

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Commercial Revenue Committee

Date: 29/04/2021

Subject: The winding-up & dissolution of H&F Bridge Partnership Limited (HFBP)

Report author: Geoff Hay, Senior Contract & Finance Manager

Responsible Director: Rhian Davies – Director of Resources

SUMMARY

This report recommends that the council shareholders of H&F Bridge Partnership Limited (HFBP) agree to the distribution of HFBP's retained profits before the formal commencement of the company winding-down process takes place.

H&F Bridge Partnership Limited (HFBP) is a joint venture company (JVC) that delivered IT services to the council over a period of 10 years. The company has been dormant for at least 2 years.

RECOMMENDATIONS

1. Appendix 1 is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3) and Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings as set out in paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended).
 2. For H&F's shareholders to agree to the distribution of H&F Bridge Partnership's retained profit in line with the council's shareholding, and for this decision to be recorded by H&F shareholders signing the Final Dividend Approval form. This is summarised and detailed in exempt Appendices 1a and 1b.
 3. For the council to pay the outstanding debt as detailed in exempt Appendix 1a to H&F Bridge Partnership Limited, and this to be processed separately from the final dividend amount being paid to H&F.
 4. For H&F's shareholders of H&F Bridge Partnership Limited to sign the Shareholder Written Resolution document. The document lists 7 resolutions for the formal commencement of company winding-down process to start via the Members Voluntary Liquidation (MVL) process. The resolutions also include handing over the administration of the company to the appointed liquidator. A copy of that document at exempt Appendix 1c.
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Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	The expected net income from HFBP will be used to invest in services.
Being ruthlessly financially efficient	Rather than paying HFBP to clear the debt in 2016 it was agreed that the payment could be held off until the retained profits were distributed.

Financial Impact – shown in Appendix 1 (Exempt)

Legal Implications - shown in Appendix 1 (Exempt)

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Background Papers Used in Preparing This Report - None

Background

1. HFBP is a private limited company with a share capital comprising of 1000 ordinary shares. 801 of those shares are owned by Agilisys Limited and 199 are owned by the Council. This is where the respective shareholdings of 80.1% and 19.9% are derived.
2. The shareholders are asked to distribute retained profits being recorded in the Final Dividend Approval Form Appendix 1b and approve signing of the Shareholders Written Resolution. This was discussed at the 25th of March board meeting, where these recommendations were put to the Agilisys shareholders and the council board directors present. A copy of the agenda and the minutes of that meeting is enclosed in Appendix 1d (Exempt).

3. The Council has been asked by the HFBP Company secretary to leave the date clear for the appointed liquidators to complete because they want the dates to line-up with other documentation being prepared.

Reasons for Decision

4. H&F Bridge Partnership Limited is a joint venture company that is no longer trading and has now been dormant for the last 2 years. It is recommended that council shareholders agree to the distribution of retained profits before the formal winding-down of the company takes place.

Equality Implications

5. There are no equality and diversity implications related to this report

Risk Management Implications

6. An orderly closure of the company is required to formalise closure and distribution of dividends in accordance with the respective shareholders legal and contractual obligations.

Implications verified by Michael Sloniowski, telephone 020 8753 2587

Digital Service Implications

7. The HFBP company is no longer required as the Council's IT service is now delivered through a mix of internal resources, and third-party procured services.
8. The closure of the company is supported to enable the dividends to be shared among the shareholders,

Implications completed by: Veronica Barella, Chief digital officer, telephone 020 8753 2927

Climate and Ecological Emergency Implications

9. There are no Climate and Ecological Emergency Implications related to this report

Implications verified by: Hinesh Mehta (title and telephone of officer)

LIST OF APPENDICES – ALL EXEMPT

- **Appendix 1a – Financial Implications of HFBP Distribution of profits and Winding Down - EXEMPT**
- **Appendix 1b – Final Dividend Recommendation to Shareholders, for signing form - EXEMPT**
- **Appendix 1c – Shareholders Written Resolution to Shareholders, for signing form - EXEMPT**
- **Appendix 1d – H&F Bridge Partnership Ltd 25th March Board agenda and minutes – EXEMPT**