



Congleton Town Council

Historic market town

Town Clerk: **BRIAN HOGAN**



2nd July, 2015

Dear Councillor,

Town Council Meeting – Thursday 9th July 2015

You are summoned to attend a meeting of the Council, to be held in the Town Hall, Congleton on **Thursday 9th July, 2015 commencing at 7.00pm.**

The Public and Press are welcome to attend the meeting. There may be confidential items towards the end of the meeting which the law requires the Council to make a resolution to exclude the public and press.

Yours sincerely,

B. Hogan
TOWN CLERK

AGENDA

1. Apologies for absence. (Members are respectfully reminded of the necessity to submit any Apology for absence in advance and to give a reason for non attendance).

2. Minutes (enclosed)

To approve the Minutes of the meeting held on 11th June 2015.

3. Declarations of Disclosable Pecuniary Interest

Members are requested to declare both "non pecuniary" and "pecuniary" interests as early in the meeting as they become aware of it.

4. Outstanding Actions

None.



5 Questions from Members of the Public

To receive any questions from Members of the Public at the meeting and, notified in advance in writing.

6 Mayor's Announcements (enclosed)

To receive any announcements by the Town Mayor and to receive a list of the Mayor's Engagements.

7. Planning Committee (enclosed)

To receive the minutes of the meeting held on 4th June 2015.

8. Community, Environment & Services Committee (enclosed)

To receive the minutes of the meeting held on 19th March 2015.

9. Urgent Items

Members may raise urgent items but no discussion or decisions may be taken at the meeting.

10. Cheshire East Councillors' Reports

To suspend Standing Orders to allow Councillors from the principal authority to report on relevant issues and to receive questions from members.

11. Youth Committee (enclosed)

a) To receive the minutes of the Junior Council meetings held on held on 18th June 2015.

b) To deal with Questions from Members of the Youth Committee present at the meeting.

12. Digital Display System (enclosed)

To receive and consider the following reports:-

- I. Report from the External Auditor
- II. Statement for the Council to consider
- III. Report on the receivership of Simnet limited
- IV. Proposed amendments to Financial Regulations

13. Honorary Burgess

To confirm Mr Gordon Baxendale as an Honorary Burgess and to present him with a Certificate.

To: Members of the Town Council, Press 3, Burgesses (5), Mayor's Chaplain,
 Members of the Youth Committee
 MP, Cheshire East Councillors (4), Library, Congleton TIC.

Congleton Town Council

Minutes of the Meeting of the Council held on Thursday,
11th June 2015 in the Town Hall, Congleton.

PRESENT: Councillors N Adams
 Mrs S Akers Smith
 Mrs D S Allen
 J G Baggott
 L. D. Barker
 P Bates
 R Boston
 C Booth
 P Broom
 G R Edwards
 G P Hayes
 Mrs S A Holland
 Mrs A M Martin
 Mrs A E Morrison
 Mrs J D Parry
 Mrs E Wardlaw (**Town Mayor**)
 G S Williams

1. **APOLOGIES**

Apologies for absence. (Members are respectfully reminded of the necessity to submit any apology for absence in advance and to give a reason for non-attendance).

Apologies for absence were received from Councillors D T Brown and Mrs A L Armitt.

2. **MINUTES**

CTC/09/1516 RESOLVED- That the Minutes of the meeting held on the 21st May 2015 be approved and signed by the Mayor.

3. **DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

Members are requested to declare both "non pecuniary" and "pecuniary" interests as early in the meeting as they become aware of it.

Cllrs P Bates, G P Hayes, Mrs E Wardlaw and G S Williams declared a non-pecuniary interest in any matters related to Cheshire East Council.

4. **OUTSTANDING ACTIONS**

None.

5. QUESTIONS FROM MEMBERS OF THE PUBLIC

Dear Sir,

I wish to put the following question to the elected members of Congleton Town Council at the Town Council meeting June 11th 2015:

Yours truly

Michael Knowles

Question to the Town Mayor, Cllr. E Wardlaw

Is it not the case that, in accordance with accepted democratic procedure, whenever and wherever the policies, decisions and actions of the Congleton Town Council are presented to the public it should be an elected member or elected members of the Town Council, who are responsible for making them, who present them and explain them to the public and answer questions on them?

Response by the Town Mayor

Collectively, members are the ultimate policy-makers determining the core values of the Council and approving the authority's policy framework, strategic plans and budget.

Members represent the community, act as community leaders and promote the social, economic and environmental well-being of the community often in partnership with other agencies. At Council meetings Officers are responsible for giving advice to members to enable them to fulfil their roles, whilst members will be responsible for articulating justifying and determining policy in the Council Chamber.

Under the direction and control of the Council, officers, led by the Town Clerk, manage and provide the Council's services within the framework of responsibilities delegated to them. Thus once the Council has taken a policy decision it is normally the role of the Town Clerk and his officers to implement that decision. The Town Clerk when dealing with the implementation of more complex decisions will as a matter of course provide progress reports and updates to the Council.

The policy decision to produce a Neighbourhood Plan was approved by the Town Council on the 18th September 2014 and delegated to the Town Clerk together with 3 councillors to implement. Where a parish or town council chooses to produce a Neighbourhood Plan or Order it should work with other members of the community who are interested in, or affected by, the neighbourhood planning proposals to allow them to play an active role in preparing a Neighbourhood Plan or Order, as the essence of a Neighbourhood Plan is that it should be community led. The relationship between the formal functions of the Town Council then is via delegated authority to the Steering Group of the Neighbourhood Plan Team.

The Annual Town Meeting which was held on the 28th May is not a council meeting it is a meeting of the electors and could involve other organisations should they wish to be involved, such meetings often celebrate local activities and debate current issues in the community such as the Neighbourhood Plan.

Officers have a duty to implement decisions of the Council, committees and sub-committees which are lawful, and which have been properly approved in accordance with the requirements of the law and the Council's constitution, and are duly minuted. Thus the presentation given by the Town Clerk was a progress report on implementation of the Neighbourhood Plan. Policy was not mentioned at any point in the presentation as the policy decision to produce a Plan had already been taken.

Response by the Town Mayor continued.....

At the Annual Town Meeting other than the requirement to have the Town Mayor chair the meeting, no other councillor is required to attend except as an elector. Nor does any councillor at such a meeting have an obligation to present the progress report, or indeed respond to any questions, as it is the Neighbourhood Planning Team who has the delegated authority to produce a draft report which then will be subject to approval by the Town Council as the responsible body and more importantly ultimately it will be the electorate who approve the Plan.

6. MAYOR'S ANNOUNCEMENTS

The Town Mayor drew attention to the various engagements that she and the Deputy Mayor had fulfilled since the last Council meeting.

7. PLANNING COMMITTEE

CTC/10/1516 RESOLVED that the minutes of the meetings held on 12th March and 2nd April 2015 be received and the recommendations therein be adopted.

8. FINANCE & POLICY COMMITTEE

CTC/11/1516 RESOLVED that the minutes of the meeting held on 26th March 2015 be received and the recommendations therein be adopted.

9. COMMUNITY, ENVIRONMENT & SERVICES COMMITTEE

CTC/12/1516 RESOLVED that the minutes of the meeting held on 5th February 2015 be received and the recommendations therein be adopted.

10. URGENT ITEMS

There were no urgent items raised.

11. CHESHIRE EAST COUNCILLORS' REPORTS

Councillor G P Hayes commented that he would circulate the report on Cllr Michael Jones's Strategic Plan for Cheshire East Council for the forthcoming year.

12. YOUTH COMMITTEE

CTC/13/1516 RESOLVED that the minutes of the Youth Committee meeting held on 13th April 2015 be received.

13. CONGLETON ANNUAL TOWN MEETING MINUTES

CTC/14/1516 RESOLVED that the minutes of the Annual Town Meeting held on 28th May 2015 were received.

14. ANNUAL REPORT 2014-15

CTC/15/1516 RESOLVED that the Annual Report for 2014-15 was received and approved.

15. **ANNUAL RETURN, ANNUAL GOVERNANCE STATEMENT AND ANNUAL ACCOUNTS 2014-15**

CTC/16/1516 RESOLVED that:-

1. The Annual Governance statement for the year ended 31st March 2015 was received and approved.
2. The Annual Accounts for 2014-15 were received and approved.

16. **GENERAL POWER OF COMPETENCE**

The members reviewed the eligibility criteria for the General Power of Competence and noted that the Council met the criteria.

CTC/17/1516 RESOLVED that the Council adopt the General Power of Competence.

17. **HONORARY BURGESS**

A proposal to invite a distinguished former member of the Town Council, Mr Gordon Baxendale to become an Honorary Burgess was considered.

CTC/18/1516 RESOLVED that:-

1. The Council approve of conferring the title of Honorary Burgess on Mr G Baxendale.
2. To invite Mr G Baxendale to become a member of the Community, Environment & Services Committee, as a lay member, which confers no voting rights.

18. **NEIGHBOURHOOD PLAN STEERING GROUP**

The Council considered which 4 Councillors should represent the Council on the Neighbourhood Plan Steering Group.

CTC/19/1516 RESOLVED that Cllrs P Bates, D T Brown, G R Edwards and Mrs A M Martin be elected to represent the Town Council on the Steering Group.

Mrs E Wardlaw
TOWN MAYOR

Dear Mr. Hogan

I would be grateful if the following question could be raised and answered at the forthcoming Council meeting on 9th July 2015. I believe that I have provided the necessary notice as required by the Council rules

Yours sincerely

G Allen



Question for Council Meeting 9th July 2015

The schedule of CTC Grant Commitments lists two grant commitments to the Carnival Committee totalling £7500 to "underwrite shortfall"

It is my understanding that this was allocated funding to underwrite any losses that the carnival had made and would be released only if the carnival accounts showed a loss.

A previous question asked if the money had been released since, if the carnival had not lost money, the allocated money could be available for other worthy causes.

When this was raised on 16th April meeting Councillor Bates, in his capacity as chairman of the carnival Committee, advised council that the accounts were at the auditors and that the carnival had been one of the most successful in recent years

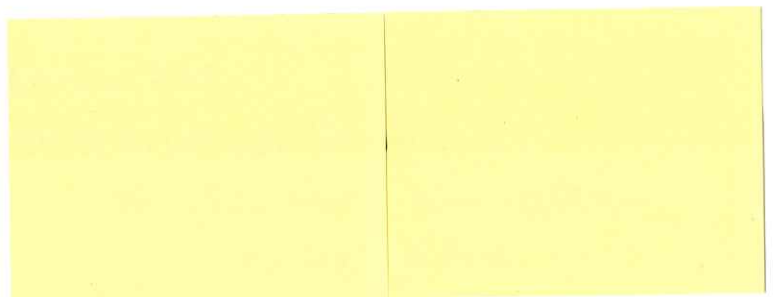
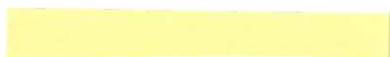
That was the situation more than 10 weeks ago and my question is twofold

1. Have the carnival accounts now been audited and issued to the council and do the accounts require that the grant funding from the council be taken up?

2 Does the fact that a sum of £664.60 has already been paid out from the allocated money indicate that the carnival audited accounts have been made available to the council?

G Allen
29th June 2015

A handwritten signature in blue ink, appearing to be "G Allen".



Question from a Member of the Public

Question from Mr G Allen

Question to the Town Mayor, Cllr. E Wardlaw

Question (enclosed)

Response by the Town Mayor

The Carnival Committee is an independent organisation and the Town Council has no jurisdiction whatsoever over such an organisation. Nor are we in a position to request a copy of their accounts unless the Carnival Committee were to make a request that they wish to take up the grant funding from 2014, which to date they have not done so.

The £664.60 that you refer to was part of £750 of the remaining grant allocated to the Carnival Committee for the 2012 Carnival and was written back into the General Fund. The treasurer subsequently requested that two invoices were paid from this balance, so it was allocated to the Carnival Ear Marked Reserve in our accounts.

Question from a Member of the Public

Question from Mr Graham Goodwin

Question to the Town Mayor, Cllr. E Wardlaw

The YU Property Group signboard currently displayed at the former Grove Inn in Lower Heath confirms that the site was acquired by YU Developments in January 2015

Various publically accessible company information sites, eg. "Due Dil", "Company Check" and "Companies in the UK", who list information from Companies House, confirm that, in January 2015, Larry Dennis Barker was a director of YU Properties, YU Trading, YU Developments and Lower Heath Stores Ltd at the same time as he was also Chairman of CTC Planning Committee. At the time that the site was acquired there was nothing on Councillor Barker's Declaration of Interests showing that he held directorships of these companies

Whilst Councillor Barker resigned his directorships of these companies in May of this year, would the council agree that Councillor Barker exposed himself to potential criticism and showed poor judgement in not advising the council and the electorate of his directorships in these companies when, at the same time, he was Chairman of the Planning Committee

Response by the Town Mayor

The short answer is no, he did not show poor judgement.

Cllr Barker's employer, BL&C Services Limited, have from time to time been instructed by its clients to form a number of companies including those referred to by Mr Goodwin.

This is a common method for registering companies.

As Cllr Barker is a nominee director of a number of companies, some of which are dormant, it was agreed with his employer that it is not necessary for him to register an interest.

For the avoidance of doubt Cllr Barker did not chair nor was he present at any of the planning meetings when the matters appertaining to either company were agenda items.

TOWN MAYOR'S ENGAGEMENTS

2015

16 th June	Teddy Bears Picnic
19 th June	Astbury Mere Care Home
19 th June	Greengables Care Home
20 th June	Bosley School
21 st June	Middlewich Civic Event
25 th June	Rotary Young Chef/Designer
26 th June	Buglawton School Summer Fair
27 th June	National Armed Forces Fundraising Event
28 th June	Knutsford Civic Service
28 th June	Lions Youth Brass Band Concert

DEPUTY TOWN MAYOR

27 th June	Book Launch – New Life Church
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CADET

20 th June	Bosley School
21 st June	Middlewich Civic Event
26 th June	Buglawton School Summer Fair
28 th June	Knutsford Civic Service
28 th June	Lions Youth Brass Band Concert

CONGLETON TOWN COUNCIL

MINUTES OF THE MEETING OF THE PLANNING COMMITTEE HELD ON 4th JUNE 2015

PRESENT Councillor L. D. Barker - Chairman
N. Adams
Mrs S Akers Smith
Mrs D S Allen
Mrs A L Armitt
J G Baggott
P Bates
C Booth
P Broom
G R Edwards
Mrs S A Holland
Mrs A M Martin
Mrs A E Morrison
Mrs. J. D. Parry

1. **APOLOGIES**

Apologies for absence were submitted from Councillors R Boston, D T Brown, G. P. Hayes, H. Richards, Mrs E. Wardlaw and G. Williams.

2. **MINUTES**

PLN/1/1516 RESOLVED: That the Minutes of the Meeting of the Committee held on 2nd April 2015 be approved and signed by the Chairman as a correct record.

3. **DECLARATIONS OF INTEREST**

Members were reminded to declare both "non pecuniary" and "pecuniary" interests as early in the meeting as they become known.

Councillor Bates declared a "non pecuniary" interest due to his membership of Cheshire East Council.

4. **OUTSTANDING ITEMS**

There were none.

5. **PLANNING APPLICATIONS**

PLN/2/1516 RECOMMENDED: That the following comments be made to Cheshire East Borough Council:

Week ended 8th May 2015

15/1957C	88 Waggs Road, Congleton, CW12 4BU	NO OBJECTION
15/1972C	Quarry Cottage, Tunstall Road, Congleton, CW12 3PW	NO OBJECTION
15/2030C	17 Howey Hill, Congleton, CW12 4AF	NO OBJECTION
15/2059C	8 Leamington Road, Congleton, CW12 4PF	NO OBJECTION
15/2068C	Cloud View, Weathercock Lane, Congleton, CW12 3PS	NO OBJECTION

Week ended 15th May 2015

15/2011C 9 Leek Road, Congleton, CW12 3HU NO OBJECTION
15/2119C War Memorial Hospital, Congleton, CW12 3AR REFUSE
Cheshire East be requested to review this retrospective application to re-locate the cabin onto a more suitable area of the site as the existing cabin overlooks housing and intrudes on their privacy
Councillor Morrison declared a "non pecuniary" interest in application 15/2119C
15/2124C Buckingham House, 3 West Street, Congleton, CW12 NO OBJECTION
Councillor Bates declared a "non pecuniary" interest in application 15/2124C
15/2125C Buckingham House, 3 West Street, Congleton, CW12 NO OBJECTION
Councillor Bates declared a "non pecuniary" interest in application 15/2125C

Week ended 22nd May 2015

15/2099C Tall Ash Farm, 112 Buxton Road, Congleton, CW12 2DY

Planning Application 15/2099C – 250 Dwellings

Recommended refusal for the following reasons:-

Congleton Borough Council saved policies

1. PS8 Open Countryside

The proposed development fails to meet any of the criteria set out in PS8; in particular it cannot be shown that it is controlled infilling as the proposed site is outside the settlement zone.

2. H6 Residential Development in Open Countryside and the Green Belt

The development fails to meet any of the provisions set out in H6 in that the proposal is not limited infill within the boundary line; it is major proposal for 250 dwellings outside the settlement zone

Cheshire East Council

3. SHLAA

The proposed site is designated in the SHALAA 2012 as site 2549 which is designated as not currently developable

The definition of not currently developable is where it is not known when a site could be developed. This may be for example, because one of the constraints to development is severe, and it is not known if or when it might be overcome.

4. Cheshire East Core Strategy

The proposed site is not in an area designated in the emerging CEC Local Plan as one of the strategic locations for housing and would be contrary to the Local plan as it is not part of the site allocation and development policies near to the route of the Congleton Link Road. The proposed development then would prejudice the achievement of the Plan's objectives and would frustrate the financial viability of the Link Road and as such should be rejected

5. Unacceptable Increases in Traffic

Buxton Road is already a very busy and congested road, the increase in traffic emanating from the proposed development would be detrimental to the safe and efficient operation of the highway and adversely affect the free flow of traffic on Buxton Road heading towards the Town Centre

15/2140C	40 Daisybank Drive Congleton, CW12 1LX	NO OBJECTION
15/2232C	Land at Mossley House, Biddulph Road, Congleton	NO OBJECTION
Councillor Edwards declared a "non pecuniary" interest in application 15/2232C		
15/2340C	38 Birch Road, Congleton, CW12 4NR	NO OBJECTION

6. **PLANNING APPEALS**

None to report.

L D Barker (Chairman)

CONGLETON TOWN COUNCIL

MINUTES OF THE MEETING OF THE COMMUNITY, ENVIRONMENT AND SERVICES COMMITTEE HELD ON THURSDAY 19TH MARCH 2015

PRESENT: Councillors Mrs D S Allen
 P Bates (Vice Chairman)
 G Baxendale
 J S Crowther
 G R Edwards
 G P Hayes
 S A Holland
 Mrs A M Martin
 D A Parker
 Mrs J D Parry
 N T Price
 Mrs E Wardlaw
 G S Williams (Chairman)

1. APOLOGIES.

Apologies for absence were received from Miss R K Williams.

2. MINUTES OF LAST MEETING

CES/73/1415 RESOLVED that the minutes of the meeting held on the 5th February 2015 were confirmed as a correct record and signed by the Chairman.

3. DECLARATIONS OF INTEREST

Members are requested to declare both "pecuniary" and "non-pecuniary" interests as early in the meeting as they become known.

Cllr G Baxendale declared a non-pecuniary interest in any matters related to Cheshire East Council.

Cllr P Bates declared a non-pecuniary interest in item 15.

Cllr G P Hayes declared a non-pecuniary interest in item 10.

4. OUTSTANDING ACTIONS

CES/41/1415 RESOLVED that:-

1. The Committee support the notion of introducing a crossing immediately outside the High School.
2. Request the provision of this facility via "Safer Route to School" and Strategic Highways.

CES/42/1415 RESOLVED that the proposal by Cheshire East Council to undertake an initial assessment of need in the area be approved, but, it should be emphasised that such assessments should be extensive and undertaken at appropriate times.

5. CHESHIRE POLICE

There were no members of the Police present, but, they had sent their apologies.

6. ANTI-SOCIAL BEHAVIOUR WORKING GROUP

CES/74/1415 RESOLVED that the minutes of the meeting held of the Anti-Social Behaviour Working Group on 27th January 2015 be received.

7. FLORAL RRANGEMENT WORKING GROUP

CES/75/1415 RESOLVED that the minutes of the meeting held of the Floral Arrangement Working Group on 9th January 2015 be received.

8. CHESHIRE POLICE CONSTABULARY

A report from Cheshire Police and the Police and Crime Commissioner was considered.

CES/76/1415 RESOLVED that the report be received.

9. PARISH FOOTPATH REPORT

Correspondence from Cheshire East Council Public Rights of Way Team confirmed that the Borough were dealing with the remedial work outlined in the Ramblers report.

CES/77/1415 RESOLVED that the correspondence from Cheshire East Council be received.

10. PARKING OUTSIDE SCHOOLS

Cllr G P Hayes reported that a small working party had been set up to liaise with all of the schools in Congleton with the objective of producing one overall document to submit to Cheshire East Council on the problem of parking outside schools.

CES/78/1415 RESOLVED that:-

1. The verbal report be received.
2. Cllr G Baxendale to pursue the issue of parking with Cabinet Members.

11. DROPPED CURBS

Correspondence from Cheshire East Council's Civil Enforcement Supervisor concerning disabled drivers inadvertently parking adjacent to dropped curbs was considered.

CES/79/1415 RESOLVED to receive the correspondence from Cheshire East Council and note that this was an excellent response from the Enforcement Supervisor.

12. TESCO EXPRESS

Cllr N T Price apologised for making an incorrect statement concerning a vehicle reversing into the Tesco express car park, he stated it wasn't.

CES/80/1415 RESOLVED that the correspondence from Tesco be received and noted.

13. TRAVELLERS ON STONEHOUSE GREEN CAR PARK

There was a lengthy discussion concerning the problem of travellers in general and in particular when they park on the Stonehouse Green car park. It was noted that travellers ignore car parking charges, fly tip rubbish and often drive vehicles which are not necessarily road worthy.

CES/81/1415 RESOLVED that Cheshire East Council be requested to enforce the following regulations on travellers that residents and visitors to the town have to comply with:

1. i) Car Parking charges
- ii) No fly tipping
- iii) To install barriers where appropriate to prevent illegal entry.
2. Police to be requested to enforce the law if travellers are found to be driving vehicles which are not road worthy in any manner.
3. Cheshire East Council be requested to provide a legal site for travellers to use.

14. BOAT ON THE RIVER DANE

It was reported that the Boat owner has complied with most of the requirements of the S215 notice, but, some minor issues had to be addressed including removing the fencing.

CES/82/1415 RESOLVED that:-

1. Congleton Town Council support the notion that the S215 notice has been complied with subject to confirmation that any outstanding minor issues have been completed including the removal of the herring fencing.
2. To request the Enforcement Officer to keep a regular check on the condition of the boat bearing in mind its poor history.

15. VEHICLES IN PEDESTRIAN AREA

A considerable debate took place concerning vehicles improperly using the pedestrian area outside of the hours of 10am to 4pm for access and egress.

It was noted that there are road traffic orders in place which prohibits any vehicles entering this area at any time with the exception of those vehicles loading and unloading between 4pm to midnight and midnight to 10am.

CES/83/1415 RESOLVED that:-

1. The Police to be requested to enforce the access into the area except for loading and unloading.
2. The Public Realm Project Team to be asked to consider the notion of installing automatic bollards.

ADDITIONAL ITEM

Cllr S A Holland requested that the Town Council consider making dog waste bags available. Ruth Boffey would be requested to investigate this. It was also agreed that the dog waste stencil would be included in the West Ward area.

G S Williams
Chairman (In the Chair)

Congleton Town Council

Minutes of the meeting of The Junior Council held on Thursday, 18th June 2015 in the Town Hall, Congleton

PRESENT Town Councillors E. Wardlaw (Town Mayor)
Mrs. S. A. Holland

Mr. D. Murphy
Mrs. L. D. Minshull (Congleton Town Council)

School

Young Councillors	Kian Light	Marlfields
	Kai McGlynn	Marlfields
	Lucy Jones	Marlfields
	Jade Bracegirdle	Marlfields
	Thomas Williams	The Quinta
	Tom Parr	Mossley
	Connor Heeran	Mossley
	Amelia Briars	Mossley
	Isabel Waltho	Mossley
	Holly Nash	Havannah
	Kian	Havannah
	Abigail S	Blackfirs
	Emma	Blackfirs
	Jamie Taylor	Blackfirs
	Fred Evans	Blackfirs

1. APOLOGIES

Apologies were received from Astbury School.

2. INTRODUCTION AND WELCOME

Town Mayor Councillor Elizabeth Wardlaw welcomed everyone to the meeting and outlined the plans for the morning.

3. CIVIC INFORMATION

Mr Denis Murphy gave a presentation which included information on the history of the Town, the Mace and the Mayoral Chain of Office.

4. ELECTION OF JUNIOR TOWN MAYOR

Five young councillors put themselves forward for the position of Mayor and the Council voted. It was

RESOLVED: That Thomas Williams be elected as Junior Town Mayor for the day.

5. **ELECTION OF JUNIOR DEPUTY TOWN MAYOR**

There was a tie of votes for the position of Deputy Mayor and it was

RESOLVED: That Kian Light and Kai McGlynn be elected as Joint Junior Deputy Town Mayor for the day.

6. **PRESENTATION AND WORKSHOP – HEALTH AND WELLBEING**

Linda Minshull, the Mayor and Councillor Sally Holland presented a workshop on Health and Wellbeing.

The pupils were then split into three groups and discussed the following questions -

What keeps you fit and healthy?

What things are considered unhealthy?

What activities take place in school to keep you healthy?

What can you get involved in outside of school to keep healthy?

Each group then provided feedback of their ideas to the whole meeting.

The participants were given a handout containing information on health, wellbeing, fitness and exercise.

7. **CONCLUSION**

The Town Mayor, Councillor Elizabeth Wardlaw gave a tour of the Town Hall and thanked the young people for their attendance and participation.

Councillor Elizabeth Wardlaw (Town Mayor)



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Private and Confidential

Mr B Hogan
Congleton Town Council
Town Hall
High Street
CONGLETON
Cheshire
CW12 1BN



18 June 2015

Our ref: 2014/B1/CONG01/PB

Direct line: 023 8088 1700
E-mail: councilaudits@bdo.co.uk

Dear Mr Hogan

Report into the Purchase of the Digital Display Unit

Please find enclosed our report into the Purchase of the Digital Display unit, following letters from numerous electors of your area. This has not been issued under Section 8 or 11 of the Audit Commission Act, as transitionally saved but it is a general report as issued under the Act. Under this Act you should consider this report at your next available Council meeting. The subject matter of this report does not need to be published in a local newspaper but it must be included as an agenda item so that it can be considered by full council in meeting open to the public.

I have not sent a copy of this report to the various electors who wrote to us about it but they can request a copy of it from you under the Freedom of Information Act.

I also enclose a note of my firm's charges which have been incurred in dealing with this matter. If you have any queries over this letter please do not hesitate to contact me.

Yours sincerely

Mrs Emma Prince
For and on behalf of BDO LLP

Enc.

cc- The Mayor



Report on the purchase of a Digital Display Unit

Congleton Town Council



**BDO LLP
Arcadia House
Ocean Village
Southampton
SO13 4TL**

Section One: Summary

1. Introduction

- 1.1. BDO LLP was appointed by the Audit Commission as the auditor of Congleton Town Council, Cheshire in respect of the accounts for the year ending 31 March 2013 and thereafter, including the year ended 31 March 2015.
- 1.2. This report is made under the Audit Commission Act 1998, as transitionally saved for completion of the 2014/15 assurance engagements, (the Act) which requires us, as the appointed auditor, to consider whether we should report on any matter coming to our attention. This is so that it may be considered by the body concerned and take any action they consider necessary. This report is prepared in the context of the Statement of Responsibilities of Local Councils and their Auditors issued by the Audit Commission.
- 1.3. The council should consider this report but is under no statutory obligation to take any actions arising from this report.
- 1.4. However, we believe that this report does highlight that some changes are required to the financial regulations and standing orders for contracts and the way they are interpreted so we would wish the council to consider the issues fully and take any action they consider necessary.
- 1.5. The issues discussed in this report were brought to our attention as the auditor in early 2015.
- 1.6. The Code of Audit Practice 2010 requires the auditor to consider matters brought to our attention, and to consider their impact on their planned work and reporting.
- 1.7. We are issuing this report as the auditor to the Town Council in respect of the accounts for the year ended 31 March 2015 since, despite the fact that the issue arose during a financial year for which the assurance engagement has been completed, in our judgement it has identified weaknesses in current arrangements that still need to be addressed.

2. Background

- 2.1. The timeline of events leading up to the payment for the deposit of the Digital Display unit is as follows:
- 2.2. The Council have confirmed that due to few residents taking part and expressing their views on a variety of issues in the Town they felt that they needed to find an effective way of communicating with residents.
- 2.3. The Council have confirmed that in 2012 they used local press, radio, the Council magazine and notices on notice boards, but still they had residents saying that they never knew about facts and events.
- 2.4. Therefore, they wanted something which everyone would be able to see, a visual impact tool, that would communicate effectively about facts and events affecting the residents.
- 2.5. A Councillor noted that a retailer in a neighbouring town had a Digital Display Unit (DDU) which had been supplied by a company called SimNet.
- 2.6. The clerk and the chairman of the Finance and Policy committee visited SimNet who said they were working on a system for Cheshire West and Chester City Council.
- 2.7. SimNet then held a presentation at the Council on the 23 August 2012 which explained they could undertake the installation of a complete package. There are no minutes to support this presentation but it was held prior to a planning meeting so the clerk has stated that the councillors who the presentation were probably the same as those that attended the planning meeting.
- 2.8. The Finance and Policy Committee met on the 29 August 2012 and they resolved to purchase a DDU for £15,000+. The clerk prepared a paper to support this resolution and that referred to purchasing a DDU from SimNet. The resolution actually passed was to purchase a DDU for £15k+, no company name was mentioned and no guidance was given to the clerk on who to approach for tenders or quotes.
- 2.9. A quote was obtained from SimNet on the 12 November 2012, giving a quote of £23,330 plus VAT of £4,666 plus monthly costs of £805 plus VAT of £161 for a minimum period of 3 years.
- 2.10. This quote was not passed back to the Council for review or authorisation as the standing Orders for contracts state that 'The Town Clerk shall have power to accept tenders (where required) and to enter into contracts on behalf of the Council, when the principle and budget have been approved by Council.'
- 2.11. Therefore, the lack of tenders and quotes was not brought before the Council as a budget had been approved for the purchase of the unit, although the budget was exceeded.
- 2.12. On the 7 March 2013 the Full Council met and resolved to accept a report issued by the town clerk and to increase the budget. The report again referred to purchasing a digital unit from SimNet and it stated that the 'notion of

purchasing a SimNet outdoor display unit was approved by the Finance and Policy Committee', it also referred to an increased cost of 'circa £25k'.

- 2.13. An invoice was provided by SimNet dated the 1 April 2013. This invoice was for £25,555 plus VAT of £5,111. This invoice tied the Council into 3 years maintenance at £750 per month. This would have resulted in an additional cost of £27,000.
- 2.14. A specification of the DDU was drawn up by the Town Council; no named individual is on the specification, on the 16 April 2013. This was drawn up 5 months after the quote from SimNet was obtained and also 8 months after the decision was made by the Finance Policy Committee resolved to purchase a Digital Display Unit. This specification was not reviewed or adopted by the town Council in any meeting between April 2013 to September 2013.
- 2.15. A credit check was undertaken on SimNet sometime between May and July 2013.
- 2.16. A final invoice was obtained dated 18 July 2013. This invoice was for £25,740 plus VAT of £5,148. This invoice only had a 3 month contract period for £650 per month so included £1,950 for maintenance costs.
- 2.17. There are no minutes confirming that any payment terms were agreed by the Council, but the invoice had a handwritten note written on it that a 65% deposit would be paid, with another 15% when the unit arrives at SimNet, another 15% on delivery to the Council and a final 5% on satisfactory performance of the unit.
- 2.18. This final invoice was used to pay the 65% deposit which was paid on the 18 July 2013. This payment was approved at minute ref CTC 27/1314 on the 19 September 2013. The decision to pay the deposit was made as the clerk has confirmed that the unit was being purchased from a supplier in Lithuania and payment was required prior to shipping of the goods.
- 2.19. Over a year passed and no DDU was delivered or mentioned in any meeting of the Council.
- 2.20. On the 28 August 2014 Finance and Policy committee met and discuss the DDU

DIGITAL DISPLAY UNIT

A detailed report on the status of the company providing the Digital Display Unit was discussed and it was noted that it appeared that the company had ceased trading.

FAP/17/1415 RESOLVED that:

1. The report be received.
 2. The Town Clerk to identify the actual status of the Company involved and take appropriate action.
- 2.21. 23 October 2014 - min ref 17 Resolved that a small working party should be set up to ensure that when such an order for equipment is made in the future, there is a set of procedures in place to be included in the financial regulations.
 - 2.22. From a review of company records the first notice of strike off in relation to SimNet was dated 29 May 2014 and SimNet Ltd was suspended on the 29 July

2014, then another first notification of strike off was dated the 12 February 2015.

- 2.23. To date no Digital Display Unit has been delivered by SimNet to Congleton Town Council.

Summary and conclusions

- 3.1. The above timeline details the events which led to the payment of a 65% deposit for a DDU.
- 3.2. All transactions undertaken by a council should be governed by the Financial Regulations and standing orders for contracts which are in force at the time.
- 3.3. The Financial Regulations and standing orders state that for all orders over £25,000 3 tenders should be sought. 4.2 of the Orders state that tenders need not to be invited where ii) there would be no genuine competition on account of the uniquely specialised nature of the goods/services.
- 3.4. The Orders go on to state that if the goods are of a specialised nature of which the council have limited expertise then it may be necessary to engage the use of established procurement specialists.
- 3.5. The clerk has confirmed that he and other Councillors had little knowledge in the area of digital display units so needed a company which could provide a complete hardware and software solution as they did not wish to source the two aspects individually.
- 3.6. If the purchase cost is under £25,000 Financial regulations state that 3 quotes should be obtained.
- 3.7. The costs from the final invoice were:
 - 3.7.1. Outdoor unit £13,280
 - 3.7.2. Transport costs £420
 - 3.7.3. Software set up £1,500
 - 3.7.4. Scale License fee, one off costs £50
 - 3.7.5. Set up system + content design £6,500
 - 3.7.6. PC player £1,500
 - 3.7.7. Scale License fees, per month £40
 - 3.7.8. Maintenance fee £1,950
 - 3.7.9. Site survey £500
 - 3.7.10. Total cost 25,740, including maintenance of £1,950
- 3.8. There were also further costs for a power supply to be installed at a cost of £2,200.
- 3.9. The cost of the entire purchase was therefore in excess of £25,000 and tenders should have been obtained or a procurement specialist should have been engaged to oversee the transaction.
- 3.10. There is no certainty over the Council confirming the total cost of the order and confirming which regulations they should abide by. Either it is under £25,000 and the regulations which concerning quotes should have been followed, or it is over £25,000 and the regulations concerning tenders should have been followed.
- 3.11. There appears to be no test undertaken by those charged with Governance to ensure that the correct Financial Regulations were being followed.

- 3.12. If the Council believed that the cost was over £25,000 then tenders should be obtained unless they rely upon the belief that there was no genuine competition due to the specialist nature of the goods. However, if they decide that is why no tenders were obtained then they should have used procurement specialists to ensure they obtained best value, as the clerk has already confirmed they had limited expertise in this area.
- 3.13. Financial regulations state 'All Members and officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers'.
- 3.14. The clerk has demonstrated that he did try to secure best value by obtaining a reduction in the monthly maintenance costs from 3 years to 3 months.
- 3.15. However, no tenders were sought for the purchase of the DDU and also no quotes were obtained as the clerk has stated that the item is of a specialist nature. The specialist nature of goods and services is only mentioned in the standing orders for contracts when assessing if tenders are to be obtained. No reference is made to specialist nature of goods or services when considering quotes.
- 3.16. Only the quote from SimNet was obtained.
- 3.17. Although not required by Financial Regulations a credit search was undertaken on SimNet and they revealed that the company was very young, only being formed on the 14 May 2009. The company had filed accounts and had good credit worthiness, although the credit limit suggested was £5,000. The Council decided to pay a deposit when there was clearly funds available to the company and the credit limit was not followed. The paying of the deposit is similar to giving credit as you are essentially giving the company credit when you give them the money with no goods in return.
- 3.18. No references were obtained, although one was given by SimNet for Cheshire West and Chester City Council, or followed up. The reference given for Cheshire West and Chester City Council should have been followed up by contacting them to confirm the level of service they received and the quality of the goods supplied.

4. Recommendations

- 4.1. We make the following recommendations:
- 4.2. We would recommend that the Council consider lodging a claim against SimNet for recovery of monies paid for goods not delivered. A copy of the paid cheque could be obtained as evidence of payment.
- 4.3. That the council follow their financial regulations currently in place which state:
 - 4.3.1 In line with Financial Regulations when orders are placed which exceed £25,000 3 tenders are obtained
 - 4.3.2 In line with financial Regulations when orders are placed between £2,000 to £25,000 3 quotes are obtained
 - 4.3.3 In line with Financial Regulations when items are purchased which are said to have a specialist nature this should be minuted by the Council and a procurement specialist should be sought.
- 4.4 That the Financial Regulations are updated to deal with the following:
 - 4.4.1 When it is not clear if the goods or services are going to exceed the £25,000 limit it should be made clear in the Financial Regulations that the council should follow the quotations regulations and if the quotations support the fact that the quotation limit is to be exceeded then the tender regulations should be followed.
 - 4.4.2 The Financial Regulations and Standing Orders for contracts should be updated to state that when tenders and quotes are not obtained this matter is brought before the council for approval.
 - 4.4.3 The Financial Regulations and Standing Orders for contracts should be updated to state that when purchases are to be made over £25,000 references should be taken and followed up. If the credit reports recommend a limit this limit should be followed.
 - 4.4.4 The Financial Regulations should be updated to state that when payment terms are to be agreed with a supplier these should be put before the Council for approval.
 - 4.4.5 Financial Regulations and Standing Orders for contracts should be updated to state that if an item is deemed to be of a specialist nature then a specification should be drawn up prior to any quotes or tenders being obtained.
 - 4.4.6 Financial Regulations should also be updated to note that when specifications are drawn up, especially for specialist goods or services, these should be reviewed and adopted by the Town Council.

BDO LLP
Arcadia House
Ocean Village
Southampton
SO13 4TL

May 2014

Appointed External Auditor, June 2012 for the 2012/13 and continuing

External Auditors Report

The External Auditors report has now been made available, whilst its findings are at variance with the finding of the Town Council's Internal Auditors who were unequivocal in their finding which were twofold:-

1. The Council have acted in accordance with the terms of their Standing Orders and Financial Regulations
2. The External Auditor was acting beyond their remit in examining this situation

However, there is no merit in continuing with this debate as it time for the Town Council and everyone else to move on.

Lessons have been learnt and the Town Council some 6 months ago proposed amending its Financial Regulations so that future projects would be handled differently, indeed this was virtually mirrored in the recommendations provided by the External Auditor.

Regrettably the order placed with Simnet Limited lead to the Council losing £16,730 in monies paid to the company which subsequently failed. The Council and its officers apologise unreservedly that the subsequent result of this action led to the loss of the money involved.

Statutory Meeting of Creditors Dealing with the Receivership of Simnet Ltd

The meeting with Milner Boardman and Partners took place at their premises at Hale on Monday 8th June.

Present were representatives of the receiver, Perica Simunovic representing Simnet and Cllr Jean Parry and the Town Clerk. Other creditors included HMRC, HSBC Bank and Morris & Co, none of whom were present.

A summary was provided of the company history including an explanation of why the company got itself into difficulties and became insolvent. The draft accounts prepared for the financial year ended 31st May 2014 showed a loss of £39,715.

An estimated statement of affairs as of the 8th June 2015 showed a total company loss of £41,319.

As there are no funds in the company, the directors of Simnet agreed to pay £4,800 to pay for the cost of the liquidator.

It was pointed out during the meeting that The Town Council had some concerns at how the deposit paid by the Council had been used as the quantum of deposit paid should have been sufficient to purchase the materials needed to complete the order.

The receivers were requested specifically to look at this aspect to determine whether or not the deposit money may have been used to pay unknown or unreported creditors in preference to completing the order for the Council and if this took place was this considered to be fraudulent or wrongful trading.

If the directors of the company at the time they took the deposit knew that they could not fulfil the order they would have been acting in breach of their fiduciary duties.

The receivers agreed to pass the comments made by the Council to their Insolvency Team to examine when winding up the company



MILNER BOARDMAN
& PARTNERS

Corporate Recovery

The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ

Tel: 0161 927 7788

Fax: 0161 941 3038

www.milnerboardman.com



Our ref: DTB/wls/2389/08

8 June, 2015

TO ALL KNOWN CREDITORS

Dear Sirs

Simnet Limited - IN LIQUIDATION

REPORT OF THE MEETING OF CREDITORS HELD ON 08 June 2015.

The statutory meeting of creditors pursuant to s98 Insolvency Act 1986 in the above matter was held at 187a Ashley Road, Hale, Cheshire. Perica Simunovic, a director of the company, acted as chairman of the meeting.

I was appointed Liquidator of the company at the statutory meeting of shareholders held on 08 June 2015 and my appointment was confirmed at the meeting of creditors held later the same day. The following information was made available to the meeting and is enclosed: -

1. History of the company as prepared by the director
2. Summary statutory information
3. Estimated statement of affairs
4. Estimated deficiency account
5. List of creditors
6. Liquidator fee scales

The following information was also presented to the meeting: -

1. Instructions to convene the meeting of creditors were given by the directors on 14 May 2015.
2. Prior to receiving the instructions of the director, neither the firm nor any of the partners of Milner Boardman & Partners had had any prior involvement with the company.

The following resolutions were passed at the meeting: -

1. Milner Boardman & Partners be authorised to draw the sum of £4,000 plus VAT, for their assistance in the preparation of the statement of affairs and in convening the meeting. To authorise that they be paid by the Liquidator as and when sufficient cash becomes available.

2. That the Liquidator be paid in accordance with time costs spent in carrying out his duties, at the applicable rates charged by Milner Boardman & Partners, to be drawn as and when appropriate.

The Liquidator, on present information, believes that there is no prospect of a dividend being paid to creditors in this case.

Prescribed Part

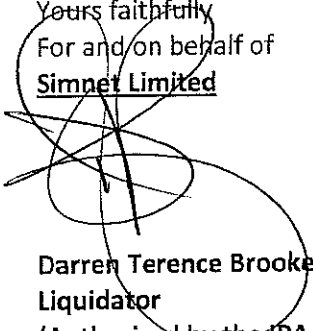
Under the provisions of Section 176A of the Insolvency Act 1986 the Liquidator must estimate the amount of funds available to unsecured creditors in respect of the prescribed part. This provision only applies where the company has granted a floating charge to a creditor after 15 September 2003. This provision will not be relevant as there are no charges registered against the company.

A copy of "A creditors guide to Liquidators fees" is available from this office on request. Alternatively, you may download a copy from the following website: www.insolvency-practitioners.org.uk where you click on "Creditors Guides" and then click on "Liquidators' Fees November 2011.

Under the provisions of the Insolvent Companies (Report on Conduct of Directors) No 2 Rules 1986, it is the duty of the Liquidator to report to the Secretary of State on the conduct of the directors whilst administering the affairs of the company. It would therefore be appreciated if creditors would contact this office with details of any instances in which they consider the directors have not fully discharged their duties and details of any matters which you consider should be incorporated in the Liquidator's report.

If you require any further information please do not hesitate to contact his office.

Yours faithfully
For and on behalf of
Simnet Limited



Darren Terence Brookes
Liquidator
(Authorised by the IPA to practise
as an Insolvency Practitioner)

Brian Hogan

From: Wendy Shaw <WendyS@milnerboardman.co.uk>
Sent: 11 June 2015 11:20
To: Brian Hogan
Subject: Simnet Limited - In Liquidation.

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Red Category

Good morning Brian,

It was good to meet you and your colleague Jean on Monday.

My apologies for not being in touch since the meeting, I have been away from the office for 2 days on sick leave.

I have spoken with our forensic investigator Mr Mike Hill, mikeh@milnerboardman.co.uk
He is back in the office tomorrow and will give you a call to introduce himself.

I have taken the time to double check the papers from the Accountants regarding the VAT figure of £3,198. The figure was actually taken from a draft balance sheet for 31 May 2014, I have amended the date in the report and this will be posted to you this week. My apologies for this error.

If in the meantime you have any further queries in regard to the case, please do get in touch.

Kind regards
Wendy

Wendy Shaw

Milner Boardman & Partners
The Old Bank
187a Ashley Road
Hale
Cheshire
WA15 9SQ
Telephone : 0161 927 7788
Fax : 0161 941 3038

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Simnet Limited

STATUTORY MEETING OF CREDITORS HELD IN ACCORDANCE
WITH s98 INSOLVENCY ACT 1986

8 June 2015

CONTENTS

1	Director's Report
2	Statutory Information
3	Director's Estimated Statement of Affairs
4	Deficiency Account
5	Summary of Financial Information
6	List of Creditors

SIMNET LIMITED

DIRECTOR'S HISTORY

Simnet Limited ("the Company") was incorporated on 14 May 2009 and commenced trading immediately. The principal trading activity was website design and the provision of digital signage.

Perica Simunovic was appointed as director of the Company on incorporation and remained sole director throughout trading. The Company also employed Mr William Simunovic as the company secretary and also in a sales role.

Trading was initially conducted from the director's home address on Walls Avenue in Chester. Operations were moved to a rental property in April 2010 at Old Marsh Barns Farms, Sealand, Flintshire, returning to Walls Avenue in December 2013.

The Company operated a bank account HSBC Bank PLC ("HSBC"). Finance was provided by way of a £9,500 overdraft facility which was personally guaranteed by the director. At cessation of trade, it was estimated that the account was overdrawn in the sum of £2,900.

The last set of accounts submitted to Companies House are abbreviated accounts for the year ended 31 May 2012, which show a profit of £50,684 for the year. The previous years' accounts to 31 May 2011 showed a nil balance on the profit and loss account. The Company moved accountants in May 2013 and draft accounts prepared by the new accountants for the year ended 31 May 2014 record a loss for the year of £39,715.

Early in 2013, the Company won a substantial contract with a major bookmaker and had received a number of promises of new work. The nature of the industry meant that a lot of free trial work was necessary to promote the Company's products.

By late autumn 2013, it became apparent that there were a number of difficulties arising with the large "bookmaker" contract and a lot of the free trial work and promised work did not convert into new contracts, meaning the Company was unable to recoup money and time invested. In addition, three additional contracts were cancelled at the last minute.

The director considered the position of the Company but believed that the "bookmaker" contract would come good and continued trading would produce new work and turn round the Company's fortunes.

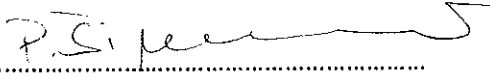
By May 2014, the Company was no longer able to trade as the promised contracts failed to materialise and the problems with the "bookmaker" contract were unable to be resolved. The director therefore took the decision to cease to trade the Company and the accountant was subsequently instructed to prepare accounts up to cessation.

At the end of March 2015, once the draft accounts had been produced, it became apparent that the Company was insolvent and the director sought professional advice. It was agreed that steps should be taken to convene meetings of members and creditors to place the Company into Creditors' Voluntary Liquidation.

In the opinion of the director, the reasons for the failure of the Company are:

- Difficulties associated with the "bookmaker" contract
- Free trial work which did not convert to contracts

- Last minute cancellation of contracts

A handwritten signature in black ink, appearing to read 'P. Simunovic', written over a horizontal dotted line.

Perica Simunovic
Director

Simnet Limited

STATUTORY INFORMATION

Company Number	06905304
Date of Incorporation	14 May 2009
Registered Office	Chester House Lloyd Drive Cheshire Oaks Business Park Ellesmere Port CH65 9HQ
Trading address	4 Walls Avenue Chester CH1 4JB

SHARE CAPITAL

Authorised	1000 Ordinary Shares @ £1 each
Issued	100 Ordinary Shares @ £1 each Paid

OFFICERS AND SHAREHOLDINGS

Director	Perica Simunovic
Shareholding	Perica Simunovic (50) William Simunovic (50)
Secretary	William Simunovic
Registered charges	None registered

Other documents filed at Companies House

Last accounts made up to:	31 May 2012
Last annual return made up to:	14 May 2013

Insolvency Act 1986

Simnet Limited
Estimated Statement Of Affairs as at 8 June 2015

	Book Value £	Estimated to Realise £
ASSETS		
Fixtures & Fittings *	10,225.00	NIL
Director's Contribution to Costs/Loan	4,800.00	4,800.00
		<u>4,800.00</u>
LIABILITIES		
PREFERENTIAL CREDITORS:-		
		NIL
		<u>4,800.00</u>
DEBTS SECURED BY FLOATING CHARGE PRE 15 SEPTEMBER 2003		
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		NIL
		<u>4,800.00</u>
Estimated prescribed part of net property where applicable (to carry forward)		NIL
		<u>4,800.00</u>
DEBTS SECURED BY FLOATING CHARGE POST 15 SEPTEMBER 2003		
		NIL
		<u>4,800.00</u>
Estimated prescribed part of net property where applicable (brought down)		NIL
		<u>4,800.00</u>
Unsecured non-preferential claims (excluding any shortfall to floating charge holders)		
Trade & Expense	21,605.00	
HSBC Bank PLC	2,900.00	
HMRC (Corporation Tax)	18,316.00	
HMRC (VAT)	3,198.00	
		<u>46,019.00</u>
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)		(41,219.00)
		<u>(41,219.00)</u>
Issued and called up capital Ordinary Shareholders	100.00	
		<u>100.00</u>
TOTAL SURPLUS/(DEFICIENCY)		<u><u>(41,319.00)</u></u>

NOTES TO THE ESTIMATED STATEMENT OF AFFAIRS AS AT 8 June 2015

1 Fixtures & Fittings

The last accounts prepared up to 31 May 2012 record fixtures and fittings with a book value of £10,225, however these assets were left at the Company's former trading address and there will be no realisations in this respect.

2 Director Contribution to Costs/Loan

The director has agreed to pay £4,800 to assist with the cost of the Liquidation. This is being held in the Client account of Milner Boardman & Partners until the appointment of a Liquidator.

3 Trade & Expense

The director estimates that the Company owes Congleton Council £20,077.20 in respect of a deposit paid for a contract that was not completed and £1,528.68 fees to its accountants.

4 HSBC Bank

The Company held a bank account with HSBC Bank PLC ("HSBC"). The director estimates that the account is overdrawn by £2,900.

5 HMRC (Corporation Tax)

The director estimates that the Company owes HMRC £21,658.58 in respect of Corporation Tax liabilities for the year ended May 2012. However after terminal losses are applied, this would reduce the liability by £3,342.20 to £18,316.38.

6 HMRC (VAT)

The director estimates that the Company owes HMRC £3,198 in respect of VAT liabilities for the year ended May 2013.

Simnet Limited

ESTIMATED DEFICIENCY ACCOUNT

(£)

Deficiency as per Estimated Statement of Affairs

41,319

Less : Amounts written down in the preparation of the Statement of Affairs

	Book Value (£)	Estimated to realise (£)	Amount written down (£)
Fixtures and fittings	10,225	0	10,225
	-----	-----	-----
	10,225		10,225
	-----	-----	-----

10,225

Less: Other matters affecting profit and loss
ie (Employee redundancy and notice pay)

Add : Positive balance on profit & loss account as at 31 May 2012

50,684

Estimated trading loss for the period 1 June 2012 to 8 June 2015
(Approx 36 months)

81,778

Simnet Limited

SUMMARY FINANCIAL INFORMATION

	Abbreviated Accounts prepared for year ended 31-May-12	Abbreviated Accounts prepared for year ended 31-May-11
<u>Income and Expenditure items</u>		
Fixed assets	10,225	13,133
Net Current Liabilities	40,559	13,033
Total Assets less current Liabilities	50,784	100
Profit and Loss account	50,784	100
Dividends	0	0
Shareholders Funds	50,784	100

Milner Boardman & Partners
Simnet Limited
B - Company Creditors

Key	Name	Address	£
CC00	Congleton Town Council	Town Hall, High Street, Congleton, CW12 1BN	20,077.20
CH00	HMRC (Corporation Tax)	CT Services S1001, PO Box 29997, Glasgow, G70 5AB	18,316.38
CH01	HSBC Bank	47 Eastgate, Chester, Cheshire, CH1 1XW	2,900.00
CH02	HMRC (VAT)	Insolvency Unit, 5th Floor, Regian House, James Street, Liverpool, L75 1AA	3,198.00
CM00	Morris & Co	Chester House, Lloyd Drive, Cheshire Oaks Business, Ellesmere Port, Cheshire, CH65 9HQ	1,528.68
5 Entries Totalling			46,020.26

Signature _____

- (b) Where it is intended to enter into a contract exceeding £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such good, materials, works or specialist services as are excepted as set out in paragraph (a) the Town Clerk shall invite tenders from at least three firms. (See Standing Orders for Contracts)
- (c) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- (d) Such invitation to tender shall state the general nature of the intended contract and the Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- (e) All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk or RFO in the presence of at least two members of the Council.
- (f) If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works, **subject to the approval of the Finance and Policy Committee**
- (g) Any invitation to tender issued under this regulation shall contain a statement to the effect of Standing Orders 65, 66 and 67.
- (h) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

12. PAYMENTS UNDER CONTRACTS AND FOR ALL OTHER CAPITAL PURCHASES

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalment the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of the work carried out under a contract, excluding agreed variations, will exceed the contract sum by 5% or more, a report shall be submitted to the Council.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the Council and confirmed by the Town Clerk to the Contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.
- 12.4 **Any capital project of a value exceeding £k10 will be subject to the following:-
The Town Mayor, Deputy Mayor, Chairman and Vice Chairman of Finance and**

Policy to have delegated powers along with the Town Clerk to agree the financial Details of the purchase of goods, including agreeing terms of payment. (At least 3 of the Councillors to be present when a decision is taken).

- 12.5 A financial search will be undertaken of the supplier's credit worthiness and financial Status and appropriate references taken up from previous customers. The option to consider using an Advanced Payment Bond to be explored where appropriate.
- 12.6 Final payment of invoice to be dependent on ensuring the goods are fit for purpose and meet the specification set by the Town Council.
- 12.7 Purchases of a high value exceeding £k25 should be referred to the Finance and Policy Committee for approval including the terms of payment.
- 12.8 When specifications are drawn up for the purchase of goods and or services then such specifications should be reviewed and adopted by the Finance and Policy Committee.

13. STORES AND EQUIPMENT

- 13.1 The relevant manager shall be responsible for the care and custody of stores and equipment.
- 13.2 Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14. PROPERTIES AND ESTATES

- 14.1 The Town Clerk shall make appropriate arrangements for the custody of all title deeds of properties owned by the Council. The Town Clerk shall also ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Regulation 4(3)(b) of the Accounts and Audit Regulations 1996 as amended.
- 14.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £200.

15. INSURANCE

- 15.1 Following an annual risk assessment, the Town Clerk shall affect all insurances and negotiate all claims on the Council's insurers.
- 15.2 The Town Clerk shall keep a record of all insurances affected by the Council and the property and risks covered thereby and annually review it.

- 15.3 The Town Clerk shall report to the Council at the next available meeting any loss, liability or damage or any event likely to lead to a claim.
- 15.4 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.