road Car park, where there is also a small amount of 'Plant' at £2,370.
- The 'Inventories' figure £1,788,393, in the balance sheet mainly relates to the development of the south side of the Treadmills site, where the site is due to complete in Autumn 2020. The expenditure has been funded by Hambleton District Council in line with Council approval of the process to purchase the south side of The Treadmills site in July 2018. The site is scheduled to open with Lidl and Iceland in November 2020.
- The 'Loan from Hambleton District Council' in the balance sheet of £2,415,248 is in relation to the land transfer of the former prison site for the development of Treadmills along with Wykeland.
- The loss brought forward from previous years is £76,356, with the total loss standing at £78,313. On completion of the south side of the Treadmills site the accounts will be in profit.

## Appendix A

### Statement of comprehensive income for the year ended 31 March 2021 - for the period ending 30 June 2020

	Notes	Period ended 30-Jun-20	Year ended 31-Mar-20
Turnover		17,697	98,304
Cost of Sales		0	0
Gross profit (loss)		17,697	98,304
Administrative expenses		(19,654)	(107,389)
<b>Loss on ordinary activities before taxation</b>		<b>(1,957)</b>	<b>(9,085)</b>
Tax on loss on ordinary activities		0	0
<b>Profit/(Loss) for the financial year/period</b>		<b>(1,957)</b>	<b>(9,085)</b>

### Balance Sheet for the for the period ending 30 June 2020

	Notes	30-Jun-20	31-Mar-20
<b>Fixed Assets</b>			
Investment Properties		94,610	94,610
Plant		2,370	0
		<b>96,980</b>	<b>94,610</b>
<b>Current Assets</b>			
Inventories		1,788,393	2,304,205
Debtors		594	35,435
Cash at bank and in hand		713,511	780,694
		2,502,498	3,120,334
<b>Creditors: amounts falling due in within one year</b>		<b>(262,539)</b>	<b>(876,048)</b>
<b>Net Current assets/(liabilities)</b>		<b>2,239,959</b>	<b>2,244,286</b>
<b>Total assets less current liabilities</b>		<b>2,336,939</b>	<b>2,338,896</b>
<b>Creditors: amounts falling due after more than one year</b>		<b>(2,415,248)</b>	<b>(2,415,248)</b>
<b>Net Liabilities</b>		<b>(78,309)</b>	<b>(76,352)</b>
<b>Capital and Reserves</b>			
Called up share capital		4	4
Profit and loss account		(78,313)	(76,356)
<b>Total shareholder' deficit</b>		<b>(78,309)</b>	<b>(76,352)</b>

### Statement of changes in equity for the year ended 31 March 2021 - for the period ending 30 June 2020

	Called up share capital £	Profit and (loss) account £	Total shareholders' deficit £
<b>Balance at 31 March 2020</b>	<b>4</b>	<b>(76,356)</b>	<b>(76,352)</b>
Profit / (Loss)for the financial year to date	-	(1,957)	(1,957)
<b>Balance at 30 June 2020</b>	<b>4</b>	<b>(78,313)</b>	<b>(78,309)</b>