
By: John Simmonds, Cabinet Member for Finance & Business Support
Andy Wood, Corporate Director of Finance & Procurement

To: Governance and Audit Committee Trading Activities Sub Group - 28
September 2012

Subject: KCC's Dormant Companies

Classification: Unrestricted

Summary: To report on KCC's dormant companies, as requested at the Governance and Audit Committee Trading Activities Sub Group meeting on 4 July 2012.

FOR ASSURANCE

INTRODUCTION

1. At the last meeting of the Governance and Audit Committee Trading Activities Sub Group on 4 July 2012, it was agreed that a report on KCC's dormant companies be presented at the Sub Group's next meeting. It was recommended that the requisite action be taken to dissolve the dormant companies, unless there were found to be appropriate reasons for any of them to remain in existence.
2. KCC's five dormant companies are as follows:
 - Invicta Services Ltd.
 - Kent Training Centres Ltd.
 - Kentish Fare Ltd.
 - Invicta Innovations Ltd.
 - Kent Access Ltd.
3. This report provides an update on the progress that has been made in dissolving the dormant companies.

PROCESS FOR DISSOLVING DORMANT COMPANIES

4. By way of background information, the process for dissolving a dormant company is, in outline, as follows:
 - i. An application for dissolution under section 1003 of the Companies Act 2006 is made by completing and submitting a Form DS1 (Striking off application) for the dormant company, together with a £10 fee, to Companies House. Note: the Form DS1 must be signed by the majority of directors.

- ii. Members of the company (shareholders) must be warned before the application is made as they are entitled to object to the company being struck off.
- iii. All organisations and parties who may have an interest in the company's affairs should be notified by sending them a copy of the application; examples of such parties would be HMRC, employees, and any directors of the company who did not sign the Form DS1.
- iv. On receipt of the application for dissolution by Companies House, notice of the proposed dissolution is published in the London Gazette to allow any interested parties the opportunity to object.
- v. Where there are no reasons to delay, the Registrar strikes the company off the register not less than 3 months after the date of the notice.
- vi. The company is dissolved on publication of a further notice stating this in the London Gazette.

PROGRESS TO-DATE

5. KCC Finance engaged KCC Legal Services to drive the company dissolution process. The table below shows the progress made to-date (i.e. as at the time of writing this report):

| Company | Current status |
|---------------------------|---|
| Invicta Services Ltd | Form DS1 lodged (by Commercial Services) with Companies House on 3/7/12 |
| Invicta Innovations Ltd | Form DS1 lodged with Companies House on 20/8/12 |
| Kent Access Ltd | Form DS1 lodged with Companies House on 16/8/12 |
| Kentish Fare Ltd | See Paragraph 6 below |
| Kent Training Centres Ltd | Form DS1 lodged with Companies House 16/8/12 |

Note: With the exception of Kentish Fare Limited (see paragraph 6 below), the completion of the remaining steps in the process (i.e. steps iv to vi in paragraph 4 above) should result in KCC's dormant companies being dissolved and struck off the Companies House register by the end of November 2012. Towards the end of November, KCC Legal Services will contact Companies House to seek confirmation that the companies have been dissolved.

6. Kentish Fare Limited is the predecessor of Produced in Kent Limited, albeit a separately registered company. Produced in Kent Limited owns the domain name "kentishfare.co.uk" and that, together with Kentish Fare Limited, forms the Intellectual Property of Produced in Kent Limited. To protect this Intellectual Property, the Directors of Kentish Fare Limited have recommended the company is not dissolved, and instead that ownership is transferred to Produced in Kent Limited. This course of action is supported by KCC's Corporate Director of Finance and Procurement, and the

recommendation is to be placed on the agenda 'For Approval' at the next board meeting of Produced in Kent Limited in October 2012.

RECOMMENDATION

7. Members are recommended to note the contents of this report for assurance, and to note the progress in dissolving KCC's dormant companies.

Guy Record, BSS, Finance & Procurement, September 2012