



# Statement of decisions made at a meeting of the **Commercial Ventures Executive Sub-Committee**

Meeting date: **17 September 2020**

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## ITEM

### 4. **SHAREHOLDER ACTIONS - GREENSAND HOLDINGS LIMITED**

#### **RESOLVED** that:

- i. the Greensand Holdings Limited's Directors' Report and Audited Financial Statements for the year ended 31 December 2019 be received;
- ii. the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2020 be approved;
- iii. for the auditor appointed to Greensand Holdings Limited in (ii) above, the Directors of the Greensand Holdings Limited be authorised to fix the auditors' remuneration for the year to 31 December 2020;
- iv. the departure of John Jory as Director of the Company with effect from 31 July 2020 be noted;
- v. the appointment of Councillor R Michalowski as a Director of Greensand Holdings Limited be approved and the appointment be confirmed in writing to the Company; and
- vi. Councillor T Archer be authorised to sign on behalf of the shareholder, RBBC, the shareholder ordinary resolution confirming i. to v above.

#### **Reason for decision:**

- i. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Greensand Holdings Limited (the Company), acknowledged receipt of the Directors' Report and Audited Financial Statements for the year ended

31 December 2019 to comply with the Shareholder Agreement between the Company and RBBC;

- ii. The shareholder representative approved the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2020 in order to comply with Section 485 of the Companies Act 2006;
- iii. The shareholder representative, for the auditor appointed to Greensand Holdings Limited in (ii) above, approved the Directors of the Company to fix the auditors' remuneration for the year to 31 December 2020 to comply with Section 492 of the Companies Act 2006;
- iv. The shareholder representative noted the departure of John Jory as a Director of Greensand Holdings Limited as he had departed the Council on 31 July 2020; and
- v. The shareholder representative approved the appointment of Councillor R Michalowski as a new Director of Greensand Holdings Limited and would confirm this appointment in writing to comply with the Shareholder Agreement between Greensand Holdings Limited and RBBC.

**Alternative options:**

1. If after reviewing the required actions and supporting documentation, adjustments were required, the CVESC should request the necessary adjustments be made and approve the actions subject to those adjustments, in order Greensand Holdings Limited be correctly governed and meet its statutory requirements.
2. Do not approve the required actions. This was not the recommended option as the Directors of Greensand Holdings Limited would not be able to carry out their statutory duties and would be in breach of the Companies Act 2006 and the Shareholder Agreement. The Directors could be fined and the company struck off the Register of Companies if accounts are not lodged with Companies House.

**Lead officer:**

Commercial and Investment Director

**5. SHAREHOLDER ACTIONS - HORLEY BUSINESS PARK DEVELOPMENT LLP**

**RESOLVED** that:

- i. the Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2019, set out in the exempt Part 2 section of this agenda, be received;
- ii. the departure of John Jory as the RBBC Board Representative from the LLP be noted;
- iii. Councillor T Archer be authorised to name the appointees to the role of Board Representatives for Horley Business Park Development LLP to replace John Jory and John Reed and confirm these appointments in writing to Horley Business Park Development LLP.
- iv. the RBBC Board Representatives, authorised to approve the re-appointment of Moore Kingston Smith LLP as auditor for Horley Business Park Development LLP for the year to 31 December 2020; and
- v. for the auditor appointed to Horley Business Park Development LLP in (iv) above, the RBBC Board Representatives, when appointed, be authorised to fix the auditors' remuneration for the year to 31 December 2020, as set out in the exempt Part 2 of the agenda.

**Reason for decision:**

- i. The Commercial Ventures Executive Sub-Committee as the partner representative has acknowledged receipt of the Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2019 in order to be compliant with the Members Agreement dated 24 March 2016.
- ii. the departure of John Jory as RBBC's Board Representative from the LLP was noted as he had departed the Council on 31 July 2020;
- iii. The Commercial Ventures Executive Sub-Committee as partner representative, were required to appoint two Board Representatives to replace John Jory and John Reed and Councillor T Archer to confirm these appointments in writing to the Company to comply with the Members Agreement dated 24 March 2016.
- iv. The Commercial Ventures Executive Sub-Committee as partner representative, authorised the Board Representatives, to be appointed, to approve the re-appointment of Moore Kingston Smith LLP as auditor for Horley Business Park Development LLP for the year to 31 December 2020 as Section 485 of the Companies Act 2006 as applied by Regulation 36 of the Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the Members of the company to appoint or re-appoint an auditor.
- v. the partner representative authorised the RBBC Board Representatives to fix the auditors' remuneration for the year to 31 December 2020 as Section 492 of the Companies Act 2006 as applied by Regulation 37 of the Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires the remuneration of an auditor appointed by the LLP to be fixed by the Members of the company.

**Alternative options:**

1. If after reviewing the required actions and supporting documentation, adjustments are required, the CVESC should request the necessary adjustments be made and approve the actions subject to those adjustments, in order the Council's commercial entities are governed correctly and meet their statutory requirements.
2. Do not approve the required actions. This is not the recommended option as the Members of the Council's part-owned commercial entity would not be able to carry out their statutory duties and will be in breach of the Companies Act 2006 and the Company's constitution. The Members can be fined and the company struck off the Register of Companies if accounts are not lodged with Companies House.

**Lead officer:**

Commercial and Investment Director

**6. SHAREHOLDER ACTIONS - PATHWAY FOR CARE LIMITED****RESOLVED** that:

- i. Pathway for Care Limited's Annual Report and Unaudited Financial Statements for the year ended 31 July 2019, be received and confirmation from Pathway for Care Limited that provision has been made for the repayment of the £1.1 million preference shares by April 2023 be requested;
- ii. the departure of John Jory as Director of the Company be noted; and
- iii. Councillor V Lewanski be appointed as Director of Pathway for Care Limited as a replacement for John Jory and the appointment be confirmed in writing to Pathway

for Care as set out in the exempt Part 2 section of the agenda.

**Reason for decision:**

- i. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Pathway for Care Limited, received the Company's Annual Report and Unaudited Financial Statements for the year ended 31 July 2019 and requested confirmation from Pathway for Care Limited that provision has been made for the repayment of the £1.1 million preference shares by April 2023, to evaluate the Company's financial performance;
- ii. The Commercial Ventures Executive Sub-Committee, as shareholder representative for Pathway for Care Limited noted the departure of John Jory as a Director of Pathway for Care Limited as he had departed the Council on 31 July 2020; and
- iii. The shareholder representative approved the appointment of Councillor V Lewanski, as a replacement for John Jory, as Director of Pathway for Care Limited and approved that this appointment would be confirmed in writing in order to comply with the Shareholder Agreement between Pathway for Care Limited and RBBC.

**Alternative options:**

1. To approve all of the Recommendations above without further enquiry. This was not the recommended option as the Council should be satisfied that provision was being made for the repayment of the £1.1 million preference shares by April 2023.
2. Do not approve the Recommendations. This was not the recommended option as the Council was required to appoint a Director to the Company by the Articles of Association and the Shareholder Agreement.

**Lead officer:**

Commercial and Investment Director