

**GOVERNANCE AND AUDIT COMMITTEE TRADING
ACTIVITIES SUB GROUP**

Friday, 1st March, 2013

3.00 pm

**Wantsum Room, Sessions House, County Hall,
Maidstone**



AGENDA

GOVERNANCE AND AUDIT COMMITTEE TRADING ACTIVITIES SUB GROUP

Friday, 1 March 2013 at 3.00 pm

**Wantsum Room, Sessions House, County
Hall, Maidstone**

Ask for:

Andrew Tait

Telephone:

01622 694342

Tea/Coffee will be available 15 minutes before the meeting

Membership (3)

Conservative (2): Mr R L H Long, TD and Mr C T Wells

Liberal Democrat (1): Mr T Prater

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

Item

- 1 Substitutes
- 2 Declarations of Interest by Members for items on the agenda
- 3 Minutes - 28 September 2012 (Pages 1 - 4)
- 4 Statutory Accounts for those companies in which KCC has an interest (Pages 5 - 104)
- 5 Dissolution of Kent Cultural Trading and Kent on Canvas (Pages 105 - 108)
- 6 Progress report on the transformation programme to re-align Commercial Services following external review of its activities (Pages 109 - 118)
- 7 EduKent Progress Report (Pages 119 - 122)
- 8 Motion to exclude the public
That under Section 100A of the Local Government Act 1972 the public be excluded from the meeting on the grounds that it involves the disclosure of Exempt information as defined in Paragraph 3 of Schedule 12A of the Act.

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the public)

- 9 Edukent progress report (Pages 123 - 158)

Peter Sass
Head of Democratic Services
(01622) 694002

Thursday, 21 February 2013

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

**GOVERNANCE AND AUDIT COMMITTEE TRADING ACTIVITIES
SUB GROUP**

MINUTES of a meeting of the Governance and Audit Committee Trading Activities Sub Group held in the Swale 3, Sessions House, County Hall, Maidstone on Friday, 28 September 2012.

PRESENT: Mr R L H Long, TD (Chairman), Mr T Prater and Mr C T Wells

ALSO PRESENT: Mr J D Simmonds and Mr B J Sweetland

IN ATTENDANCE: Mr A Wood (Corporate Director of Finance and Procurement), Mrs C Head (Chief Accountant), Mr G Record (Finance and Procurement Officer), Ms N Major (Interim Head of Internal Audit), Mr M Austerberry (Corporate Director, Environment and Enterprise), Mr I McPherson (Managing Director Commercial Services), Mr L Coulson (Head Of Strategic Finance), Mr D Jackson (Planning Director Commercial Services), Mr M Hyland (Executive Officer EKO LLP) and Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS

7. Minutes - 4 July 2012
(Item 3)

RESOLVED that the Minutes of the meeting held on 4 July 2012 are correctly recorded and that they be signed by the Chairman.

8. Protocol relating to companies in which KCC has an interest
(Item 4)

(1) The Corporate Director of Finance and Procurement invited approval of two minor amendments to the Protocol. The first of these was the addition of a final sentence to paragraph 7 (d) to read: "Where a company adopts its own policies, assurance must be provided that adequate policies and procedures are in place, with particular reference to anti-fraud and corruption."

(2) The second change proposed by the Corporate Director of Finance was the insertion of a new paragraph 7 (e) to read: "that appropriate due diligence has been completed which must include an evaluation of the background, experience and reputation of the company and/or the proposed and existing directors."

(3) RESOLVED that the Governance and Audit Committee be recommended to approve the proposed amendments to the Protocol set out in paragraphs (1) and (2) above.

9. East Kent Opportunities LLP

(Item 5)

(1) The Executive Officer EKO LLP reported on East Kent Opportunities LLP which was founded in 2008 as a Joint Arrangement (JANE) with Thanet DC in order to bring forward the economic development and regeneration of the Sites known as Eurokent and Manston Business Park. The key aim over the next 12 months was to promote a major outline mixed-use planning application for commercial, community and retail development and up to 550 new homes on the Eurokent site.

(2) In response to a question from Mr Wells, the Executive Officer EKO LLP said that the figure of £183,895 for Legal and Professional Administration Expenses in 2012 consisted mainly of the pre-application costs, including the public consultation process. The Spine road costs of £163,323 for the same year represented interest on the construction costs (spread over two years). He agreed to provide further details to the Panel Members following the meeting. He also agreed to clarify the relationship between EKO LLP and Employ Thanet.

(3) RESOLVED that subject to (2) above, the contents of the report be noted for assurance together with the East Kent Opportunities LLP Annual Report and Financial Statements for 2011/12 appended to the report.

10. KCC's dormant companies

(Item 6)

(1) The Corporate Director of Finance and Procurement reported on the County Council's dormant companies. He explained that "Produced In Kent" was very likely to take the decision not to dissolve the domain name "kentishfare.co.uk" but to transfer ownership of that name to itself.

(2) RESOLVED that the report be noted for assurance, including the progress in dissolving the County Council's dormant companies.

11. KCC's Limited Companies 2011/12 Statutory Accounts

(Item 7)

(1) The Corporate Director of Finance and Procurement presented the latest available Statutory Accounts for those companies in which KCC had an interest.

(2) The Interim head of Internal Audit explained that an accountant had been employed to produce 2011/12 accounts for Kent Cultural Trading Ltd. She would ascertain whether accounts for this company had been produced for 2010/11 when it had been largely dormant.

(3) The Sub-Group agreed to meet again in February 2013 in order to review the 2011/12 accounts of all those companies where only the 2010/11 accounts were currently available and that it would thereafter meet in February each year in order to consider the final Statutory Accounts.

(4) RESOLVED that in respect of those companies in which the County Council has an interest:-

- (a) the latest available Statutory Accounts be noted for assurance;
- (b) a further meeting of the Sub-Group be held in February 2013 to review the 2011/12 Statutory Accounts for those companies where only the 2010/11 accounts are currently available; and
- (c) the Sub-Group will consider the final Statutory Accounts for those companies in February each year.

12. Re-alignment of Commercial Services structure following external review of its activities.

(Item 8)

(1) Mr B J Sweetland, Cabinet Member for Environment, Highways and Waste explained that Commercial Services was a non-budget funded division of the County Council which funded itself from income generated by its own activities. It had made a net return to the County Council of £7m for the year 2011/12.

(2) Mr Sweetland had taken over responsibility for Commercial Services in May 2011 and had asked the Corporate Director to commission a review. This review had been undertaken by BDO and Eversheds and had identified areas for improvement in terms of transparency, particularly in respect of its ability to demonstrate the arms-length nature of the business.

(3) The Corporate Director, Environment and Enterprise said that following an individual assessment of Commercial Services' 26 business units, it had been decided to reconfigure them into 5 client-facing divisions. A Board had been established by the County Council in December 2011, consisting of Cabinet Members (Mr Gough, Mr Simmonds and Mr Sweetland) and senior officers.

(4) The Managing Director, Commercial Services informed the Panel that each member of staff in Commercial Services contributed on average £8,000 and an overall reduction in Council Tax per household equating to @ £22 per person per year. 84% of its turnover was from clients outside County Council controlled budgets. It was now appropriate to develop a simpler and more effective structure away from KCC. The staff were fully engaged and supportive, and discussions with the Trade Unions had been constructive.

(5) The Managing Director, Commercial Services then explained that the proposal was to simplify the current operating model from managing under five limited companies to two specific company structures. One would be a "Teckal"-compliant company, trading exclusively with the County Council. The other would enable Commercial Services to trade with the wider public and private sector under the auspices of Section 95 of the Local Government Act 2003. The client-facing divisions would continue as before, covering the areas of Education, Energy, Care, Employment and Direct Services.

(6) The Managing Director, Commercial Services replied to Members' questions by saying that it would be inappropriate to bring EduKent under the Commercial Services umbrella as it was a customer-led company which did not operate in order to make money. Commercial Services, in contrast, was a customer-focussed operation. The only "Teckal" businesses operating would be those that could

demonstrate value for money. In future, all monies would be accounted for in a single set of figures. The two companies would therefore account for the entire Commercial Services turnover.

(7) Mr Sweetland said that the new structure would enable Commercial Services to demonstrate that it was not being cross-subsidised by the County Council. This question had previously been blurred in the public mind. He added that although there were two companies which had consistently raised doubts about Commercial Services' method of operation, there were more than 60 others which had been helped by its work. It was not only necessary to comply with all rules, laws and regulations, it was also essential to be able to clearly demonstrate this.

(8) RESOLVED to note the report on the re-alignment of the Commercial Services company structure following external review of its activities.

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 - 1 March 2013

Subject: Statutory Accounts for those companies in which KCC has an interest

Classification: Unrestricted

Summary: To present 2011/12 Statutory Accounts that were not available for review at the G & A Trading Activities Sub Group meeting on 28 September 2012, and to provide an update on the dissolution of KCC's dormant companies.

FOR ASSURANCE

INTRODUCTION

1. At the G & A Trading Activities Sub Group meeting on 28 September 2012, Members received copies of the latest available Statutory Accounts for those companies in which KCC has an interest, and agreed that a further meeting of the Sub Group be held in February / March 2013 to review the 2011/12 Statutory Accounts for those companies where only the 2010/11 accounts were currently available.
2. Also, at the Sub Group meeting on 28 September 2012, Members were informed that the requisite steps had been set in train during July / August 2012 to dissolve, where appropriate, KCC's dormant companies.
3. This report presents 2011/12 Statutory Accounts (attached) for 6 companies that were not available for review on 28 September 2012, and provides an update on the dissolution of KCC's dormant companies.

2011/12 STATUTORY ACCOUNTS

4. The table below shows the key financial highlights with respect to 2011/12 Statutory Accounts (attached) that were not available for review at the G & A Trading Activities Sub Group meeting on 28 September 2012.

Company Name	Financial Year	Turnover / Income £k	Profit/(Loss) before Tax £k	Retained Profit/(Loss) £k	Net Assets £k
Association of Tourist Attractions in Kent Ltd <i>(see Note 1)</i>	2011/12	-	-	-	-
Groundwork Kent & Medway <i>(see Note 2)</i>	2011/12	953.2	N/A	(76.5)	124.8
Aylesham & District Community Workshop Trust	2011/12	183.3	N/A	(29.0)	1,873.7
The North Kent Architecture Centre Ltd	2011/12 (Abbreviated Accounts)	N/A	N/A	N/A	61.0
Visit Kent Ltd	2011/12	1,431.5	2.2	2.1	164.2
Trading Standards South East Ltd	2011/12 Abbreviated Accounts)	N/A	N/A	N/A	28.1
Business Support Kent Community Interest Company <i>(see Note 3)</i>	2011/12	3,922.0	(108.7)	(108.9)	309.9

Note 1 – The 2011/12 Statutory Accounts for the Association of Tourist Attractions in Kent Ltd will be available from end June 2013.

Note 2 – Re. Groundwork Kent & Medway, the loss of £76.5k in 2011/12 contrasts with a surplus of £42.7k in 2010/11. The Statutory Accounts state that, “2011/12 was an incredibly difficult year, with it becoming increasingly difficult to secure the required work needed to secure our predicted surplus. This was further compounded by the need to restructure.....and as part of this the Finance Manager’s post was made redundant. Going forward, in response to the strategic direction set up in the Federation [of Groundwork Trusts, of which Groundwork Kent & Medway is a member] and to meet the extremely challenging funding climate, the Trust [Groundwork Kent & Medway] is working towards merging with those Trusts forming the new Groundwork South. This new Trust will incorporate Groundwork Thames Valley, Groundwork Solent and elements of Groundwork South West. Hopefully this merger will be in place at the beginning of the next financial year in April 2013 and will mean Groundwork in Kent has an infrastructure to meet these challenges and a range of products to be both competitive but also deliver the services that reflect the charity’s commitment to local people”.

Note 3 – Business Support Kent Community Interest Company’s 2011/12 Statutory Accounts show a loss after tax for the year of £108.9k (cf. a loss after tax of £222.2k in

2010/11). The Statutory Accounts state that 2011/12 financial year “has been one of continued reorganisation and adjustment to deliver an organisation that is highly skilled but flexible in meeting the demands of the business going forward.....The company continues to win or renew programme delivery contracts, and works in collaboration with a number of partner organisations in the private and public sectors on local, national, and international initiatives.....The company will be dependent on securing additional project funding from both Europe and the UK in the short to medium term. The uncertainties associated with the economic situation for both sources and the overall focus on austerity programmes across the European Union will probably result in the business continuing to reduce in scale [2011/12 Turnover of £3,922k contrasts with 2010/11 Turnover of £5,043k]”. KCC does not hold any shares in Business Support Kent Community Interest Company, but it does contract with the company, and has representation on the Board by Barbara Cooper, Director of Economic Development at KCC.

UPDATE ON THE DISSOLUTION OF KCC’S DORMANT COMPANIES

5. The table below shows the progress made to-date (i.e. as at the time of writing this report) in dissolving KCC’s dormant companies:

Company	Current status
Invicta Services Ltd	See Paragraph 6 below
Invicta Innovations Ltd	Dissolved on 18/12/12
Kent Access Ltd	Dissolved on 18/12/12
Kentish Fare Ltd	See Paragraph 7 below
Kent Training Centres Ltd	Dissolved on 18/12/12

6. Re. Invicta Services Limited, the Form DS1 was lodged (by Commercial Services) with Companies House on 3/7/12. The dissolution, however, has been delayed due to an objection registered by HMRC. It should be noted that Invicta Services is a dormant company that has never traded. The reason for HMRC’s objection has yet to be clarified, however Companies House has confirmed in writing that “the [HMRC] objection is in force until 05/04/2013 after which dissolution action will commence provided no further objections are received”.
7. As reported at the G & A Trading Activities Sub Group meeting on 28 September 2012, the Directors of Kentish Fare Limited had recommended the company not be dissolved, and instead that ownership be transferred to Produced in Kent Limited (a course of action supported by KCC’s Corporate Director of Finance and Procurement). This transfer of ownership (specifically the shares held in the name of Economic Development Unit Kent Council) was approved at the separate board meetings of Kentish Fare Limited and Produced in Kent Limited, both held on 18 October 2012.

RECOMMENDATION

8. Members are recommended to note the contents of this report for assurance.

Guy Record, BSS, Finance & Procurement

February 2013



Groundwork Kent & Medway 2011-2012 Annual Report



Groundwork Kent & Medway
(A company limited by guarantee)
REPORT OF THE DIRECTORS

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The Directors submit their annual report and the audited financial statements for the year ended 31 March 2012

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The name of the Company is Groundwork Kent & Medway, referred to as "the Company" in this report. Groundwork Kent & Medway is a member of the Federation of Groundwork Trusts

Principal Office and Registered Office: *The Old Weighbridge
Manor Way
Swanscombe
Kent
DA10 0LL*

Telephone: *(01322) 384848*

Facsimile: *(01322) 385739*

e-mail: *gkm@groundwork.org.uk*

Website: *www.groundwork-km.org.uk*

Company Registration No: *3068263*

Charity Registration No: *1050417*

Company Members: *Dartford Borough Council
GlaxoSmithKline plc
Gravesham Borough Council
Kent County Council
Lafarge Cement UK plc
Medway Council
MHS homes
Swale Borough Council
Swale Housing Association
The Federation of Groundwork Trusts
Ward Homes Ltd*

Nominated Directors

<i>Cllr Ann Allen</i>	<i>Kent County Council</i>	<i>Resigned 25th July 2011</i>
<i>Cllr John Cubitt</i>	<i>Kent County Council</i>	<i>Appointed 25th July 2011</i>
<i>Cllr John Cubitt</i>	<i>Gravesham Borough Council</i>	<i>Resigned 8th May 2011</i>
<i>Cllr Jane Cribbon</i>	<i>Gravesham Borough Council</i>	<i>Appointed 17th May 2011</i>
<i>Cllr David Simmons</i>	<i>Swale Borough Council</i>	<i>Appointed 18th May 2010</i>
<i>Mr Richard Harman</i>	<i>The Federation of Groundwork Trusts</i>	<i>Appointed 11th November 1998</i>
<i>Cllr Peter Hicks</i>	<i>Medway Council</i>	<i>Appointed 9th September 2010</i>
<i>Mr Anthony Jones</i>	<i>The Federation of Groundwork Trusts</i>	<i>Appointed 11th November 1998</i>
<i>Cllr Patricia Thurlow</i>	<i>Dartford Borough Council</i>	<i>Appointed 4th May 2007</i>

Co-opted Directors

*Mr Paul Clark
Mr Mark Heeley
Mr David Scudder
Mr David Simms
Mr Frank Webb
Mr Peter Raby*

*Workman LLP
M-real UK Services Ltd
Lafarge Cement UK plc*

Glaxo SmithKline

*Appointed 11th September 2001
Appointed 4th May 2007
Resigned 3rd November 2011
Appointed 4th May 2007
Appointed 23rd May 2007
Resigned 15th April 2011*

Chairman:

Mr Richard Harman

Company Secretary:

Ms Claire Woodcock

General Manager

Mr Ian Martin

Auditors:

*Goatcher Chandler
Chartered Accountants
10 Overcliffe
Gravesend
Kent
DA11 0EF*

Solicitors:

*Dakers Green Brett
Captains House
Pembroke
Chatham Maritime
Kent
ME4 4UF*

Bankers:

*National Westminster Bank Plc
117 High Street
Gillingham
Kent
ME7 1AG*

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure of the Charity

Groundwork Kent & Medway is a charity and a company limited by guarantee. The governing documents are its Memorandum and Articles of Association which were last amended at the Annual General Meeting of the members of the Company on 6 November 2006 with the prior approval of the Charity Commission

The subsidiary, Groundwork Environmental Services (Kent) Limited, did not trade during the year but has been consolidated into this report and accounts

The Directors

The Directors are the Trustees of Groundwork Kent & Medway in accordance with the Charities Act 1993 and they are also the Directors of the Company in accordance with the Companies Act 1985. The Board is made up of seven nominated Directors (one each nominated by Dartford Borough Council, Gravesham Borough Council, Kent County Council, Medway Council and Swale Borough Council and two nominated by the Federation of Groundwork Trusts) and up to thirteen co-opted directors. The co-opted directors have been invited to join the board by the nominated directors to broaden the skills base of the board or to secure specialist expertise. They have the same voting rights and responsibilities as the nominated directors. The nominated directors serve a term decided by the Company member nominating them up to a maximum of 3 years. The co-opted directors serve a term of up to three years. Nominated and co-opted directors can be appointed for further terms.

Induction and training

New members are provided with copies of the governing documents and key policy documents and a copy of the Federation's Governance Handbook. The General Manager provides an induction session when new directors are appointed and all directors are encouraged to participate in governance training provided by the Federation at regional venues.

Organisational Structure and decision making process

The Board normally meets four times a year and does not have any committees with delegated powers. There is one working group comprising board members and staff, chaired by a board member. This is the Finance and Property Group. This Group normally meets quarterly.

The Board has delegated day to day operation of the charity to the General Manager; the powers delegated being set out in a written document. The Board has also established Financial Regulations and a number of policies within which the Board and staff have to operate.

Risk Assessment

A Corporate Risk Assessment was undertaken by the Board, management and staff in early 2002 and is updated annually. The assessment includes plans for managing, evaluating and monitoring major risks. The Board considers that appropriate steps have been taken to assess and control these risks.

Statement of Recommended Practice "Accounting and Reporting by Charities"

The 'Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005)' (SORP 2005) has been complied with.

OBJECTIVES, AIMS AND PUBLIC BENEFIT

Groundwork Kent & Medway is a member of the Federation of Groundwork Trusts which comprises around 40 independent charitable companies with a main office in Birmingham co-ordinating activities and a regional office in London

Groundwork Kent & Medway operates for the public benefit in the Kent County Council and Medway Council local authority areas

Objects as set out in the Memorandum of Association

The objects of the Company are firstly to promote the conservation, protection and improvement of the physical and natural environment anywhere in the area of Kent & Medway and secondly to provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the area of Kent & Medway and thirdly to advance public education in environmental matters and of the ways of better conserving, protecting and improving the same wheresoever

Our Vision *is for a society made up of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper*

Groundwork's Purpose *is to build sustainable communities in areas of need through joint environmental action*

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the organisation's objectives and planning future activities. In particular, the Trustees consider how planned activities will contribute to the charitable objectives set out above

Groundwork Kent & Medway aims to be the partner of choice in delivering community and environmental regeneration for the public benefit throughout Kent & Medway particularly in the Thames Gateway, East Kent and in other areas of need

We aim to achieve this by focusing on

- **Land** *Reconnecting people with their surroundings Delivering high-quality projects to improve open space based on sound design, management and ecological principles,*
- **Community** *Building stronger neighbourhoods Identifying and addressing social and environmental needs by working with and through local communities,*
- **Education** *Learning, citizenship and sustainability Raising awareness of environmental issues, promoting sustainable living and encouraging responsible stewardship of the environment,*
- **Youth** *Realising young people's potential Getting young people engaged in tackling local social and environmental issues and*
- **Employment** *Supporting local economies and tackling worklessness Helping people to develop their confidence, skills and experience in order to find work, contributing to the regeneration of local neighbourhoods*

Successful projects often combine several of these strands as one of our strengths is taking an integrated and holistic approach

A small management and administration team provides central support services to build partnerships, to develop high quality projects and develop the capabilities and self-confidence of all staff

ACHIEVEMENTS AND PERFORMANCE

2011/12 was an incredibly difficult year, with it becoming increasingly difficult to secure the required work needed to secure our predicted surplus. This was further compounded by the need to restructure again. This led to a significant restructure and as part of this the Finance Manager's post was made redundant. Despite these changes and ongoing efforts of the staff team, the end of year results were incredibly disappointing.

Despite the sale of the building at Canterbury Street, cash flow continues to be a significant issue with our cash reserves being severely tested.

The Trust has continued however, to deliver a range of high quality projects. We continue to work with partners to deliver major programmes and manage important assets, including amongst others, Oare Gunpowder Works, Dartford Marsh, Beacon Woods, and SparkIT. During the year we have taken over and begun to run The Eating Place at SusCon as an employment programme and secured multi year funding from the Lottery to run a local food programme, Movable Feasts.

Funding for these programmes come from a range of sources, as has been the case in previous years. These include Central and Local Government, RSLs and importantly, the private sector.

The staff team, despite difficult circumstances remain professional, delivering high quality projects.

FINANCIAL REVIEW

The results for the year are set out on pages 9 to 20 of the financial statements.

The net outgoing resources for the year amounted to £ (76,534) as set out in the financial statements. It is planned to increase reserves in future years in line with the Company's reserves policy.

Reserves Policy

The Company maintains reserves mainly to fund the delay in the receipt of income with a small cushion to absorb short-term setbacks. The Company's policy is to establish unrestricted reserves (excluding fixed assets such as premises and equipment) sufficient to cover three months fee income based on the budget for the forthcoming financial year. For the financial year commencing 1 April 2011 this would result in reserves as defined above in the region of £275,000 being required. At 1 April 2012 actual reserves (excluding fixed assets) fell short of this, although because of the reduced budgeted turnover for 2012-13 the required reserves would reduce to £200,000.

The shortfall in the required reserves is being addressed as part of the ongoing review of the Trust.

Funds

The Company has a number of funds which are described in note 1 (e) in the financial statements. Unrestricted funds do not include payments received in advance and held pending completion of project work which would form part of restricted funds. The company has not designated any funds. In accordance with the Statement of Recommended Practice on Accounting by Charities (SORP 2005), income is recognised to the extent that the service has been delivered or earned. When the payment has been received in advance for expenditure which must take place in a future accounting period or when the payment is dependent on the fulfilment of a contract, payments are deferred until the company becomes entitled to the resources. Restricted reserves can only be used in accordance with the funder's instructions for agreed programmes of work and cannot therefore form part of the unrestricted funds that are under the control of the charity's trustees.

PLANS FOR THE FUTURE

Going forward, in response to the strategic direction set up in the Federation and to meet the extremely challenging funding climate, the Trust is working towards merging with those Trusts forming the new Groundwork South. This new Trust will incorporate Groundwork Thames Valley, Groundwork Solent and elements of Groundwork South West. Hopefully this merger will be in place at the beginning of the next financial year in April 2013 and will mean Groundwork in Kent has an infrastructure to meet these challenges and a range of products to be both competitive but also deliver the services that reflect the charity's commitment to local people.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,*
- make judgements and estimates that are reasonable and prudent,*
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information.

APPOINTMENT OF AUDITORS

A resolution proposing that Goatcher Chandler be re-appointed as auditors of the Company will be put to the Annual General Meeting.

This report was approved by the Board on 24th October 2012


Mr. Richard Harman
Director

Independent Auditors' Report to the members of
GROUNDWORK KENT & MEDWAY
(A Company Limited by Guarantee – No 3068263)

We have audited the financial statements of Groundwork Kent & Medway for the year ended 31 March 2012 which comprise the Statement of Consolidated Financial Activities, the Summary of Consolidated Income and Expenditure Account, the Consolidated Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,*
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and*
- have been prepared in accordance with the requirements of the Companies Act 2006*

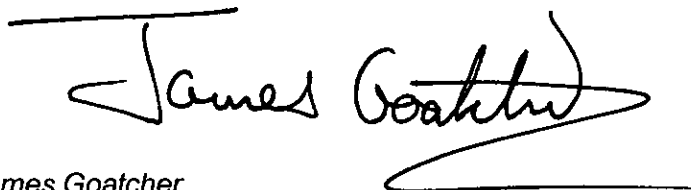
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- *adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or*
- *the financial statements are not in agreement with the accounting records and returns, or*
- *certain disclosures of trustees' remuneration specified by law are not made, or*
- *we have not received all the information and explanations we require for our audit [or*
- *the Trustees take advantage of the small companies exemption in preparing the Trustees' Annual Report*



James Goatcher

Senior Statutory Auditor

For and on behalf of

Goatcher Chandler Chartered Accountants and Registered Auditor

10 Overcliffe Gravesend Kent DA11 0EF



GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities

(Incorporating an Income and Expenditure Account)

For the Year Ended 31st March 2012

	Note	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
INCOMING RESOURCES					
Incoming resources from generated funds	2				
Voluntary income		44,000	-	44,000	109,500
Activities for generating funds		3,770	-	3,770	2,328
Investment income		6	-	6	17
Incoming resources from charitable activities	3	-	891,379	891,379	1,516,555
Other incoming resources	5	14,085	-	14,085	6,526
TOTAL INCOMING RESOURCES		61,861	891,379	953,240	1,634,926
RESOURCES EXPENDED					
Cost of generating funds	6				
Cost of generating voluntary income		380	-	380	378
Charitable activities	4	313,405	723,594	1,036,999	1,585,769
Governance costs	7	8,715	-	8,715	6,104
TOTAL RESOURCES EXPENDED		322,500	723,594	1,046,094	1,592,251
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(260,639)	167,785	(92,854)	42,675
Transfers between funds		167,785	(167,785)	-	-
Revaluation reserve written back		16,320	-	16,320	-
NET MOVEMENTS IN FUNDS		(76,534)	-	(76,534)	42,675
Fund balances brought forward		201,336	-	201,336	158,661
FUND BALANCES CARRIED FORWARD		124,802	-	124,802	201,336

All of the above results are derived from continuing activities

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Statement of Total Recognised Gains and Losses

(Incorporating an Income and Expenditure Account)

For the Year Ended 31st March 2012

	2012 £	2011 £
Net (Income /(Expenditure) before transfers	(92,854)	42,675
Revaluation reserve	16,320	-
	<u>(76,534)</u>	<u>42,675</u>

GROUNDWORK KENT & MEDWAY


(A Company Limited by Guarantee)

Consolidated Balance Sheet

As at 31st March 2012

	Note	2012		2011	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		22,659		292,116
Investment	10		-		-
			<u>22,659</u>		<u>292,116</u>
CURRENT ASSETS					
Debtors	11	157,979		258,646	
Cash at bank		<u>37,732</u>		<u>3,175</u>	
		195,711		261,821	
CREDITORS Amounts falling due within one year	12	<u>(93,567)</u>		<u>(284,669)</u>	
NET CURRENT ASSETS			102,143		(22,848)
CREDITORS Amounts falling due after one year	13		-		(51,612)
TOTAL ASSETS			<u>124,802</u>		<u>217,656</u>
FUNDS					
Income funds					
Unrestricted funds	15		124,802		217,656
Restricted funds	15		-		-
TOTAL FUNDS			<u>124,802</u>		<u>217,656</u>

Approved on behalf of the Board and signed on its behalf



Director and Trustee

24th October 2012

GROUNDWORK KENT & MEDWAY

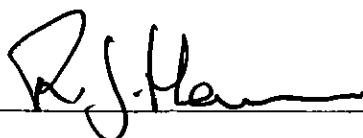
(A Company Limited by Guarantee)

Balance Sheet

As at 31st March 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	22,659	292,116
Investment	10	<u>100</u>	<u>100</u>
		22,759	292,216
CURRENT ASSETS			
Debtors	11	157,979	258,646
Cash at bank		<u>37,701</u>	<u>3,160</u>
		195,680	261,806
CREDITORS Amounts falling due within one year	12	<u>(93,567)</u>	<u>(284,853)</u>
NET CURRENT ASSETS		102,113	(23,047)
CREDITORS Amounts falling due after one year	13	-	(51,612)
TOTAL ASSETS		<u>124,872</u>	<u>217,557</u>
FUNDS			
Income funds			
Unrestricted funds	15	124,872	217,557
Restricted funds	15	-	-
TOTAL FUNDS		<u>124,872</u>	<u>217,557</u>

Approved on behalf of the Board and signed on its behalf



Director and Trustee

24th October 2012

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

1 ACCOUNTING POLICIES

a Basis of preparation

The financial statements are prepared under the historical cost convention

The financial statements have been prepared in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities 2005 (SORP 2005) applicable accounting standards and the Companies Act 2006 as modified by the revaluation of Fixed Assets

The Company has taken advantage of exemption in Financial Reporting Standard No 1 from preparing a Cashflow Statement given that it is a small company

b Company status

The Company and its subsidiaries comprise a small group.

The Company is limited by guarantee. The guarantors are the Members of the Company which are: Dartford Borough Council, Glaxo SmithKline plc, Gravesham Borough Council, The Federation of Groundwork Trusts, Kent County Council, Lafarge Cement plc, Medway Council, mhs homes, Swale Borough Council, Swale Housing Association and Ward Homes Limited

The liability in respect of the guarantee, as set out in the Memorandum of Association, is limited to £1 per member of the Company. The Company has availed itself of paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Company's activities

c Incoming resources

In accordance with SORP 2005, income is recognised to the extent that the service has been delivered or earned. When the payment has been received in advance for expenditure which must take place in a future accounting period or when the payment is dependent on the fulfilment of a contract, payments are deferred until the company becomes entitled to the resources

d. Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the Charity

Designated funds comprise general funds which have been set aside at the discretion of the directors for specific purposes. The purpose and use of the designated funds is set out in the notes to the financial statements

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of the appeal. The purpose and use of the restricted funds is set out in the notes to the financial statements

All income and expenditure is shown in the Statement of Financial Activities

Funds are transferred from restricted to unrestricted at the year end on the basis that no restrictions exist on the income and expenditure recognised. Income that has not been fully delivered or earned is deferred

e Grants for Core Funding

Grants for core funding are funds provided to support the management and administration of the charity

f Gifts in kind

The values attributed to gifts in kind are based on a reasonable estimate of their value to the Charity, or the amount actually realised

Assets given for use by the Charity, are recognised as incoming resources when receivable

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

g Resources expended

The cost headings comprise expenditure, including staff costs, directly attributable to the activity and are recorded on an accruals basis. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise all services supplied centrally identifiable as wholly or mainly in support of charitable expenditure and include an appropriate proportion of general overheads.

They are allocated on the basis of their use with the aim of ensuring that those costs remaining within administration relate to the management of the Charity's assets, organisational administration and compliance with constitutional and statutory requirements.

h Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Building	Over 50 years
Building refurbishments	Over 10 years
Computer equipment	Over 5 years
Furniture, tools and equipment	Over 5 years
Motor vehicles	Over 4 years

i Pensions

The Charity contributes toward employees' personal pension schemes and the pension charge represents the amounts payable by the Charity to the schemes in respect of the period and are charged to the Income and Expenditure Account when payable.

j Operating leases

Rentals applicable to operating leases are charged to the income and expenditure account over the period in which the cost is incurred.

Assets purchased under finance lease are capitalised in fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges.

Finance charges are written-off to the Income and Expenditure Account over the period of the lease so as to produce a constant periodic rate of charge on fixed asset contracts.

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

2 INCOMING RESOURCES FROM GENERATED FUNDS

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Voluntary income				
Grants for core funding	44,000	-	44,000	109,500
	<u>44,000</u>	<u>-</u>	<u>44,000</u>	<u>109,500</u>
Activities for generating funds				
Rental income	3,770	-	3,770	2,328
	<u>3,770</u>	<u>-</u>	<u>3,770</u>	<u>2,328</u>
Investment income				
Bank interest	6	-	6	17
	<u>6</u>	<u>-</u>	<u>6</u>	<u>17</u>

3 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Community projects	-	314,100	314,100	356,564
Land projects	-	220,843	220,843	159,635
Education projects	-	75,898	75,898	84,628
Youth projects	-	31,710	31,710	17,636
Employment projects	-	248,828	248,828	528,892
	<u>-</u>	<u>891,379</u>	<u>891,379</u>	<u>1,147,355</u>

Income from projects was provided by :

Central Government	-	125,005	125,005	414,965
Public Sector	-	3,500	3,500	21,288
Local Government	-	318,118	318,118	359,537
European Funding	-	-	-	10,998
Private Sector	-	444,756	444,756	708,002
Lottery Funding	-	-	-	1,765
	<u>-</u>	<u>891,379</u>	<u>891,379</u>	<u>1,516,555</u>

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

4 RESOURCES EXPENDED ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Community projects	-	254,977	254,977	278,716
Land projects	-	179,274	179,274	202,313
Education projects	-	61,611	61,611	420,888
Youth projects	-	25,741	25,741	6,025
Employment projects	-	201,991	201,991	394,492
Support costs	313,405	-	313,405	283,335
	<u>313,405</u>	<u>723,594</u>	<u>1,036,999</u>	<u>1,585,769</u>

Expenditure on projects comprised :

	Direct costs £	Staff costs £	Indirect costs £	2012 £	2011 £
Community projects	50,663	204,314	-	254,977	278,716
Land projects	35,621	143,653	-	179,274	202,313
Education projects	12,242	49,369	-	61,611	420,888
Youth projects	5,114	20,627	-	25,741	6,025
Employment projects	40,135	161,856	-	201,991	394,492
Support costs	-	196,520	116,885	313,405	283,335
	<u>143,775</u>	<u>776,339</u>	<u>116,885</u>	<u>1,036,999</u>	<u>1,585,769</u>

Included in support costs were

Management and support salaries and on costs	188,277	174,271
Redundancy costs	8,243	-
Premises	23,183	27,505
Administration	70,722	56,724
Depreciation - tangible fixed assets - owned	15,432	16,578
Operating lease rentals - other	7,547	8,257

STAFF COSTS

	2012 £	2011 £
Wages and salaries	698,538	817,616
Social security costs	55,577	61,594
Pension costs	21,636	18,541
Benefits	589	1,922
	<u>776,339</u>	<u>899,673</u>

No employee earned £60,000 pa or more.

The trustees neither received nor waived any emoluments during the year (2011 £Nil)

No trustee received any expenses during the year (2011 £Nil)

Staff numbers

The average number of employees, analysed by function was

	2012 No.	2011 No.
Direct charitable activities	43	48
Management and administration of the charity	5	5
	<u>48</u>	<u>53</u>

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the Year Ended 31st March 2012

5 OTHER INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Sundry income	1,569	-	1,569	-
Profit on sale of assets	6,021	-	6,021	-
Charitable donation	6,495	-	6,495	6,526
	<u>14,085</u>	<u>-</u>	<u>14,085</u>	<u>6,526</u>

6 COST OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Cost of generating voluntary income				
Fundraising	380	-	380	378
	<u>380</u>	<u>-</u>	<u>380</u>	<u>378</u>

7 GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	2012 £	2011 £
Meeting costs	3	-	3	1,004
Legal and professional	2,607	-	2,607	120
Audit fees	6,105	-	6,105	4,980
	<u>8,715</u>	<u>-</u>	<u>8,715</u>	<u>6,104</u>

8 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

GKM owns 100 ordinary shares of £1 each in a wholly owned subsidiary, Groundwork Environmental Services (Kent) Limited (GES), a company incorporated in England and Wales. The company was dormant throughout the year, although incurred expenses in maintaining the bank account.

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

9 TANGIBLE FIXED ASSETS - Group and Charity

	Freehold Property	Building Refurbishment	Furniture, tools & equipment	Computer equipment	Motor vehicles	Total
Cost						
As at 1st April 2011	265,000	8,000	6,928	29,417	36,107	345,452
Additions	-	-	-	-	2,200	2,200
Disposals	(265,000)	-	-	-	(2,350)	(267,350)
As at 31st March 2012	-	8,000	6,928	29,417	35,957	80,302
Depreciation						
As at 1st April 2011	6,600	3,200	6,234	19,370	17,932	53,336
Charge for the year	3,300	800	463	4,599	6,270	15,432
Disposals	(9,900)	-	-	-	(1,225)	(11,125)
As at 31st March 2012	-	4,000	6,697	23,969	22,977	57,643
Net Book Value						
As at 31st March 2012	-	4,000	231	5,448	12,980	22,659
As at 31st March 2011	258,400	4,800	694	10,047	18,175	292,116

10 FIXED ASSET INVESTMENTS

GKM owned 100 ordinary shares of £1 each in a wholly owned subsidiary, Groundwork Environmental Services (Kent) Limited (GES), a company incorporated in England and Wales

Summary Balance Sheets of the subsidiaries are as follows

	31st March 2012 GES	31st March 2011 GES
Current assets	30	199
Current liabilities	-	-
Net Assets	30	199
Share capital	100	100
Retained profits	(70)	99
Net Assets	30	199

11 DEBTORS

	2012		2011	
	Group £	Charity £	Group £	Charity £
Trade debtors	59,567	59,567	209,140	209,140
Amounts owed by subsidiary undertakings	-	-	-	-
Prepayments	897	897	11,828	11,828
Accrued income	97,515	97,515	37,678	37,678
	157,979	157,979	258,646	258,646

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

12 CREDITORS : Amounts falling due within one year

	2012		2011	
	Group £	Charity £	Group £	Charity £
Trade creditors	17,569	17,569	35,566	10,640
Other taxation and social security	51,337	51,337	45,745	45,745
Accruals	4,834	4,834	5,900	5,900
Deferred income	13,218	13,218	156,457	181,383
Other creditors	6,609	6,609	1,950	1,950
Amounts owed to subsidiary undertakings	-	-	-	184
Bank overdraft	-	-	10,540	10,540
Bank loans	-	-	4,523	4,523
Commercial mortgage	-	-	23,988	23,988
	<u>93,567</u>	<u>93,567</u>	<u>284,669</u>	<u>284,853</u>

13 CREDITORS : Amounts falling due after one year

	2012		2011	
	Group £	Charity £	Group £	Charity £
Commercial mortgage	-	-	51,612	51,612
	<u>-</u>	<u>-</u>	<u>51,612</u>	<u>51,612</u>
Analysis as follows.				
Between one and two years	-	-	28,510	28,510
Between two and five years	-	-	23,102	23,102
Five years or more	-	-	-	-
	<u>-</u>	<u>-</u>	<u>51,612</u>	<u>51,612</u>

14 FINANCIAL COMMITMENTS

At 31st March 2011 the company has annual commitments under non-cancellable leases as follows

	2012		2011	
	Group £	Charity £	Group £	Charity £
Other operating leases (non land and buildings)				
Expiring				
Between two and five years	<u>7,547</u>	<u>7,547</u>	<u>8,257</u>	<u>8,257</u>

GROUNDWORK KENT & MEDWAY

(A Company Limited by Guarantee)

Notes to the Financial Statements (continued)

For the Year Ended 31st March 2012

15 STATEMENT OF FUNDS

	Balance 1st April 2011 £	Income £	Expenditure £	Transfers £	Balance 31st March 2012 £
UNRESTRICTED FUNDS					
General funds	201,237	61,844	(322,314)	184,105	124,872
Revaluation reserve	16,320	-	-	(16,320)	-
Trading companies	99	17	(186)	-	(70)
Total unrestricted funds	217,656	61,861	(322,500)	167,785	124,802
RESTRICTED FUNDS					
Project funding	-	891,379	(723,594)	(167,785)	-
Total restricted funds	-	891,379	(723,594)	(167,785)	-
TOTAL FUNDS	217,656	953,240	(1,046,094)	-	124,802

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st March 2012 are represented by	Unrestricted funds £	Restricted funds £	Total funds £	2011 £
Tangible fixed assets	22,659	-	22,659	292,116
Current assets	195,711	-	195,711	261,821
Current liabilities	(93,567)	-	(93,567)	(284,669)
Long term liabilities	-	-	-	(51,612)
Total Net Assets	124,802	-	124,802	217,656

17 REVALUATION RESERVE

The Company's freehold property was independently revalued on 31st March 2009 therefore creating a Revaluation Reserve of £16,320

The property was sold in March 2012 so the Revaluation Reserve was released to Profit and Loss

18 SUBSIDIARY UNDERTAKINGS

Groundwork Environmental Services (Kent) Limited (GES) provides advisory and consultancy services on all issues concerning the environment. The results of the subsidiary, which did not trade during the year, have been consolidated in these financial statements. The Company has issued a letter of continued support to its subsidiary undertaking.

Company registration number 03114198
Charity registration number 1050794

Aylesham & District Community Workshop Trust

(A company limited by guarantee)

Annual Report and Financial Statements
for the Year Ended 31 March 2012

FRIDAY



A14 "A1NA097L" #213
07/12/2012
COMPANIES HOUSE

BATCHELOR COOP chartered accountants

THE NEW BARN MILL LANE EASTRY SANDWICH KENT CT13 0JW

Aylesham & District Community Workshop Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 4
Independent examiner's report	5
Statement of financial activities	6
Balance Sheet	7 to 8
Notes to the financial statements	9 to 16

The following pages do not form part of the statutory financial statements

Statement of financial activities per fund	17 to 24
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Aylesham & District Community Workshop Trust

Reference and Administrative Details

Charity name Aylesham & District Community Workshop Trust

Charity registration number 1050794

Company registration number 03114198

Principal office Ackholt Road
Aylesham
Kent
CT3 3AJ

Registered office Ackholt Road
Aylesham
Kent
CT3 3AJ

Trustees L M Ives
Cllr L Keen (Resigned 23 May 2011)
L J Brazier
Rev R Fisk
D Jennings (Retired 31 December 2011)
W Field
L Jeavons
K Rogers
A Hockley
J Honnor
S Manion
R Thompson (appointed 15 May 2011)

Secretary Mr D Garrity M B E , Company secretary

Solicitor Furley Page
52-54 High Street
Whitstable
Kent
CT5 1BG

Bankers Lloyds TSB Bank PLC
49 High Street
Canterbury
Kent
CT1 2SE

Accountant Batchelor Coop Ltd
The New Barn
Mill Lane
Eastry
Sandwich
CT13 0JW

Aylesham & District Community Workshop Trust
Reference and Administrative Details

Patron

G Prosser

Aylesham & District Community Workshop Trust

Trustees' Report

The Directors, who are all Trustees of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of Aylesham and District Community Workshop Trust (the charity) for the year ended 31 March 2012. The Directors confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended practice "Accounting and Reporting by Charities" 2005 (SORP 2005).

Organisational Structure and decision making

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association of the company. They form a board of Directors which is responsible for the general control of the charity. Trustees/Directors are volunteers, give their time freely and receive no remuneration or other financial benefits in respect of their voluntary position, save that reasonable expenses (notably travel) may be paid. Trustees/Directors meet together on a regular basis.

Day to day management of the charity and its assets are delegated to paid staff and volunteers.

Constitution, Objects and Policies

The charity is registered as a charitable company limited by guarantee and was set up by a memorandum of association on 16 October 1995.

The principal object of the charity is to benefit the persons of Aylesham and the rural district with the objective of improving the quality of life for those persons, by providing or assisting in the provision of facilities for the advancement of education, recreation and employment.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit, Charities and Public Benefit.

Reserves

The Trustees review the amount of reserves that are required to ensure that they are adequate to provide financial stability and fulfil the charity's continuing obligations in order to meet its charitable objective for the foreseeable future.

Risk Management

The Trustees examine the major risks that the Charity faces each financial year and where necessary seek to develop systems to monitor and control these risks to mitigate any impact that they may have on the future of the charity.

Development, activities, achievements and financial review

Aylesham & District Community Workshop trust delivered their charitable objectives and aims this year.

We supported small local charities and villages organisations with £10,000 of grants to organisations from youth football clubs, bowling clubs and schools.

Aylesham Community Workshop is fully sustainable generating all of its revenue and capital income and has reserves that will make it sustainable into the medium future.

Our income is generated from activities as diverse as supplying conference facilities, workshop units and office facilities.

We also work with training organisations such as Learn Direct and Want to Learn to help local people attain qualifications.

We are working with the carnival committee who are running the community minibus on our behalf and they have been very successful reaching a wider range of groups using the minibus.

We continue to keep our property and facilities to a high standard of repair and our maintenance manager, Keith Garrity, supervises the contractors that we employ.

Our cleaners quality service operators Kenny Devine and Lesley Sellwood continue to do a good job keeping the centre clean.

Aylesham & District Community Workshop Trust

Trustees' Report

This year we are transferring out financial and administration to Sage this has been a difficult exercise and myself and Lisa Pope are confident that it will eventually give us greater control of our finances and administration

The conference part of our business has and remains an integral part of the service we give to local businesses

The economy is the most important driver in the generation of funds and although the economy at large is fragile we have witnessed a strong demand for units at the right price

In the year we have worked with East Kent Spatial Development Company to deliver 5 times 2,500 square feet of workshop unit and have got 17 serviced offices coming on stream in December 2012

We have come to the conclusion that some of the great facilities and services we have on offer are not wider acknowledge and therefore we are going to launch a marketing and press relations exercise for the whole site

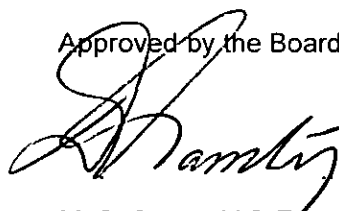
The objective is to heighten the profile of the site and to let the new workshop units and offices

My staff work hard on your behalf and I thank them for their loyalty and hard work

Small company provisions

This report has been prepared in accordance with the small companies' regime under the Companies Act 2006

Approved by the Board on 16 October 2012 and signed on its behalf by



Mr D Garrity M B E
Secretary

Independent Examiner's Report to the Trustees of

Aylesham & District Community Workshop Trust

I report on the accounts of the company for the year ended 31 March 2012, which are set out on pages 6 to 16

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 145 of the Charities Act 2011 (the 2011 Act) or Part 16 of the Companies Act 2006, and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to

- examine the accounts under section 145 of the 2011 Act,
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act, and
- state whether particular matters have come to my attention

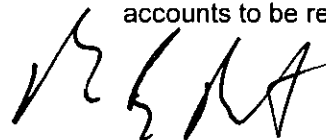
Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charitieshave not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



Mark A Batchelor
Batchelor Coop Ltd
Chartered Accountants

19 October 2012

The New Barn
Mill Lane
Eastry
Sandwich
CT13 0JW

Aylesham & District Community Workshop Trust

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31 March 2012

		Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	400	-	400	1,490
Activities for generating funds	3	67,485	-	67,485	59,118
Investment income	4	975	-	975	62
Incoming resources from charitable activities	5	114,457	-	114,457	144,735
Total incoming resources		<u>183,317</u>	<u>-</u>	<u>183,317</u>	<u>205,405</u>
Resources expended					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	6	17,344	17,000	34,344	34,913
Charitable activities	8,7	141,901	26,124	168,025	198,491
Governance costs	11	9,992	-	9,992	15,567
Total resources expended		<u>169,237</u>	<u>43,124</u>	<u>212,361</u>	<u>248,971</u>
Net expenditure before transfers		14,080	(43,124)	(29,044)	(43,566)
Transfers					
Gross transfers between funds		<u>(9,252)</u>	<u>9,252</u>	<u>-</u>	<u>-</u>
Net movements in funds		4,828	(33,872)	(29,044)	(43,566)
Reconciliation of funds					
Total funds brought forward		<u>390,202</u>	<u>1,512,557</u>	<u>1,902,759</u>	<u>1,946,325</u>
Total funds carried forward		<u>395,030</u>	<u>1,478,685</u>	<u>1,873,715</u>	<u>1,902,759</u>

The notes on pages 9 to 16 form an integral part of these financial statements

Aylesham & District Community Workshop Trust

Balance Sheet as at 31 March 2012

Registration number 03114198

		2012		2011	
	Note	£	£	£	£
Fixed assets					
Tangible assets	15	1,408,797		1,443,626	
Investments	16	595,000		612,000	
		<u>2,003,797</u>		<u>2,055,626</u>	
Current assets					
Debtors	17	33,708	42,194		
Cash at bank and in hand		<u>99,279</u>	<u>84,061</u>		
		132,987	126,255		
Creditors: Amounts falling due within one year	18	<u>(24,554)</u>	<u>(30,655)</u>		
Net current assets		<u>108,433</u>		<u>95,600</u>	
Total assets less current liabilities		2,112,230		2,151,226	
Creditors: Amounts falling due after more than one year	19	<u>(238,515)</u>	<u>(248,467)</u>		
Net assets		<u>1,873,715</u>		<u>1,902,759</u>	
The funds of the charity:					
Restricted funds in surplus		1,478,685		1,512,556	
Restricted funds in deficit					
Farm		-	-		
Total restricted funds		<u>1,478,685</u>		<u>1,512,556</u>	
Unrestricted funds					
Unrestricted income funds		<u>395,030</u>		<u>390,203</u>	
Total charity funds		<u>1,873,715</u>		<u>1,902,759</u>	

The notes on pages 9 to 16 form an integral part of these financial statements

Aylesham & District Community Workshop Trust

Balance Sheet as at 31 March 2012

continued

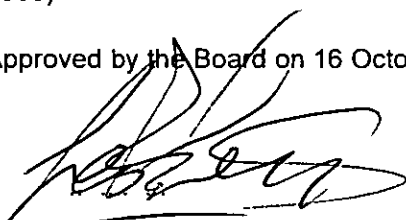
For the financial year ended 31 March 2012, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 16 October 2012 and signed on its behalf by



L Jeavons
Trustee

The notes on pages 9 to 16 form an integral part of these financial statements

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose

Further details of each fund are disclosed in note 23

Incoming resources

Grants that provide core funding or are of a general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability

Investment income is recognised on a receivable basis

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category

Costs of generating funds are the costs of trading for fundraising purposes

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them

Grants payable are payments made to third parties in the furtherance of the charitable objectives. Where the charity gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specific service or output

Grants payable without performance conditions are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters

Support costs

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred

Fixed assets

Individual fixed assets costing £50 or more are initially recorded at cost

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	25% reducing balance
Fixtures and fittings	15% reducing balance
Freehold property	Not depreciated
Motor vehicles	25% reducing balance
Leasehold improvements	Straight line over 50 years
Investment asset	Straight line over 40 years

Investments

Fixed asset investments are included at market value at the balance sheet date

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value at the year end

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Donations and legacies				
Appeals and donations	400	-	400	1,490

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Operating activities - "Miners Way"				
Rental income	67,485	-	67,485	59,118

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Interest on cash deposits	975	-	975	62

5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Rental income	114,457	-	114,457	144,735

6 Fundraising trading: cost of goods sold and other costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Operating activities - "Miners Way"				
Depreciation of tangible fixed assets	-	17,000	17,000	17,000
Support costs allocated	17,344	-	17,344	17,913
	17,344	17,000	34,344	34,913

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

7 Analysis of charitable activities

	Charitable Activities	Total
	£	£
Grant funding of activities	9,767	9,767
Employment costs	70,670	70,670
Establishment costs	11,694	11,694
Repairs and maintenance	23,834	23,834
Course / conference refreshments	7,187	7,187
Sundry and other costs	1,459	1,459
Cleaning	1,882	1,882
Motor expenses	953	953
Insurance	1,684	1,684
Depreciation of tangible fixed assets	38,895	38,895
(Profit)/loss on sale of fixed assets held for charity's own use	-	-
	<u>168,025</u>	<u>168,025</u>

8 Details of charitable activities

Activities undertaken directly	Grant funding of activities	2012	2011
£	£	£	£
<u>158,258</u>	<u>9,767</u>	<u>168,025</u>	<u>198,491</u>

9 Support costs

	Operating activities - "Miners Way"	Costs of generating funds	Total
	£	£	£
Establishment costs	-	3,156	3,156
Telephone	-	2,540	2,540
Printing, posting and stationery	-	1,592	1,592
Sundry and other costs	-	14	14
Motor expenses	-	451	451
Payroll administration	-	630	630
Independent examiner's fee	-	1,250	1,250
Legal and professional costs	-	-	-
Bank charges and interest payable	17,344	359	17,703
	<u>17,344</u>	<u>9,992</u>	<u>27,336</u>

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

10 Grantmaking

**Grants to
institutions
£**
9,767

11 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Support costs allocated	<u>9,992</u>	<u>-</u>	<u>9,992</u>	<u>15,567</u>

12 Trustees' remuneration and expenses

No trustees received any remuneration during the year

13 Net expenditure

Net expenditure is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets	55,895	57,797
(Profit)/loss on sale of intangible fixed assets	<u>-</u>	<u>1,270</u>

14 Taxation

No provision for taxation is included in the financial statements as the company is a charity entitled to the exemption from tax afforded by Section 505, ICTA 1988

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

15 Tangible fixed assets

	Freehold interest in land and buildings (including heritage assets) £	Long leasehold and other interests in land and buildings £	Plant and machinery including motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost					
As at 1 April 2011	426,790	1,297,713	30,668	206,136	1,961,307
Additions	-	-	-	4,066	4,066
As at 31 March 2012	<u>426,790</u>	<u>1,297,713</u>	<u>30,668</u>	<u>210,202</u>	<u>1,965,373</u>
Depreciation					
As at 1 April 2011	-	346,736	17,780	153,165	517,681
Charge for the year	-	27,144	3,195	8,556	38,895
As at 31 March 2012	-	<u>373,880</u>	<u>20,975</u>	<u>161,721</u>	<u>556,576</u>
Net book value					
As at 31 March 2012	<u>426,790</u>	<u>923,833</u>	<u>9,693</u>	<u>48,481</u>	<u>1,408,797</u>
As at 31 March 2011	<u>426,790</u>	<u>950,977</u>	<u>12,888</u>	<u>52,971</u>	<u>1,443,626</u>

16 Investments held as fixed assets

	Investment properties £
Market value	
As at 1 April 2011 and 31 March 2012	<u>680,000</u>
Market value	
As at 1 April 2011	68,000
Charge for the year	17,000
As at 31 March 2012	<u>85,000</u>
Net book value	
As at 31 March 2012	<u>595,000</u>
As at 31 March 2011	<u>612,000</u>

All investment assets were held in the UK

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

17 Debtors

	2012 £	2011 £
Trade debtors	31,618	41,989
Other debtors	-	205
Prepayments and accrued income	2,090	-
	<u>33,708</u>	<u>42,194</u>

18 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	2,187	8,984
Taxation and social security	10,165	8,969
Other creditors	9,953	9,256
Accruals and deferred income	2,249	3,446
	<u>24,554</u>	<u>30,655</u>

19 Creditors Amounts falling due after more than one year

	2012 £	2011 £
Other creditors	<u>238,515</u>	<u>248,467</u>

Included in the creditors are the following amounts due after more than 5 years

	2012 £	2011 £
After more than five years by instalments	<u>191,229</u>	<u>204,290</u>

20 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

21 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £756 (2011 - £1,372).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2012

continued

22 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company

23 Analysis of funds

	At 1 April 2011	Incoming resources	Resources expended	Transfers	At 31 March 2012
	£	£	£	£	£
General Funds					
Unrestricted income fund	390,202	183,317	(169,237)	(9,252)	395,030
Restricted Funds					
Land and buildings	699,687	-	(8,629)	-	691,058
Workshop	554,127	-	(22,710)	9,252	540,669
Verandah	231,539	-	(6,616)	-	224,923
Telecentre	8,874	-	(1,158)	-	7,716
Farm	-	-	-	-	-
Minibus	12,614	-	(3,154)	-	9,460
Windows	5,716	-	(857)	-	4,859
	<u>1,512,557</u>	<u>-</u>	<u>(43,124)</u>	<u>9,252</u>	<u>1,478,685</u>
	<u>1,902,759</u>	<u>183,317</u>	<u>(212,361)</u>	<u>-</u>	<u>1,873,715</u>

24 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
	£	£	£	£
Tangible assets	276,644	1,132,153	1,408,797	1,443,626
Investments	-	595,000	595,000	612,000
Current assets	132,987	-	132,987	126,255
Creditors Amounts falling due within one year	(14,601)	(9,953)	(24,554)	(30,655)
Creditors Amounts falling due after more than one year	-	(238,515)	(238,515)	(248,467)
Net assets	<u>395,030</u>	<u>1,478,685</u>	<u>1,873,715</u>	<u>1,902,759</u>

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

	Unrestricted income fund 2012	Unrestricted income fund 2011
	£	£
Incoming resources		
Incoming resources from generated funds		
Voluntary income	400	1,490
Activities for generating funds	67,485	59,118
Investment income	975	62
Incoming resources from charitable activities	114,457	144,735
Total incoming resources	<u>183,317</u>	<u>205,405</u>
Resources expended		
Costs of generating funds		
Fundraising trading cost of goods sold and other costs	17,344	17,913
Charitable activities	141,901	188,992
Governance costs	9,992	15,567
Total resources expended	<u>169,237</u>	<u>222,472</u>
Net expenditure before transfers	14,080	(17,067)
Transfers		
Gross transfers between funds	<u>(9,252)</u>	<u>8,795</u>
Net movements in funds	4,828	(8,272)
Reconciliation of funds		
Total funds brought forward	390,202	398,475
Total funds carried forward	<u>395,030</u>	<u>390,203</u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Land and buildings 2012	Land and buildings 2011
	£	£
Resources expended		
Charitable activities	8,629	6,663
Total resources expended	<u>8,629</u>	<u>6,663</u>
 Net movements in funds	 (8,629)	 (6,663)
Reconciliation of funds		
Total funds brought forward	699,687	706,349
Total funds carried forward	<u><u>691,058</u></u>	<u><u>699,686</u></u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Workshop 2012	Workshop 2011
	£	£
Resources expended		
Costs of generating funds		
Fundraising trading cost of goods sold and other costs	17,000	17,000
Charitable activities	5,710	(9,514)
Total resources expended	<u>22,710</u>	<u>7,486</u>
Net expenditure before transfers	(22,710)	(7,486)
Transfers		
Gross transfers between funds	<u>9,252</u>	<u>-</u>
Net movements in funds	(13,458)	(7,486)
Reconciliation of funds		
Total funds brought forward	554,127	561,613
Total funds carried forward	<u>540,669</u>	<u>554,127</u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Verandah 2012	Verandah 2011
	£	£
Resources expended		
Charitable activities	6,616	6,616
Total resources expended	<u>6,616</u>	<u>6,616</u>
 Net movements in funds	 (6,616)	 (6,616)
Reconciliation of funds		
Total funds brought forward	<u>231,539</u>	<u>238,155</u>
Total funds carried forward	<u><u>224,923</u></u>	<u><u>231,539</u></u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Telecentre 2012	Telecentre 2011
	£	£
Resources expended		
Charitable activities	1,158	1,355
Total resources expended	<u>1,158</u>	<u>1,355</u>
 Net movements in funds	 (1,158)	 (1,355)
Reconciliation of funds		
Total funds brought forward	8,874	10,229
Total funds carried forward	<u>7,716</u>	<u>8,874</u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Farm 2012	Farm 2011
	£	£
Incoming resources		
Incoming resources from charitable activities	-	174
Total incoming resources	-	174
Net expenditure before transfers	-	174
Transfers		
Gross transfers between funds	-	(8,795)
Net movements in funds	-	(8,621)
Reconciliation of funds		
Total funds brought forward	-	8,621
Total funds carried forward	-	-

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Minibus 2012	Minibus 2011
	£	£
Resources expended		
Charitable activities	3,154	4,553
Total resources expended	<u>3,154</u>	<u>4,553</u>
 Net movements in funds	 (3,154)	 (4,553)
Reconciliation of funds		
Total funds brought forward	12,614	17,167
Total funds carried forward	<u><u>9,460</u></u>	<u><u>12,614</u></u>

This page does not form part of the statutory financial statements

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2012

continued

	Windows 2012	Windows 2011
	£	£
Resources expended		
Charitable activities	857	-
Total resources expended	<u>857</u>	<u>-</u>
 Net movements in funds	 (857)	 -
Reconciliation of funds		
Total funds brought forward	<u>5,716</u>	<u>5,716</u>
Total funds carried forward	<u>4,859</u>	<u>5,716</u>

This page does not form part of the statutory financial statements

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012
FOR
NORTH KENT ARCHITECTURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)



CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012

	Page
Company Information	1
Report of the Independent Auditors on the Abbreviated Accounts	2
Abbreviated Balance Sheet	3
Notes to the Abbreviated Accounts	4

NORTH KENT ARCHITECTURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012

DIRECTORS:

Ms C Delage
R Holdsworth
S Gaimster
B M Shaw
K D Burbidge

SECRETARY:

C Lamb

REGISTERED OFFICE.

The Historic Dockyard
Main Gate Road
CHATHAM
Kent
ME4 4TZ

REGISTERED NUMBER:

03284438 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

Clair Rayner ACA DChA

AUDITORS:

McCabe Ford Williams
Registered Auditors
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

REPORT OF THE INDEPENDENT AUDITORS TO
NORTH KENT ARCHITECTURE CENTRE LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages three to five, together with the full financial statements of North Kent Architecture Centre Limited for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

Clair Rayner ACA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Registered Auditors
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE



7 December 2012

NORTH KENT ARCHITECTURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ABBREVIATED BALANCE SHEET
31 MARCH 2012

	Notes	31 3 12 £	31 3 11 £
CURRENT ASSETS			
Debtors		56,828	46,425
Cash at bank and in hand		57,073	171,457
		<u>113,901</u>	<u>217,882</u>
CREDITORS			
Amounts falling due within one year		52,901	82,221
		<u>61,000</u>	<u>135,661</u>
NET CURRENT ASSETS			
		<u>61,000</u>	<u>135,661</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>61,000</u>	<u>135,661</u>
RESERVES			
Other reserves		41,785	41,785
Income and expenditure account		19,215	93,876
		<u>61,000</u>	<u>135,661</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 7 December 2012 and were signed on its behalf by

R Holdsworth - Director



The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012

1 ACCOUNTING POLICIES

Going Concern

During the year under review and in the current financial year a significant amount of time and resource was employed into pursuing other sources of grant funding to replace diminishing levels of core funding

The application process for other grants often requires a significant commitment of time and resource that if unsuccessful represent a sunk cost. In addition to this, with resources substantially utilised in this area, more profitable work can not be pursued

The Board and the management team have therefore made a decision in the new financial year to refocus efforts on maximising receipts from core services

To facilitate this the Board and the management team have restructured the cost base of the company to reflect the impact of diminishing levels of core funding

With these changes and new business opportunities emerging from changes in planning legislation the Board of Directors consider it appropriate to continue to adopt the going concern basis in preparing the financial statements and are confident that the company will generate and retain sufficient resources to enable the company to continue to operate for the foreseeable future

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents grants received and also invoiced sales of service, excluding value added tax

Grants are received from Kent County Council, Medway Council and CABE Regional Programme and are accounted for on a receivable basis

Project income is recognised when the company obtains the right to consideration under the terms of the individual contract. Where the right to consideration occurs before the service is invoiced the income is accrued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Fixtures and fittings	- 33% on cost
Computer equipment	- 33% on cost

Fixed asset additions costing below £1,000 are written off to the income and expenditure account in the year in which the expenditure is incurred

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease

NORTH KENT ARCHITECTURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2012

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2011 and 31 March 2012	20,541
DEPRECIATION	
At 1 April 2011 and 31 March 2012	20,541
NET BOOK VALUE	
At 31 March 2012	-
At 31 March 2011	-

3 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee. The guarantors for the company are
Chatham Historic Dockyard Trust
Gravesham Borough Council
Kent County Council
Medway Council
University of Greenwich

Each member of the Company has undertaken to contribute to the assets of the company, in the event of the same being wound up while he/she is a member, or within one year after he/she ceases to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £1

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Registered number: 04400592

Visit Kent Limited
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 March 2012

SATURDAY



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22/12/2012

#59

COMPANIES HOUSE

Visit Kent Limited
(A company limited by guarantee)

Company Information

Directors	N Bunting C Carmichael W Ferns A Cottrell K Lynes (deceased 30 March 2012) J Delaney S Matthews-Marsh T Bruton Brigadier M J Meardon RM M Dance (appointed 1 June 2012) J Bunnett R Cooper P J Colling (appointed 30 January 2012) R Hales (resigned 15 March 2011)
Company number	04400592
Registered office	28-30 St Peter's Street Canterbury Kent CT1 2BQ
Auditors	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margarets Street Canterbury Kent CT1 2TU
Bankers	National Westminster Bank Plc 11 The Parade Canterbury Kent CT1 2SG

Visit Kent Limited
(A company limited by guarantee)

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Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

Visit Kent Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company's principal activity is to carry on business and activities as may promote, market, advertise and develop nationally and internationally the tourist industry in the county of Kent and all the bodies, entities, persons associated and involved therein.

Directors

The directors who served during the year were

N Bunting
C Carmichael
W Ferris
A Cottrell
K Lynes (deceased 30 March 2012)
J Delaney
S Matthews-Marsh
T Bruton
Brigadier M J Meardon RM
J Bunnett
R Cooper
P J Colling (appointed 30 January 2012)
R Hales (resigned 15 March 2011)

Visit Kent Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2012

Provision of in-kind services

During the period Visit Kent Limited had a very close working relationship with the Kent County Council (KCC) Visit Kent Limited benefited from the services of secondees who are written into a service level agreement in place, to a total value of £194,419 during the year to 31 March 2012 (2011 £35,544) In addition services valued at £498,000 (2011 £415,000) were provided by a number of private sector investors Visit Kent Limited is grateful to the providers of these services, without which much of the work undertaken could not have been achieved

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditors, Reeves & Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 20 December 2012 and signed on its behalf



Brigadier M J Meardon RM
Director

Visit Kent Limited
(A company limited by guarantee)

Profit and loss account
for the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	1	1,431,536	1,565,381
Cost of sales		<u>(1,305,125)</u>	<u>(1,446,527)</u>
Gross profit		126,411	118,854
Administrative expenses		<u>(124,600)</u>	<u>(112,758)</u>
Operating profit	2	1,811	6,096
Interest receivable and similar income		<u>341</u>	<u>335</u>
Profit on ordinary activities before taxation		2,152	6,431
Tax on profit on ordinary activities	4	<u>(68)</u>	<u>(71)</u>
Profit for the financial year	9	<u><u>2,084</u></u>	<u><u>6,360</u></u>

The notes on pages 7 to 10 form part of these financial statements

Visit Kent Limited
(A company limited by guarantee)

Independent auditors' report to the members of Visit Kent Limited

We have audited the financial statements of Visit Kent Limited for the year ended 31 March 2012, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Visit Kent Limited
(A company limited by guarantee)

Independent auditors' report to the members of Visit Kent Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Reeves & Co LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Statutory Auditor

Chartered Accountants

Canterbury

21 December 2012

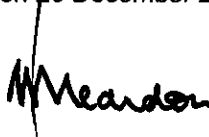
Visit Kent Limited
(A company limited by guarantee)
Registered number: 04400592

Balance sheet
as at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible Fixed Assets	5		12,465		12,968
Current assets					
Debtors	6	489,889		279,365	
Cash at bank and in hand		239,761		175,798	
		729,650		455,163	
Creditors , amounts falling due within one year	7	(577,962)		(306,062)	
Net current assets			151,688		149,101
Net assets			164,153		162,069
Capital and reserves					
Profit and loss account	9		164,153		162,069
			164,153		162,069

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2012


Brigadier M J Meardon RM
 Director

The notes on pages 7 to 10 form part of these financial statements

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of grants and contributions received and services supplied, exclusive of Value Added Tax and trade discounts

Interreg income

Grant funding from Europe (Interreg) is only recognised when the relevant claim has been submitted in circumstances where the Board are confident that the claim will be accepted

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Office equipment	-	20% straight line
Computer equipment	-	33% straight line
Furniture and fittings	-	20% straight line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.6 Going concern

The company has considerable financial resources together with a number of future investors and campaigns from which it is expected to derive a significant amount of income. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have considered the impact of the government cuts on local authority spending and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2012

2. Operating profit

The operating profit is stated after charging

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned by the company	5,587	4,718
Auditors' remuneration	3,800	3,700
	<u>9,387</u>	<u>8,418</u>

3. Directors' remuneration

	2012	2011
	£	£
Aggregate emoluments	94,000	101,000
	<u>94,000</u>	<u>101,000</u>

4. Taxation

	2012	2011
	£	£
UK corporation tax charge on profit for the year	68	71
	<u>68</u>	<u>71</u>

Factors affecting tax charge for the year

In October 2004 the Inland Revenue agreed that the company was not trading for the purposes of the Taxes Acts and as such would not be liable to corporation tax on any temporary surplus arising from its activities. The company, would however, remain liable to tax on any investment income arising.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2012

5 Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2011	10,265	45,572	55,837
Additions	1,496	3,588	5,084
At 31 March 2012	11,761	49,160	60,921
Depreciation			
At 1 April 2011	5,251	37,618	42,869
Charge for the year	1,443	4,144	5,587
At 31 March 2012	6,694	41,762	48,456
Net book value			
At 31 March 2012	5,067	7,398	12,465
At 31 March 2011	5,014	7,954	12,968

6. Debtors

	2012 £	2011 £
Trade debtors	59,218	138,412
Interreg debtors	309,295	111,524
Other debtors	121,376	29,429
	489,889	279,365

7. Creditors:
Amounts falling due within one year

	2012 £	2011 £
Trade creditors	153,802	93,441
Corporation tax	68	70
Social security and other taxes	10,227	-
Other creditors	413,865	212,551
	577,962	306,062

8. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2012

9. Reserves

	Profit and loss account £
At 1 April 2011	162,069
Profit for the year	2,084
	<hr/>
At 31 March 2012	164,153
	<hr/>

10. Contingent liabilities

The company's entitlement to Interreg grant funding (see note 1.3) is dependant on it meeting certain "key delivery outcomes" as specified within the grant documentation. In the opinion of the directors the company has continued to meet these "key delivery outcomes". Therefore whilst failure to adhere to these requirements could result in an obligation to repay part of the funds, no attempt has been made to quantify the amount of this contingent liability as in the opinion of the directors the likelihood of the company being obliged to make any repayment is negligible.

Following a routine inspection into its VAT affairs in February 2011, the company is still in protracted negotiations with HM Revenue & Customs in respect of the VAT treatment of certain matters. However the timing of the resolution of these negotiations and the potential financial effect on the company is unknown at this stage. As a result of these uncertainties the company has not recognised any potential liability in the financial statements that may arise as a result of these negotiations.

11. Operating lease commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other
	2012	2011	2012
	£	£	£
Expiry date			
Between 2 and 5 years	25,000	25,000	3,580
	<hr/>	<hr/>	<hr/>

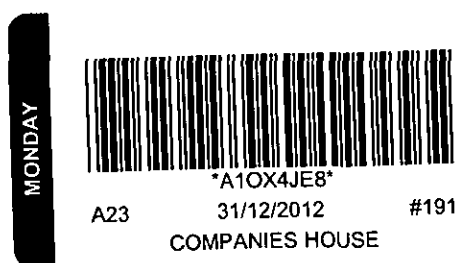
12. Controlling party

In the opinion of the directors there is no one ultimate controlling party

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REGISTERED NUMBER: 05259365

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012
FOR
TRADING STANDARDS SOUTH EAST LIMITED



**CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012**

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Abbreviated Balance Sheet	3
Notes to the Abbreviated Accounts	4

TRADING STANDARDS SOUTH EAST LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2012**

DIRECTORS:

M Butler	T K Carter
L Corne	S Crawley
D R Cross	V De Haan
P J Deacon	J C Edsell
P J Emmett	P Exeter
K E Ford	I G Gilmore
M Gollidge	A Gregory
K G Holyer	G J Jackson
J Kerman	P Lipscomb
Z Lys	G R Macpherson
L Mooney	S M F Murphy
J C Peerless-Mountford	J Player
A L Poole	C D Robinson
M V Rolfe	S J Ruddy
R J Sexton	G M Stedman
R N Strawson	M J Thornton
I K Treacher	R I Webb
J S Whale	J S Woodhouse
R Zambra	

SECRETARY:

G J Jackson

REGISTERED OFFICE:

Surrey County Council, Fairmount House
Bull Hill
Leatherhead
Surrey
KT22 7AY

REGISTERED NUMBER:

05259365

**SENIOR STATUTORY
AUDITOR.**

A J Brain

AUDITORS:

CG LEE LTD
Chartered Certified Accountants
Registered Auditors
Ingram House
Mendian Way
Norwich
Norfolk
NR7 0TA

**REPORT OF THE INDEPENDENT AUDITORS TO
TRADING STANDARDS SOUTH EAST LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages three to four, together with the full financial statements of Trading Standards South East Limited for the year ended 31 March 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



A J Bram (Senior Statutory Auditor)
for and on behalf of CG LEE LTD
Chartered Certified Accountants
Registered Auditors
Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

Date

28/12/12

TRADING STANDARDS SOUTH EAST LIMITED (REGISTERED NUMBER: 05259365)

ABBREVIATED BALANCE SHEET
31 MARCH 2012

	Notes	2012 £	2011 £
CURRENT ASSETS			
Debtors		833,983	552,658
Cash at bank		<u>762,649</u>	<u>760,151</u>
		1,596,632	1,312,809
CREDITORS			
Amounts falling due within one year		<u>1,568,582</u>	<u>1,287,809</u>
NET CURRENT ASSETS		<u>28,050</u>	<u>25,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,050</u>	<u>25,000</u>
RESERVES			
Income and expenditure account		<u>28,050</u>	<u>25,000</u>
		<u>28,050</u>	<u>25,000</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board of Directors on 10 July 2012 and were signed on its behalf by


G.J. Jackson - Director

The notes form part of these abbreviated accounts

TRADING STANDARDS SOUTH EAST LIMITED (REGISTERED NUMBER: 05259365)

**NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2012**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Turnover

Turnover represents the net value of services provided, excluding value added tax. Any unmatched surplus revenue at the end of the year is carried forward within creditors.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Deferred tax

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with Financial Reporting Standard 19, provision is made for deferred tax in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised when it is more likely than not that the deferred tax asset will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date. Deferred tax balances are not discounted.

Grants receivable

Revenue grants received are matched against the expenditure to which they relate.

Grants received in respect of capital expenditure are credited to the deferred income account and are released to the profit and loss account by equal instalments over the expected useful lives of the assets.

Any unmatched surplus revenue grants at the end of the period are carried forward in creditors.

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2011	
and 31 March 2012	<u>1,963</u>
DEPRECIATION	
At 1 April 2011	
and 31 March 2012	<u>1,963</u>
NET BOOK VALUE	
At 31 March 2012	<u>-</u>
At 31 March 2011	<u>-</u>

3 LIMITED LIABILITY AND CONTROLLING INTEREST

The company is limited by guarantee and does not have any share capital. The liability of the members is limited to contributions of £1. There is no ultimate controlling party.

Registered number 03000723

Business Support Kent Community Interest Company

Directors' report and financial statements

For the year ended 31 March 2012

FRIDAY



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COMPANIES HOUSE

Business Support Kent Community Interest Company

Company Information

Directors	M T Adam (appointed 13 September 2011 & resigned 8 June 2012) B W C Bond R R Clewley J W Faulkner (resigned 10 May 2011) S Holt (resigned 13 September 2011) R C Jones (resigned 9 August 2011) A J Ledger (resigned 1 November 2011) J R Ollis (appointed 13 September 2011) E F Russell (appointed 13 September 2011) P C Winter S Wood
Company number	03000723
Registered office	Foord Annexe High Street Rochester Kent ME1 1EW
Auditor	Reeves & Co LLP Statutory Auditor & Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU

Business Support Kent Community Interest Company

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Business Support Kent Community Interest Company

Directors' report

For the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Principal activity and business review

The principal activity of the company during the year was to improve the competitiveness of small and medium sized enterprises through the impartial delivery of a variety of services and by providing access to the information, skills, knowledge and advice they need to succeed

The company is also an active partner with a number of key stakeholders in Kent and throughout the South East that seek to promote the economic prosperity of the region

The status of Community Interest Company accords with the role the business has in serving communities in Kent

The Company benefits the following sections of the community through its operations, services and the application of its financial resources and through its influence

- 1 Local communities primarily in Kent, particularly those in designated areas of social deprivation, regeneration or growth, where stimulation of the enterprise economy will bring positive benefits to the economic and social well being of the community
- 2 Individuals who need or want to start a business or commence self-employment, particularly those from sections of the community who are under-represented or disadvantaged in the enterprise economy
- 3 Small and medium sized businesses and their employees, particularly those in designated areas of social deprivation, regeneration or growth. Small and medium sized businesses account for the majority of new job creation and make a significant positive contribution to the economy

Key achievements

Financial

The company has generated a pre-tax deficit on ordinary activities of £109,000 during the year. The year has been one of continued reorganisation and adjustment to deliver an organisation that is highly skilled but flexible in meeting the demands of the business going forward.

Reserves are £310,000 and are currently considered adequate for the immediate future, subject to change in business requirements.

Other Key Performance Results

The company continues to be successful in delivering business improvement programmes across a range of initiatives but has increasingly been focussed on internationalisation, innovation and high growth potential businesses, and sustainability and renewable resources.

The company continues to win or renew programme delivery contracts, and works in collaboration with a number of partner organisations in the private and public sectors on local, national, and international initiatives.

Principal risks and uncertainties

The company will be dependent on securing additional project funding from both Europe and the UK in the short to medium term. The uncertainties associated with the economic situation for both sources and the overall focus on austerity programmes across the European Union will probably result in the business continuing to reduce in scale.

Business Support Kent Community Interest Company

Directors' report

For the year ended 31 March 2012

Directors

The directors who served during the year were

M T Adam (appointed 13 September 2011 & resigned 8 June 2012)

B W C Bond

R R Clewley

J W Faulkner (resigned 10 May 2011)

S Holt (resigned 13 September 2011)

R C Jones (resigned 9 August 2011)

A J Ledger (resigned 1 November 2011)

J R Ollis (appointed 13 September 2011)

E F Russell (appointed 13 September 2011)

P C Winter

S Wood

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

Business Support Kent Community Interest Company

**Directors' report
For the year ended 31 March 2012**

Auditor

Burgess Hodgson resigned as auditor on 29 May 2012 and Reeves & Co LLP have been appointed as auditor in their place

Under section 487(2) of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 13th November 2012 and signed on its behalf

A handwritten signature in black ink, appearing to read 'R R Clewley', with a long horizontal flourish extending to the right.

R R Clewley
Director

Business Support Kent Community Interest Company

Independent auditor's report to the shareholders of Business Support Kent Community Interest Company

We have audited the financial statements of Business Support Kent Community Interest Company for the year ended 31 March 2012, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its deficit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

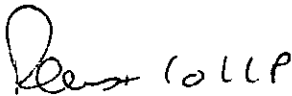
Business Support Kent Community Interest Company

Independent auditor's report to the shareholders of Business Support Kent Community Interest Company

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



Susan Robinson BA FCA FCIE DChA MCMI (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

Date 14 December 2012

Business Support Kent Community Interest Company

**Income and expenditure account
For the year ended 31 March 2012**

	Note	2012 £	2011 £
Turnover	1	3,921,994	5,042,700
Cost of sales		<u>(1,886,726)</u>	<u>(2,512,364)</u>
Gross surplus		2,035,268	2,530,336
Administrative expenses		<u>(2,144,795)</u>	<u>(2,766,636)</u>
Operating deficit	2	(109,527)	(236,300)
Interest receivable and similar income		<u>824</u>	<u>16,205</u>
Deficit on ordinary activities before taxation		(108,703)	(220,095)
Tax on deficit on ordinary activities	4	<u>(173)</u>	<u>(2,063)</u>
Deficit for the financial year	10	<u>(108,876)</u>	<u>(222,158)</u>

The notes on pages 8 to 13 form part of these financial statements

Business Support Kent Community Interest Company
Registered number: 03000723

Balance sheet
As at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	5		15,456		76,229
Investments	6		40		50
			<u>15,496</u>		<u>76,279</u>
Current assets					
Debtors	7	1,533,712		2,300,619	
Cash at bank and in hand		13,189		215,630	
		<u>1,546,901</u>		<u>2,516,249</u>	
Creditors' amounts falling due within one year	8	<u>(1,252,479)</u>		<u>(2,173,734)</u>	
Net current assets			<u>294,422</u>		<u>342,515</u>
Net assets			<u>309,918</u>		<u>418,794</u>
Capital and reserves					
Called up share capital	9		6		8
Capital redemption reserve	10		2		-
Income and expenditure account	10		309,910		418,786
Shareholders' funds			<u>309,918</u>		<u>418,794</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13th November 2012.



R R Clewley
Director

The notes on pages 8 to 13 form part of these financial statements

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Turnover

Turnover comprises revenue recognised by the company represents amounts invoiced during the year, exclusive of Value Added Tax. Also included in turnover are grants received and receivable from UK and European governments as the income relates to activities performed in the year

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	3 years straight line
Furniture and office equipment	-	3 years straight line
Computer equipment	-	3 years straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.5 Operating leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account on a straight line basis over the lease term

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the income and expenditure account

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

2. Operating deficit

The operating deficit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	51,488	53,648
Auditor's remuneration	4,350	9,600
Pension costs	63,109	79,337

3. Directors' remuneration

	2012 £	2011 £
Aggregate emoluments	211,080	76,096

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

4. Taxation

	2012 £	2011 £
UK corporation tax charge on deficit for the year	173	2,063

Business Support Kent Community Interest Company, due to its not for profit status, is exempt from a charge to Corporation Tax on its surpluses and deficits. The tax charge is based solely on its investment income in the year.

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

5. Tangible fixed assets

	Leasehold improvements £	Furniture and office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2011	56,847	102,177	69,277	228,301
Disposals	(56,847)	(13,511)	(5,713)	(76,071)
At 31 March 2012	-	88,666	63,564	152,230
Depreciation				
At 1 April 2011	48,045	71,399	32,628	152,072
Charge for the year	8,802	20,396	22,290	51,488
On disposals	(56,847)	(6,557)	(3,382)	(66,786)
At 31 March 2012	-	85,238	51,536	136,774
Net book value				
At 31 March 2012	-	3,428	12,028	15,456
At 31 March 2011	8,802	30,778	36,649	76,229

6 Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2011	30	20	50
Disposals	(10)	-	(10)
At 31 March 2012	20	20	40
Net book value			
At 31 March 2012	20	20	40
At 31 March 2011	30	20	50

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Business Link Kent Limited	Ordinary	100%
Taktix Limited	Ordinary	100%

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

6. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Business Link Kent Limited	10	-
Taktix Limited	10	-
	<u>10</u>	<u>-</u>

Participating interests

The company held one third of the allotted share capital of Skills South East Limited at 31 March 2012. Business Support Kent Community Interest Company exercises significant influence over Skills East Limited.

The most recent audited financial statements of Skills South East Limited for 31 July 2011 show net liabilities of £39,945 (2010 £101,693) and a loss of £136,638 (2010 £80,450).

7. Debtors

	2012 £	2011 £
Trade debtors	74,992	90,026
Amounts owed by group undertakings	106,293	48,133
Prepayments and accrued income	1,346,823	2,156,475
Other debtors	5,604	5,985
	<u>1,533,712</u>	<u>2,300,619</u>

8. Creditors Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	202,994	-
Trade creditors	20,786	63,785
Corporation tax	173	2,141
Social security and other taxes	43,087	80,267
Other creditors	985,439	2,027,541
	<u>1,252,479</u>	<u>2,173,734</u>

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

9. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
6 (2011 - 8) Ordinary shares of £1 each	<u>6</u>	<u>8</u>

The company repurchased 2 of its ordinary shares at par on 17 June 2011

10 Reserves

	Capital redemption reserve £	Income and expenditure account £
At 1 April 2011		418,786
Deficit for the year		(108,876)
Transfer on purchase of own shares	2	
At 31 March 2012	<u>2</u>	<u>309,910</u>

11. Contingent liabilities

Included in reserves is a provision of £97,000 (2011 £97,000) relating to the termination of a contract with SEEDA, which is contingent upon staff movements in the future, attached to the closure of the Business Link contract

12. Operating lease commitments

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012 £	2011 £	2012 £	2011 £
Expiry date.				
Within 1 year	-	9,250	-	-
Between 2 and 5 years	<u>102,500</u>	<u>82,500</u>	<u>25,112</u>	<u>25,152</u>

13. Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard for Smaller Entities (effective April 2008) not to disclose transactions with members of the group headed by BSK-Group CIC group on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2012

14. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is BSK-Group CIC, incorporated in England and Wales

The results of the company are consolidated in BSK-Group CIC. Copies of the consolidated financial statements are available from Companies House

60 3550/30

CIC 34**Community Interest Company Report**

For official use
(Please leave blank)

Please
complete in
typescript, or
in bold black
capitals.

**Company Name in
full**

Business Support Kent Community Interest
Company

Company Number

03000723

Year Ending

31 March 2012

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community, or section of the community, which the company is intended to serve.

At BSK we believe in helping businesses and individuals to make a real difference to their performance and profitability. To this end, for the last five years we have focused on running funded programmes in four key areas, sustainability, innovation and growth, competitiveness, and knowledge transfer. We have adapted our own business model whilst retaining the spirit, atmosphere, and enthusiasm of our outstanding people as we respond to change, and encourage change in our business community. We provide a range of business development, primarily subsidised, through European programmes such as regional ERDF, Interreg, CIP and Lifelong Learning, local Authorities, primarily Medway and Kent County Councils and the UK government, to commercially developed B2B activity such as our Kent2020 Vision Live event. Additionally we also provide bid writing and consultancy support for other like minded groups wanting to draw down funding to support business growth and innovation.

(If applicable, please just state "A social audit report covering these points is attached")

(Please continue on separate continuation sheet if necessary)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are, how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear

Our SMEs customers form a major stakeholder group for the company. We ensure that all our programmes include feedback opportunities for companies involved in our work and use this to guide our activity. Our second major stakeholder group comprises our funders, which for 2011-12 included European funding agencies, local Councils, and other public service providers. Consultation and discussion was ongoing with all these groups at all levels of the company. Additionally we invited 3 new members onto our CIC board as observers to help guide our future activity. They represent Kent County Council, Medway Council and Canterbury City Council.

Our third stakeholder group is our regional partners (local authorities), HE and FE colleges, Universities, Chambers of Commerce, government agencies (BIS, DECC & DEFRA), environmental organisations and European programme partners. Each were consulted as part of our ongoing relationship with them.

(If applicable, please just state "A social audit report covering these points is attached")

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below

The directors' aggregate emoluments were

	£

Aggregate emoluments	211,080
	=====

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below

No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary)

(N.B. Please enclose a cheque for £15 payable to Companies House)

PART 5 – SIGNATORY

The original report must be signed by a director or secretary of the company

Signed

Jane Ellis

Date

17 12 12

Office held (tick as appropriate) ☒ Director ☐ Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

jane.ellis@bsk-cic.co.uk	
Telephone	01634 820471
DX Number	DX Exchange

When you have completed and signed the form, please send it to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

CIC 34

CONTINUATION SHEET

*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

Company Number

Year Ending

Business Support Kent Community Interest
Company

03000723

31 March 2012

PLEASE CLEARLY INDICATE THE PART YOU ARE CONTINUING HERE PART 1

Highlights for the year ending March 31st included

- High Growth Coaching advice was provided by our High Growth Kent team to 230 companies supporting them with planning, marketing, IP and access to finance Over £10m of investment was raised to help Kent companies and 130 new jobs created during the year
- We continue to operate the Enterprise Europe Network South East – supporting local companies into over 600 European and International partners in 44 countries The programme also ran an extremely positive matchmaking event for companies at Eco-build in March 2012 with over 300 companies involved from 22 countries and is supporting export activity through our 2 Seas Trade programme
- BSK-CiC has many years of experience in helping people start up and develop new businesses We continue to run Medway Councils start up programme and assisted 140 people to begin their own companies
- We continue to support the Low Carbon construction sector with the opening of the Build 4 Demo Centre in Dover in March 2011 and to provide an information and development programme for SMEs wanting to expand and diversify into the sustainable construction market, including renewable energy
- Support for Eco Enterprise, Sustainable Design and resource efficiency were provided to over 1500 companies across Europe through our EU funded Ecomind, Low Carbon Essentials and Energy Grant programmes

By: Mike Hill, Cabinet Member for Customer and Communities
Des Crilley, Director of Customer Services

To: Governance and Audit Committee Trading Activities Sub Group

Subject: Dissolution of Kent Cultural Trading and Kent on Canvas

Date: 1 March 2013

Classified: Unrestricted

Summary

This paper sets out the background to Kent On Canvas and Kent Cultural Trading Ltd and the steps taken to re-align the business following recent developments, including the rationale for the proposed dissolution of both companies.

Background and context

1. In late 2006, work was commissioned by the then Chief Executive to look at KCC's historical and cultural assets, including the potential development of short and long term income generation opportunities. As part of this work, 'Kent on Canvas' was launched in 2008 as an 'art on demand' service and the project initially met with high levels of demand.
2. Following a series of Freedom of Information requests, the service offer was restricted to KCC employees only, as 'Kent on Canvas' was deemed by Legal Services not to be trading in accordance with the provisions of the Local Government Act 2003.
3. In order to regularise the situation, a Cabinet Member decision¹ was taken to establish 'Kent on Canvas' as a limited company. Over the following years, it developed various promising opportunities around merchandising, digitising, archiving and various partnership prospects. It was then felt that these opportunities could best benefit from being under an umbrella company and a business case was presented to the G&A Trading Activities Sub Group² following which Kent Cultural Trading Ltd (KCT) was established³ as a wholly-owned subsidiary of KCC.
4. In 2012, Internal Audit examined KCT's activities and subsequently a decision was taken to temporarily cease trading and suspend a member of staff. Following the findings of the investigation, advice was sought from Legal Services to determine what course of action the council needed to consider.

¹ 09/01404

² 17th May 2010

³ 20th July 2010

5. Having agreed to proceed with this course of action and given the loss of staff and the temporary freeze in trading, which had impacted on the company's ability to trade effectively, a full assessment of KCT's trading activities was undertaken in order to consider what viable business opportunities remained given the ever more uncertain economic climate. If dissolution was to be the preferred option, it was essential that KCT assets and outstanding opportunities should be looked into to ensure that all possible value was extracted from the company.
6. In order to assist with the options analysis, Commercial Services were brought in to advise and consider solutions.
7. The business opportunities under review included:
 - Kent Library Shop (online shop owned and operated by KCT)
 - Kent on Canvas (online shop owned and operated by KCT)
 - Digital Capture and Data Management Systems
 - Kent Galleria
 - Cleansing product
 - Patient Essentials

Business options analysis

8. The following paragraphs set out the key trading activities and opportunities that were being pursued by KCT, along with the reasons why the activity was eventually discontinued.
9. **Kent Library Shop** – Online merchandising operation

Discontinued due to:

 - Loss of marketing ability significantly reduced trading volumes
 - Loss of staff capacity to deliver the service
 - Ongoing economic downturn made recovery prospects weak
 - Commercial Services advised situation now made viability poor even if transferred to them
 - Potential for new start up capital to be required
 - Temporary freeze in trading contributed to loss of confidence
 - Library review suggested discontinuing given difficulties
10. **Kent on Canvas** – An online print on demand service to print Kent images including photographs and art works onto canvas.

Discontinued due to:

 - Lost trading volumes and trust after it was required to close following requirements to change legal setup
 - Re-branding required due to loss of trust
 - Potential for new start up capital to be required

11. **Digital Capture and Data Management Systems** –The digitisation of art work, archive material and registration records, producing high quality images and prints and the creation of an indexed database of births, deaths and marriage records linked to a simple retrieval system.

Discontinued due to:

- Significant capital investment required and business case only just being prepared
- Delays by the MD followed by the subsequent investigation, coupled with several new entrants to the market, now made this opportunity less financially viable

12. **Kent Galleria** – development of a service offering low-cost website facilities, online payment system, order fulfilment and distribution to Kent SMEs. The Galleria would highlight similar products and services and provide an Amazon-type shopping experience for the customer. The Library Shop and other public sector services would also have been promoted. KCT would have taken a percentage of each transaction made through the portal.

Discontinued due to:

- Business case was being prepared and would have required a significant capital investment

13. **Cleansing product** – Spray or liquid able to cleanse hospital facilities far more effectively than current market leaders.

Discontinued due to:

- Research in tandem with Commercial Services proved that the information provided by the MD in regard to the opportunity had been overstated and Commercial Services advised that the benefits were unlikely to deliver a financial gain.

14. **Patient Essentials** – Service to deliver packs of essential products to patients in hospital during their stay. The e-commerce solution including logistics was to be provided by KCT Ltd for a commission.

Discontinued due to:

- Discovery of conflicts of interest with a proposed partner company during the course of the investigation

15. Based on the above, and with ongoing financial pressures to consider, along with little appetite for further investment, the directors with input from all key stakeholders have recommended the dissolution of Kent Cultural Trading Ltd and its subsidiaries.

Next steps

16. A decision will now be taken in order to voluntarily dissolve both companies. Legal Services can then follow the requisite action to have the companies dissolved, following which they will be removed from the Companies House

register. Operations are currently being wound down prior to the companies recommended dissolution. As part of this work, any remaining assets will be transferred to KCC for the sum of £1 in order to compensate KCC for any losses.

Finance

17. The accounts are presented as a separate item on the Agenda. They show that KCT for the year ended 31st January 2012 made a loss of £153,958 and KoC for the year ended 31st August 2012 made a loss of £4,632.
18. There are no outstanding creditors other than KCC.

Recommendations

19. Members are recommended to note contents of this report for assurance, and to endorse the actions taken, including the:
 - approach to minimising reputational loss to the authority;
 - actions taken to reduce the financial impact of losses to local companies and the authority and;
 - final steps being taken to dissolve the companies.

Jonathan White 01622 696904

From: Bryan Sweetland, Cabinet Member for Environment, Highways and Waste
Mike Austerberry, Corporate Director, Enterprise & Environment
Ian McPherson, Managing Director, Commercial Services

To: Governance & Audit Committee, Trading Activities Sub-Group –1st March 2013

Subject: Progress report on the transformation programme to re-align Commercial Services following external review of its activities

Classification: Unrestricted

Summary: Following the last report to this Sub-Group on 28 September 2012, significant progress has been made towards implementing the transformation programme in Commercial Services. An internal audit review of this progress has also been undertaken.

Recommendations:

i) The Governance & Audit Trading Activities Sub-Group is asked to note the progress in implementing the transformation programme in Commercial Services and the contents of the Internal Audit report dated 21st January 2013.

1. Introduction

1.1 Commercial Services (CS) is a non-budget funded division of the County Council, which funds itself from the income generated by its own activities. It is largely, and increasingly, focused on trading outside Kent, and made a net return to KCC central funds of £7m in May 2012.

1.2 The County Council's policy document Bold Steps for Kent set out the need for new approaches to meet the financial challenges facing local government. In this context the Cabinet Member for Environment, Highways and Waste and Corporate Director for Enterprise & Environment last year commissioned an external appraisal of the management, operations, governance and future business potential of Commercial Services.

1.3 This independent review recognised the value that Commercial Services added to the County Council and made a number of recommendations concerning changes and improvements to governance arrangements and clarification of the legal and governance relationship between KCC and Commercial Services. It also provided advice on areas of current and future business with the greatest potential profitability and sustainability, in order to underpin and strengthen future income returns to KCC.

1.4 The transformation programme has two main aims: Firstly to make Commercial Services a leaner, more efficient business, better equipped to

compete in challenging conditions. Secondly, to ensure that it operates clearly at “arms length” from KCC with an appropriate company structure.

1.5 Since the last presentation to the committee there has been significant progress which can be summarised as:

- Reorganisation and rationalisation into 5 customer focused Divisions offering:
 - Direct Services: including Landscapes, FM, Design and Print and Transport related services;
 - Care;
 - Recruitment;
 - Energy; and:
 - Education Supplies
- A determination to exit non profitable and viable business areas as exemplified by announcement of exit from the bus and coach business later this year;
- The reduction from five Limited Companies to two;
- The establishment of a properly balanced Executive to drive the business forward;
- The establishment of a shareholder board to inform the delegated Cabinet Member;
- The alignment of finances with the business divisions;
- The successful implementation of plans to move to independent premises over the next year;
- The imminent transfer of all staff to the new Limited Companies;
- The implementation of a detailed business planning process;
- The impending employment of Non-Executive Directors.

The programme has been subject to Audit and a summary of the results of the Audit is appended.

2. Proposals

2.1 Facilitated by the 03 October 2012 Cabinet Members decision 12/01946, the transformation programme is well underway and has reconfigured the current 26 disparate business units into five client-facing divisions. These new business divisions will act under the auspices of the two new legal entities, rather than under the current five limited company structure.

2.2 The new business divisions cover the areas of Education, Energy, Care, Employment and Direct Services with the sole purpose of returning an income dividend to the Council at no cost.

2.3 The CS Internal Audit report dated 21 January 2013 provides a status update against the recommendations of the transformation programme.

3. Financial Implications

3.1 There are no financial implications.

4. Staffing Implications

4.1 There are no new staffing implications. A full staff consultation has been undertaken on the TUPE transfer of all existing 509 KCC staff, and the 302 KTT staff, to one of the two limited companies. TUPE regulations ensure that the existing employment terms, and pension provision, of staff transferring to a new provider are protected and there will therefore be no adverse impact on transferees. CSK Ltd has successfully secured admitted body status to the Local Government Pension Scheme in order to provide for the transferred-in pensions. Other non LGPS staff will be auto-enrolled into a stakeholder pension scheme which has been agreed with the Trades Unions. All new staff will be employed on the new T's and C's of one of the two Limited Companies which will include auto-enrollment in accordance with Government policies.

5. Equalities Impact Assessment

5.1 There is no impact and screening reveals no further action is required.

6. Legal Implications

6.1 The new companies are being formed with appropriate articles of association and align with the protocol relating to Companies in which the Council has an interest. Furthermore a protocol is being developed with the Head of Internal Audit of KCC and Internal Audit of Commercial Services and will be applied to the new Company with effect from 1st April 2013.

7. Conclusion

7.1 The transformation programme is well underway and on target. The remaining actions will be completed on time and are proceeding to schedule. Once complete they will enable Commercial Services in future to operate more effectively, efficiently and transparently creating a more viable and sustainable business platform.

Background Documents

Appendix 1: Summary of Commercial Services Internal Audit Report on the Transformation Programme

Ian McPherson
Managing Director, Commercial Services
Gibson Drive, West Malling
Tel: 5352 (01622 605352)

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SUMMARY OF THE
Internal Audit Final Report
Transformation Programme Follow Up
2012/2013 Audit Year

Date issued: 21 January 2013

Prepared by: Anna Simmonds



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Commercial Services Internal Audit


2012- 2013

1. Executive Summary

1.1 Introduction

This review was requested by the Managing Director of Commercial Services (CS) to provide an independent opinion on the progress made in respect of implementing the transformation programme.

The objective of this review was to assess the actions taken by management to implement and address the recommendations and matters arising from an independent strategic review (undertaken in 2011) that resulted in the introduction of the transformation programme of CS.

1.2 Audit Opinion	High	Substantial	Adequate	Limited	None
The system of control is sufficiently sound to manage key risks.					

1.3 Rationale for opinion

Of the original 14 actions arising, eight have been fully implemented, the remainder are being actively progressed and are on target. KCC Directors and Members have increasingly engaged to understand and monitor the operations of Commercial Services via the Shareholder Board, thus improving the oversight function. This has further been supported by the recent Cabinet Member decision of the “*realignment of commercial services company structure*” on 3rd October 2012.

The fully implemented recommendations include:

- Realignment of reporting to the Corporate Director of Enterprise and Environment, who is now also Chair of the Shareholder Board.
- Establishment of an Executive Management Team aligned to the new organisational structure.
- Appointment of a KCC Head of Procurement.
- Strengthening the relationship and roles of the KCC Head of Procurement and Managing Director of Commercial Services.
- KCC have adopted the role of Intelligent Customer in respect of procurement.
- Clarification and agreement has been achieved in respect of pension liabilities, deconstruction of annual recharges and premises arrangements.
- A Commercial Services internal audit function has been established.
- Reviews were undertaken of each of the business units within Commercial Services.

1.4 Key recommendations

The following recommendations, whilst outstanding, are on target to be implemented in full and to timetable:

1. Formally constitute a stand alone business as an Arms Length Organisation, which will be fully operational from 1st April 2013.
2. Progress the creation of an Advisory Board with external advice in the guise of non-Executive Directors (or similar function), drawn from relevant sections of the market that match those delivered by Commercial Services.
3. A clear Risk Policy covering CS's risk management philosophy and responsibilities should be drafted, approved and published.
4. The defined vision, mission and objectives for the corporate entity should be represented in the individual divisional business plans.
5. Any financial arrangements should be properly documented at the earliest opportunity following establishment of the new companies.

The assistance of staff in providing information during the audit is gratefully acknowledged.

2. Findings

2.1 Background/Context

In July 2011, Eversheds and BDO were jointly commissioned to undertake a high level strategic review of the governance arrangements of Kent Commercial Services (CS). The scope of this review covered the following areas:

- The current governance and assurance arrangements of the whole CS entity.
- The legality of the current operating and governance arrangements in CS against the Companies Act and Local Government legislative requirements.
- The financial relationship between CS and Kent County Council (KCC), including an assessment as to the level of subsidy (if any) that KCC provides to CS.
- How well KCC has specified the purpose of CS, how well this aligns with the strategic requirements of KCC, and how precisely this is interpreted and delivered by CS.

2.2 Summary of findings

Following the original BDO/Eversheds report a number of changes were made to the operating structure of Commercial Services, with the 25 plus business units being aligned to 5 divisions, all headed by a Director. The new structure lent itself to a new senior management team, resulting in a strengthened Executive being in place by August 2012.

During the same period a Shareholder Board was formed, consisting of representatives from KCC Members, Corporate Directors and CS Executive. The board met monthly and a draft Terms of Reference setting out the purpose and remit of the board has been produced and considered.

The recent Cabinet Member decision of the “*realignment of commercial services company structure*” on 3rd October 2012 has significantly helped Commercial Services to progress many of the actions arising from the BDO/Eversheds report, in that it formally approved the new structure and direction of Commercial Services.

The decision approved:

- the formation of two new companies
- the transfer of staff to the new companies
- changes in the companies’ Directors
- the move of operations to a new location
- delegating authority to the Corporate Director for Enterprise and Environment in consultation with the Cabinet member for Environment, Highways and Waste.

Following the above decision, Commercial Services are now able to implement plans already in place to relocate in 2013, and to transfer staff to the new companies and start trading as the two new companies from 1st April 2013.

In preparation for the significant changes, the CS Executive are also in the process of reviewing and updating Business Plans to ensure that they are fully aligned with the new Mission, Vision and Objectives of Commercial Services as a whole. These have been

COMMERCIAL SERVICES INTERNAL AUDIT

consistently communicated to CS staff via written and oral briefings from the new Managing Director.

It is anticipated that once the two companies are formally trading from 1st April 2013, this will allow for many of the outstanding recommendations to be fully implemented.

Commercial Services has appropriately waited for the formal decision of Cabinet Members to constitute to two new companies. In preparation for this decision the Shareholder Board has been heavily consulted and legal advice sought, business unit reviews have been completed, which have informed the reorganisation of Commercial Services with the introduction of a supporting Executive.

The decision to start formally trading on 1st April 2013, fits with the start of a new financial year and provides time for staff to be sufficiently consulted in preparation of the changes and for Directors to produce new business plans aligned to the new structure.

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By: Mike Whiting, Cabinet Member for Education, Learning and Skills
Patrick Leeson, Corporate Director, Education, Learning and Skills

To: Governance and Audit Trading Activities Sub Group – 1st March 2013

Subject: EduKent Progress Report

Summary: To report on the development of EduKent during 2011 and 2012 and to present the governance arrangements put in place.

UNRESTRICTED

INTRODUCTION

1. This report updates Governance and Audit Trading Activities Sub Group on EduKent's current position, its achievements so far and the key issues for further development. In July 2012, the Governance & Audit Trading Activities Sub Group received a report on EduKent which made recommendations on how best to ensure it can be successful and sustainable. The Sub Group noted EduKent's progress with a provision that an update be submitted at the earliest opportunity, setting out the proposed Governance arrangements.
2. The report structure is as follows:
 - Background information on the schools/academies market
 - The Governance arrangements for EduKent
 - EduKent's Strategic Intent
 - Update on EduKent's progress during 2011 and 2012

BACKGROUND / THE MARKET

3. The exact size of the market is not known but given KCC's expertise and the knowledge that schools, for the present, want to continue their existing beneficial relationships with KCC, we believe there is significant potential for the services EduKent provides.

It is important to note that schools have increasing freedoms to commission services from an expanding list of suppliers. The market for school improvement is becoming increasingly competitive with national and multi-national organisations competing with EduKent for business in line with national policy to increase choice.

EDUKENT GOVERNANCE

4. In addition to formal reporting to groups such as Corporate Board and the Governance & Audit Trading Activities Sub Group, Patrick Leeson, Corporate Director for Education, Learning and Skills has established the EduKent Board where he serves as Chair, with the following Officers as regular members:

- Keith Abbott, Director of School Resources
 - Peter Bole, Director of ICT
 - Amanda Beer, Corporate Director of HR
 - Sue Rogers, Director of Education, Quality & Standards
 - Rebecca Spore, Director of Property and Infrastructure Support
 - Ian McPherson, Managing Director of Commercial Services
 - Kent Association of Head Teachers representatives (TBC)
5. An immediate focus of the EduKent Board is to ensure the delivery of the Business Plan for 2013-14. It will also put in place a reporting framework where Heads of Service for all services that trade with schools are accountable to the Board as well as to their own Directorates.
 6. Additionally, the EduKent Board, in liaison with the Corporate Director Finance and Procurement, will ensure that the appropriate accounting procedures and costing models are applied to all EduKent traded activities. The accounting procedures will result in full 6-month (as well as 12-month) financial reporting.

STRATEGIC INTENT

Bold Steps for Kent: 'KCC will shape its school support provision so that it is competitive and attractive'.

7. The Strategic Intent with respect to EduKent was set out in 'Bold Steps for Education' as part of the overall 'Bold Steps for Kent' strategy. EduKent is a customer-led unit to support schools and this was clearly spelt out in January 2011 at Head Teacher briefings. The aim is to ensure that EduKent can provide school support services, using our trading experience and expertise to offer a competitive package of services to educational settings in Kent and beyond at no cost to the taxpayer.
8. From the outset EduKent has been kept distinct from Commercial Services as the aims of the two organisations are different: Commercial Services has a clear focus on delivering profit to the County Council from sources beyond its borders, whilst EduKent is focused primarily on delivering sustainable services within Kent, to its schools and Academies. This ensures that KCC retains a strong, strategic relationship with the complete family of Kent educational settings, with any profits generated reinvested in improvements to services to schools.
9. EduKent does not provide services itself but acts as the sales and marketing function for KCC's schools services and provides their route to market. EduKent makes use of its position at the centre of KCC to add value to all its services by developing relationships with larger customers (for example, school consortia, Academies Trusts, other LAs and Dioceses) that many individual services have not been able to develop or serve on their own.
10. In addition, if Kent is to support school improvement then a key priority for EduKent is to develop its status as a broker of services for schools. Even with

33 service providers, EduKent is canvassing the views of its customers and is procuring new products to meet future needs.

EDUKENT DEVELOPMENT DURING 2011 AND 2012

11. To raise the general profile, improve accessibility and increase sales, an overhaul of the EduKent brand and visual identity was required. Following a tendering process, a creative agency was appointed, with the remit to design an updated website and brochure.
12. The launch of the new website and brochure was at the EduKent EXPO and Conference on 27th September 2012 at Detling Showground. This had been run for the last three years as the Schools' Finance Conference & Trade Fair. The event in 2012 covered a much broader school support services theme, incorporating issues other than Finance.
13. EduKent has attended the Academies Show at Olympia and had more than 100 leads from interested Schools and Academies from Sussex to the Midlands. EduKent will be in attendance at the same show in April 2013 and other events throughout the year.
14. EduKent is working jointly with Commercial Services to develop business beyond Kent. Initial pilot services have been launched with Kent Teach and Horton Kirby Environmental Education Centre.
15. EduKent will seek to develop strategies to enable access to a single process or measure for Quality Assurance (QA). One benefit of this QA approach will be its contribution towards Customer Service Excellence (CSE) accreditation, which will add value to the business for individual Service Providers and customers alike.

RECOMMENDATIONS

16. Governance and Audit Trading Sub Group are asked to note for assurance:
 - The development of EduKent during 2011 and 2012
 - The EduKent Governance arrangements

Patrick Leeson, Corporate Director

Keith Abbott, Director

February 2013

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Agenda Item 9

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