
Executive

12 July 2018

Report of Corporate Director of Economy and Place

Portfolio of the Executive Member for Economic Development and
Community Engagement

YNY Ltd

Summary

1. This report proposes that the Executive withdraw from its membership of YNY Ltd in order that the Company can be dissolved.

Recommendations

2. This report is seeking consent in principle, as a member of the Company to approve the following:-
 - a) Replace the current articles of association with un-amended model articles of association for private companies limited by guarantee to allow for sole directors, members of less than 2 and distribution of the residue in the bank account to be used towards the administrative costs of dissolving the Company;
 - b) Following the amendment of the articles, a formal letter from City of York Council and York & North Yorkshire Chamber of Commerce give 7 clear days' notice of their respective cessation of membership.
 - c) Delegate to the Corporate Director of Economy and Place any additional necessary actions to bring the above recommendations into effect.

Reason: To allow the orderly dissolution of YNY Ltd, a Company which is no longer required by the Partners.

Background

3. The Company was original incorporated in 1994 under the name Savonmill Limited. Over the years, it has undergone various name changes; Business Link North Yorkshire Limited (1996-2001), Business Link York and North Yorkshire Limited (2001-2008), before being re-named YNY Ltd in 2008.
4. YNY Ltd is a private company limited by guarantee with no share capital and has 3 guarantors (members); North Yorkshire County Council, City of York Council and York & North Yorkshire Chamber of Commerce. The main objective of the Company is to support economic growth in York and North Yorkshire and to distribute the reserves of the Company in the form of grants to organisations in York and North Yorkshire to encourage business support and the development of businesses.

The Company's Present Position

5. At a board meeting which took place on 12 February 2014, the following resolutions were agreed by the board;
 - YNY Ltd shall revert to the control of North Yorkshire County Council with effect from 1 July 2014.
 - All directors shall resign their positions, with the exception of North Yorkshire County Council Director.
6. However, prior to the transfer to North Yorkshire County Council, no formal letter was received by City of York Council or York & North Yorkshire Chamber of Commerce, giving the 7 days clear notice of their cessation of membership as required by the Company's articles of association. Furthermore, the current articles do not allow there to be less than 2 members of the Company, nor allow for sole directors.
7. At present, the Company has £2,833.59 remaining in its bank account. Currently, the articles do not allow for any leftover money on the winding up or dissolution of the Company to be distributed amongst the members; it must be used as grant money. The Company has remained dormant since 2014. It has no employees, it has no agreements with any creditors, it does not own any assets and has no outstanding debts or charges.

Future of the Company

8. The Company (which is a not-for-profit company) has not actively traded for over 3 years and has a nominal residue left in its bank account. However, there are on-going costs for the Company to file dormant accounts and confirmation statements each year to HMRC and Companies House.
9. For these reasons, the NYCC Director has advised that the most sensible option, both financially and commercially, is to begin the process of dissolving the Company and, with CYC agreement, to use the remainder of the money in the Company's bank account towards the final set of accounts to be prepared by the Company's accountants (BHP Chartered Accountants) and the application to Companies House to strike the Company off the register.
10. As the Company is limited by guarantee and has no share capital, every member is liable to contribute a sum not exceeding £1 in event of the Company being wound-up whilst still a member or within 1 year thereafter.
11. Legally, the Company will need to put in place the actions that were agreed at the aforementioned board meeting before it can be dissolved.

Options for Consideration

12. The Company's present position as understood by CYC Council Officers up until last month is reflected in paragraph 5 above. This understanding was reflected in the report to Executive on 30th June 2016 and reported what was believed to be all the companies in which CYC had an interest at that time.
13. The communications from NYCC has now confirmed this latest CYC interest in YNY Ltd and the necessary administrative measures necessary to bring effect to a position that was agreed in 2014.
14. As there is no ongoing rationale for the company to exist from the guarantors and CYC perspective and NYCC are prepared to dissolve the company using the Company's limited resources as a contribution to this process. Officers recommend CYC agree to

the necessary measures to proceed with the dissolution of the company.

Council Plan

15. The above proposal contributes to the Council Plan of:
- A prosperous city for all

Implications

16. This report has the following implications:

Financial – it is anticipated that all of the the remaining funds of £2,833.59 in the Company’s bank account would be used towards the final set of accounts to be prepared by the Company’s accountants (BHP Chartered Accountants) and the application to Companies House to strike the Company off the register

Human Resources – None

Equalities – None.

Legal – the Company will need to put in place the actions in this report in order to give effect to the course of action that agreed at the aforementioned board meeting before it can be dissolved. In respect of the issue of officer awareness of the existence of the company and the possibility that other companies exist that CYC or it’s predecessor entities had involvement in officers are unaware of any other companies that CYC are involved in other than those detailed in the 2016 report. This however is not a definitive statement as officers can only confirm their state of knowledge at this time.

Crime and Disorder – None

Information Technology - None

Land – None

Other – None

Risk Management

17. In compliance with the Council's risk management strategy the main risks that have been identified associated with the proposals contained in this report are those which could lead to the inability to meet business objectives and to deliver services, leading to damage to the Council's reputation. The level of risk is assessed as "Low" and therefore acceptable.

Contact Details

Authors:

Neil Ferris
Corporate Director
Economy and Place
Tel: (01904) 551448

Chief Officer Responsible for the report:

Neil Ferris
Corporate Director of Economy and Place

Date: 20th June 2018

Specialist Implications Officer(s)

Andy Docherty, Assistant Director Legal & Governance

Wards Affected: All

For further information please contact the author of the report.

Background Papers: None

List of Abbreviations used in this report:

CYC – City of York Council
NYCC – North Yorkshire County Council