

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

Monday, 3rd March, 2014

4.00 pm

Darent Room, Sessions House, County Hall, Maidstone





AGENDA

GOVERNANCE AND AUDIT COMMITTEE TRADING ACTIVITIES SUB - COMMITTEE

Monday, 3 March 2014 at 4.00 pm
Darent 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 (Chairman) and Mr R J Parry (Vice-Chairman)

UKIP (1): Mr H Birkby

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 - 1 March 2013 (Pages 5 - 10)
- 4 Statutory Accounts for those companies in which KCC has an interest (Pages 11 - 232)
- 5 Update on Commercial Services' governance arrangements (Pages 233 - 238)
- 6 East Kent Opportunities LLP (Pages 239 - 260)
- 7 Protocol for companies in which KCC has an interest (Pages 261 - 270)
- 8 Other items which the Chairman decides are Urgent

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
(01622) 694002

Friday, 21 February 2014

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 Wantsum Room, Sessions House, County Hall, Maidstone on Friday, 1 March 2013.

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

ALSO PRESENT: Mr B J Sweetland

IN ATTENDANCE: Mr A Wood (Corporate Director of Finance and Procurement), Mr G Record (Finance and Procurement Officer), Mr D Crilley (Director of Community Cultural Services), Mr J White (Capital Project Officer), Mr M Austerberry (Corporate Director, Environment and Enterprise), Mr I McPherson (Managing Director Commercial Services), Mr K Abbott (Finance Business Partner, ELS Directorate), Mr P McSweeney (EduKent Officer), Ms N Major (Interim Head of Internal Audit) and Mr A Tait (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Minutes - 28 September 2012

(Item 3)

RESOLVED that the Minutes of the meeting held on 28 September 2013 are correctly recorded and that they be signed by the Chairman.

2. Statutory Accounts for those companies in which KCC has an interest

(Item 4)

(1) The Chairman informed the Sub-Group that he had been a director of Kentish Fare (a dormant company which was now a subsidiary of Produced in Kent).

(2) The Corporate Director of Finance and Procurement tabled the accounts for Kent on Canvas and Kent Cultural Trading. He explained that these had been sent by Companies House.

(3) The Corporate Director of Finance and Procurement presented those 2011/12 Statutory Accounts which had not been available to the previous meeting of the Sub-Group.

(4) The Corporate Director of Finance and Procurement replied to a question from Mr Prater by saying that he had been unable to establish the grounds for objection by HMRC over the proposed dissolution of Invicta Services Ltd. It was therefore agreed that the next meeting of the Sub-Group would receive an update on this matter.

(5) The Corporate Director of Finance and Procurement agreed to circulate to the Members of the Sub-Group the reasons for Kentish Fare Ltd being transferred to the ownership of Produced in Kent Ltd rather than being dissolved.

(6) Mr Wells asked whether the intended merger of Groundwork Kent and Medway into Groundwork South had taken full account of the risk of loss of control and benefits to Kent. He asked for a report on this question. It was agreed that Internal Audit would examine this question during its next tranche of auditing KCC companies.

(7) The Chairman asked for the report to the next meeting to include an explanation of the role and function of The North Kent Architecture Centre Ltd.

(8) RESOLVED that the report be noted for assurance and that the report to the next meeting of the Sub-group encompass responses to the matters set out in paragraphs (4) to (7) above.

3. Proposed Dissolution of Kent Cultural Trading and Kent on Canvas (Item 5)

(1) The Director of Customer Services set out the background to Kent on Canvas and Kent Cultural Trading and the steps taken to re-align the business following recent developments, including the rationale for the proposed dissolution of both companies. He said that the intention had been to grow returns against the County's cultural assets. In the light of the findings of the 2012 Internal Audit examination of Kent Cultural Trading's activities, the decision had been taken to temporarily cease trading and to suspend a member of staff. Following a review of the Companies' potential, he would be recommending their voluntary dissolution.

(2) The Members of the Sub-Group asked for assurance in terms of monitoring and legal advice. The Director of Customer Services replied that he was looking closely at all the controls and systems that had been in place at the time with a view to improving them. He confirmed that future ventures would seek advice from a Legal Services representative with experience of company law as well as an independent legal advisor who would look at the same questions from the company's perspective.

(3) Mr Prater asked when Kent Cultural trading had made the decision to pursue the "cleansing product" and "patient essentials" trading activities set out in the report. The Director of Customer Services replied that consideration of these activities had never reached the point where a business plan had needed to be produced.

(4) The Director of Customer Services confirmed that the losses accrued by the companies would be transferred to KCC, which was now the only shareholder. The debts to all other creditors had been settled in full.

(5) The Director of Finance and Procurement informed the Sub-Group that Internal Audit had made 17 recommendations of which 16 had been implemented. He was unable to comment further at this stage as to do so would involve naming individuals.

(6) RESOLVED that the report be noted for assurance and that the actions taken be endorsed, including:-

(a) the approach to minimising the reputational loss to the Authority;

- (b) the actions taken to reduce the financial impact of losses to local companies and the Authority; and
- (c) the final steps being taken to carry out the proposed dissolution of Kent Cultural Trading and Kent on Canvas.

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

(Item 6)

(1) Mr Sweetland introduced the report on the significant progress made towards implementing the Commercial Services transformation programme since September 2012. This programme and its progress had also been the subject of an internal audit review which was appended to the report.

(2) The Managing Director, Commercial Services referred the Sub-Group to paragraph 1.5 of the report for a list of the activities carried out to implement the transformation programme. He drew particular attention to the reorganisation into five customer-focused Divisions and the work in building up the advisory shareholder board, including 2 or 3 independent representatives. He also confirmed that the risk policy was being re-aligned to meet business needs and that the business planning process was now in place. He expected to be able to provide KCC with a £10m Dividend within the next three years.

(3) The Corporate Director, Enterprise and Environment underlined the crucial importance of the shareholder role in the new companies and said that there would be a shareholder agreement.

(4) The Managing Director, Commercial Services replied to a question from the Chairman by saying that legal advice had been taken both internally and externally. The latter advice had been essential in order to ensure that his responsibilities to KCC did not conflict with his role as a shareholder. Eversheds had been employed to draft the articles for the Teckal companies, and further advice had been sought on the transfer of assets. This would ensure that trading could continue if the Teckal provision were to be overturned. The aim was for all companies to become operational (including the TUPE transfers) by 1 April 2013.

(5) The Managing Director, Commercial Services confirmed that trading would be at arms length and that this would include paying separately for Human Resources, ICT and back office functions rather than buying them in from KCC.

(6) The Managing Director, Commercial Services said that the employees were responding very positively to the developments described.

(7) Mr Sweetland summed up the presentation by saying that he could assure the Sub-Group that it could be absolutely certain of the legal and financial governance arrangements.

(8) RESOLVED that the progress in implementing the Commercial Services transformation programme be noted for assurance, together with the contents of the Internal Audit report dated 21 January 2013 (appended to the report).

5. EduKent Progress Report

(Item 7)

- (1) The Director of School Resources reported on the development of EduKent during 2011 and 2012 and on the governance arrangements put in place.
- (2) RESOLVED that the development of EduKent during 2011 and 2012 be noted for assurance, together with its governance arrangements.

EXEMPT ITEMS

(The Sub-Group resolved under Section 100A of the Local Government Act 1972 to exclude the public from the meeting on the grounds that it would involve the disclosure of Exempt information as defined in Paragraph 3 of Schedule 12A of the Act)

6. EduKent progress report

(Item 9)

- (1) Hard copies of the report were tabled at the meeting as these had not been sent out with the agenda papers. Members of the Sub-Group had received them electronically at the time of publication.
- (2) The Director of School Resources referred to the development of EduKent during 2011 and 2012 and the governance arrangements that had been put in place (see Minute 5 above) He reported the EduKent Business Plan for the years 2012/13 to 2014/15 and set out options for the future direction of EduKent.
- (3) The Director of School Resources said that KCC Education, Learning and Skills had been trading some of its services to schools for the past 13 years. In the light of recent developments, a range of services for schools and academies had been consolidated into EduKent. As this process was now complete, it was the right time to move on to consider options for the future.

(4) Mr Prater asked how EduKent would ensure that the profits generated were ringfenced to be reinvested in improvements to services to schools. The Director of School Resources replied that this would be achieved partially through the work of the EduKent Board and that this would be monitored in turn by the Schools Funding Forum.

(5) The Director of Finance and Corporate Procurement confirmed that it was currently the strategic intention to ensure that such profits would be reinvested in the manner described. It was, however, possible that future Councils could decide to use them to support KCC overall.

(6) RESOLVED that in addition to the development of EduKent during 2011 and 2012 and its governance arrangements the Sub-Group note the following for assurance:-

(a) the 2012 to 2014/15 EduKent Business Plan; and

(b) the plans to assess alternative options for the future structure of EduKent.

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By: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement
Andy Wood, Corporate Director of Finance & Procurement

To: Governance and Audit Committee Trading Activities Sub Committee - 3 March 2014

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

Classification: Unrestricted

Summary: To present the latest available Statutory Accounts for those companies in which KCC has an interest.

FOR ASSURANCE

1 INTRODUCTION

- 1.1 Per its Terms of Reference, the Governance and Audit Committee Trading Activities Sub Committee has a responsibility each year to 'Receive and review the annual statutory financial accounts of any KCC limited companies and financial statements for other trading vehicles and to consider corrective action where appropriate'.

Copies of the latest available Statutory Accounts (for 2012/13) are attached for Members' review and consideration.

2 ENTITIES WHICH KCC HAS AN INTEREST IN

- 2.1 The table Appendix A shows the key financial highlights for 2012/13 from the Statutory Accounts; and 2011/12 for comparator purposes.
- 2.2 Groundwork Kent & Medway ceased trading in December 2012, and is in the process of being dissolved. A Form DS1 (Striking off application) has been submitted to Companies House, and unless cause is shown to the contrary, Groundwork Kent & Medway will be struck off the register and dissolved on 31 March 2014. Its activities and operations continue, however, and they have been subsumed within The Groundwork South Trust Limited. However KCC has no influence, control or equity interest in the entity.

3 COMMERCIAL SERVICES

- 3.1 The table below shows the key financial highlights from the Statutory Accounts (attached) for 2012/13 of the Parent Company and the subsidiaries within the parent company.

Commercial Services	Financial Year	Turnover/Income	Surplus/ (Deficit) before Tax	Retained Surplus/ (Deficit)	Net Assets
		£k	£k	£k	£k
Kent County Trading Ltd - Parent Company	2012/13	41995.2	375.6	2269.7	3269.7
Commercial Services Trading Ltd	2012/13	3772.7	364.3	824.6	1824.6
Commercial Services Kent Ltd	2012/13	-	-	-1.7	-1.7
Kent Top Temps	2012/13	38278.0	11.9	1450.1	1450.1

- 3.2 The Commercial Services group has been subject to a review of its trading activities by the ultimate parent entity Kent County Council (KCC). During 2012/13 and post year end there has been a restructure of the businesses between the trading entities controlled by KCC. Business entities have been transferred into either Commercial Services Trading Ltd or Commercial Services Kent Ltd. The restructuring of the businesses is to promote growth and achieve further growth. The new structure began trading from April 2013.
- 3.3 Commercial Services Trading Ltd operated under the name Kent County Facilities Ltd during 2012-13. Operating under the new name began on 1 April 2013.
- 3.4 Commercial Services Kent Ltd was a dormant company throughout the year to 31 March 2013 whilst the restructuring of the businesses took place.
- 3.5 Kent Top Temps has either been transferred to Commercial Services Kent Ltd or Commercial Services Trading Ltd on 1 April 2013. The bus and school transport services ceased trading in November 2013 and the operation is in the process of being wound down. Consideration is being given to using the company for other trading activities going forward.

4 RECOMMENDATION

- 4.1 Members are recommended to note the contents of this report for assurance, and to review the latest available Statutory Accounts (attached) for those companies in which KCC has an interest.

Emma Feakins
Chief Accountant
Ext: 4634

Appendix A

Company Detail	Financial Year	Turnover /Income £k	Surplus/ (Deficit) before Tax £k	Retained Surplus/ (Deficit) £k	Net Assets £k	Liquidity Ratio
Association of Tourist Attractions in Kent Ltd - Abbreviated Accounts - Year ended 31.08.13	2012/13	Not Available	Not Available	5.7	15.9	3.3
	2011/12	Not Available	Not Available	4.6	14.7	2.1
Aylesham & District Community Workshop Trust - Limited by Guarantee	2012/13	200.6	-29.4	1844.3	1844.3	4.8
	2011/12	183.3	-29.0	1873.7	1873.7	5.4
The North Kent Architecture Centre - Limited by Guarantee - Abbreviated Accounts	2012/13	Not Available	Not Available	39.4	81.2	3.2
	2011/12	Not Available	Not Available	19.2	61.0	2.2
Visit Kent - Limited by Guarantee	2012/13	1446.0	1.1	165.2	165.2	1.3
	2011/12	1431.5	2.2	164.2	164.2	1.3
Locate in Kent - Limited by Guarantee - Abbreviated Accounts	2012/13	Not Available	Not Available	383.9	383.9	4.0
	2011/12	Not Available	Not Available	493.5	493.5	10.3
Trading Standards South East Kent Ltd - Abbreviated Accounts	2012/13	Not Available	Not Available	32.3	32.3	1.0
	2011/12	Not Available	Not Available	28.1	28.1	1.0
East Kent Spatial Development Company - Limited by Guarantee	2012/13	776.4	159.2	584.0	4080.6	11.6
	2011/12	720.3	61.4	454.8	2227.7	13.6
Goetec - Limited by Guarantee - Year ended 31.07.13	2012/13	296.0	43.1	249.0	249.0	9.0
	2011/12	400.5	94.4	213.2	213.2	1.7
Produced in Kent - Limited by Guarantee	2012/13	242.9	21.4	38.0	38.0	1.3
	2011/12	237.0	-7.8	19.0	19.0	1.2
Business Support Kent Community Interest Company	2012/13	1713.6	3.9	313.8	313.8	1.4
	2011/12	3922.0	-109.5	309.9	309.9	1.2

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Abbreviated Unaudited Accounts for the Year Ended 31 August 2013

for

Association of
Tourist Attractions
in Kent Limited

Association of
Tourist Attractions
in Kent Limited (Registered number: 02608373)

Contents of the Abbreviated Accounts
for the Year Ended 31 August 2013

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**Association of
Tourist Attractions
in Kent Limited**

**Company Information
for the Year Ended 31 August 2013**

DIRECTORS:

J Gardner
G Hukins
A Morse
Mrs A Watt
Mrs S Hirsch
Mrs B Cranfield
Miss S Belsom

SECRETARY:

Mrs A Watt

REGISTERED OFFICE:

Ridge Cottage
Speldhurst
Tunbridge Wells
Kent
TN3 0LE

REGISTERED NUMBER:

02608373 (England and Wales)

ACCOUNTANTS:

LAMEY and CO
CHARTERED ACCOUNTANTS
RIDGE COTTAGE
BARDEN ROAD
SPELDHURST
TUNBRIDGE WELLS
Kent
TN3 0LE

Association of
Tourist Attractions
in Kent Limited (Registered number: 02608373)

Abbreviated Balance Sheet
31 August 2013

	31.8.13	31.8.12
	£	£
CURRENT ASSETS		
Debtors	2,776	185
Cash at bank	20,002	27,428
	<u>22,778</u>	<u>27,613</u>
CREDITORS		
Amounts falling due within one year	6,887	12,879
NET CURRENT ASSETS	<u>15,891</u>	<u>14,734</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>15,891</u>	<u>14,734</u>
RESERVES		
Capital reserve	10,154	10,154
Income and expenditure account	5,737	4,580
	<u>15,891</u>	<u>14,734</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2013.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2013 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of
- (b) Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 14 November 2013 and were signed on its behalf by:

Mrs A Watt - Director

The notes form part of these abbreviated accounts

Notes to the Abbreviated Accounts
for the Year Ended 31 August 2013

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 net invoiced sales of goods, excluding value added tax.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. **COMPANY STATUS**

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

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

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 2013



BATCHELOR COOP chartered accountants

THE NEW BARN MILL LANE EASTRY SANDWICH KENT CT13 0JW

Aylesham & District Community Workshop Trust

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

Statement of financial activities per fund	18 to 25
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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 L J Brazier Rev R Fisk W Field L Jeavons K Rogers A Hockley J Honnor S Manion R Thompson
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

The year 2012 to 2013 was very challenging with local authorities and the National Health Service making economies in the delivery of their services and the economy flat lining.

Our conference business is smaller than in previous year but an important source of income and is a service needed by local businesses.

This year we have seen KCC reduce services in scrap store and the NHS move to St Martins to deliver their staff training. This has meant that their need for accommodation is reduced and we have spare capacity in the main building. We have agreed a contract with Aylesham Boxing Club to use that area for training of their young boxers, the boxing club does a good job especially now the KCC youth services provision is smaller.

In the year we have completed Garrity House - 17 modern offices and with E K S D C we hope that the take up will be good. At the moment we have let one office and are talking to East Kent Hosing to take up to four offices.

We have noticed that in the year there is more demand for offices and workshops but the competition is fierce, our small units and the ones 11 to 20 are full.

Aylesham & District Community Workshop Trust

Trustees' Report

We have a problem with the rating authority demanding empty property rates from us and we are working with East Kent Services to resolve the problem. Local authorities are desperate for income and they are less likely to understand that we and EKSDC are regeneration partners and are establishing enterprise in the Aylesham area and therefore making Aylesham a good place to do business.

There is a problem that empty property tax is 100% and that needs to be addressed.

Our new financial package Sage is still in development but it has given us more information about late payers. I would like to thank Bachelor Coop who continue to give us support on its implementation.

The expansion of extra workshop units and offices bring an increased work load but we are up to the challenge and I would like to thank Lisa and Keith for their support and hard work.


I believe that next year will not be any easier for Aylesham and District Workshop Trust and we have gone through a new branding exercise and the services we offer will go under the promotional banner of Aylesham Business Park.

There are challenges for the voluntary sector but we have expanded in the middle of a recession and we have got workshop units, modern offices, conference facilities and a commitment to the community that will continue and be successful in the coming year.

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 5 November 2013 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 2013, which are set out on pages 6 to 17

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.

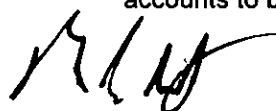
Independent examiner's statement

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 Charities

have 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 BSC FCA
Batchelor Coop Ltd
Chartered Accountants

8 November 2013

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 2013

		Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	4,384	-	4,384	400
Activities for generating funds	3	60,578	-	60,578	67,485
Investment income	4	1,132	-	1,132	975
Incoming resources from charitable activities	5	134,466	-	134,466	114,457
Total incoming resources		<u>200,560</u>	<u>-</u>	<u>200,560</u>	<u>183,317</u>
Resources expended					
Costs of generating funds					
Fundraising trading cost of goods sold and other costs	6	16,646	17,000	33,646	34,344
Charitable activities	8,7	158,951	25,066	184,017	168,025
Governance costs	11	12,314	-	12,314	9,992
Total resources expended		<u>187,911</u>	<u>42,066</u>	<u>229,977</u>	<u>212,361</u>
Net expenditure before transfers		12,649	(42,066)	(29,417)	(29,044)
Transfers					
Gross transfers between funds		<u>(9,953)</u>	<u>9,953</u>	<u>-</u>	<u>-</u>
Net movements in funds		2,696	(32,113)	(29,417)	(29,044)
Reconciliation of funds					
Total funds brought forward		<u>395,030</u>	<u>1,478,685</u>	<u>1,873,715</u>	<u>1,902,759</u>
Total funds carried forward		<u>397,726</u>	<u>1,446,572</u>	<u>1,844,298</u>	<u>1,873,715</u>

The notes on pages 9 to 17 form an integral part of these financial statements

Aylesham & District Community Workshop Trust

Balance Sheet as at 31 March 2013

Registration number 03114198

		2013		2012	
	Note	£	£	£	£
Fixed assets					
Tangible assets	16	1,377,467		1,408,797	
Investments	17	<u>578,000</u>		<u>595,000</u>	
		1,955,467		2,003,797	
Current assets					
Debtors	18	36,120	33,708		
Cash at bank and in hand		<u>111,643</u>	<u>99,279</u>		
		147,763	132,987		
Creditors: Amounts falling due within one year	19	<u>(30,986)</u>	<u>(24,554)</u>		
Net current assets		116,777		108,433	
Total assets less current liabilities		2,072,244		2,112,230	
Creditors: Amounts falling due after more than one year	20	<u>(227,946)</u>	<u>(238,515)</u>		
Net assets		<u>1,844,298</u>		<u>1,873,715</u>	
The funds of the charity:					
Restricted funds in surplus		1,446,572		1,478,685	
Restricted funds in deficit					
Farm		-	-		
Total restricted funds		<u>1,446,572</u>		<u>1,478,685</u>	
Unrestricted funds					
Unrestricted income funds		<u>397,726</u>		<u>395,030</u>	
Total charity funds		<u>1,844,298</u>		<u>1,873,715</u>	

The notes on pages 9 to 17 form an integral part of these financial statements

Aylesham & District Community Workshop Trust

Balance Sheet as at 31 March 2013

continued

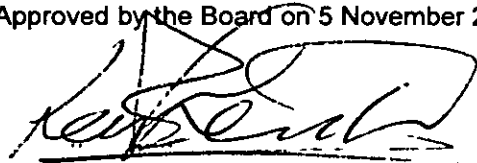
For the financial year ended 31 March 2013, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

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 5 November 2013 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'L. Jeavons', is written over a horizontal line.

L Jeavons
Trustee

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

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 24

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

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

Support costs

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 2013

continued

2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Donations and legacies				
Appeals and donations	4,384	-	4,384	400

3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Operating activities - "Miners Way"				
Rental income	60,578	-	60,578	67,485

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Interest on cash deposits	1,132	-	1,132	975

5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Rental income	134,466	-	134,466	114,457

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

6 Fundraising trading cost of goods sold and other costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Operating activities - "Miners Way"				
Depreciation of tangible fixed assets	-	17,000	17,000	17,000
Support costs allocated	16,646	-	16,646	17,344
	<u>16,646</u>	<u>17,000</u>	<u>33,646</u>	<u>34,344</u>

7 Analysis of charitable activities

	Charitable Activities £	Total £
Grant funding of activities	4,364	4,364
Employment costs	83,053	83,053
Establishment costs	18,070	18,070
Repairs and maintenance	22,073	22,073
Course / conference refreshments	12,447	12,447
Sundry and other costs	1,568	1,568
Cleaning	2,012	2,012
Motor expenses	836	836
Insurance	1,721	1,721
Depreciation of tangible fixed assets	37,873	37,873
	<u>184,017</u>	<u>184,017</u>

8 Details of charitable activities

Activities undertaken directly £	Grant funding of activities £	2013 £	2012 £
<u>179,653</u>	<u>4,364</u>	<u>184,017</u>	<u>168,025</u>

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

9 Support costs

	Operating activities - "Miners Way"	Governance costs	Total
	£	£	£
Establishment costs	-	4,088	4,088
Telephone	-	2,611	2,611
Printing, posting and stationery	-	1,457	1,457
Sundry and other costs	-	14	14
Motor expenses	-	211	211
Payroll administration	-	560	560
Independent examiner's fee	-	1,600	1,600
Legal and professional costs	-	1,421	1,421
Bank charges and interest payable	16,646	352	16,998
	<u>16,646</u>	<u>12,314</u>	<u>28,960</u>

10 Grantmaking

Grants to institutions
£
<u>4,364</u>

11 Governance costs

	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£	£
Support costs allocated	<u>12,314</u>	<u>-</u>	<u>12,314</u>	<u>9,992</u>

12 Trustees' remuneration and expenses

No trustees received any remuneration during the year

13 Net expenditure

Net expenditure is stated after charging

	2013	2012
	£	£
Depreciation of tangible fixed assets	<u>54,873</u>	<u>55,895</u>

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

14 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year, analysed by category, was as follows

	2013 No.	2012 No.
Charitable activities	3	3
Administrative	2	2
	<u>5</u>	<u>5</u>

The aggregate payroll costs of these persons were as follows

	2013 £	2012 £
Wages and salaries	75,670	63,362
Social security	6,627	6,552
Other pension costs	756	756
	<u>83,053</u>	<u>70,670</u>

There are no employees with emoluments in excess of £60,000

15 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

16 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 2012	426,790	1,297,713	30,668	210,202	1,965,373
Additions	-	-	249	6,294	6,543
As at 31 March 2013	<u>426,790</u>	<u>1,297,713</u>	<u>30,917</u>	<u>216,496</u>	<u>1,971,916</u>
Depreciation					
As at 1 April 2012	-	373,880	20,975	161,721	556,576
Charge for the year	-	27,171	2,486	8,216	37,873
As at 31 March 2013	-	<u>401,051</u>	<u>23,461</u>	<u>169,937</u>	<u>594,449</u>
Net book value					
As at 31 March 2013	<u>426,790</u>	<u>896,662</u>	<u>7,456</u>	<u>46,559</u>	<u>1,377,467</u>
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>

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

17 Investments held as fixed assets

	Investment properties £
Market value	
As at 1 April 2012 and 31 March 2013	<u>680,000</u>
Market value	
As at 1 April 2012	85,000
Charge for the year	<u>17,000</u>
As at 31 March 2013	<u>102,000</u>
Net book value	
As at 31 March 2013	<u>578,000</u>
As at 31 March 2012	<u>595,000</u>
All investment assets were held in the UK	

18 Debtors

	2013 £	2012 £
Trade debtors	33,239	31,618
Other debtors	1,121	-
Prepayments and accrued income	<u>1,760</u>	<u>2,090</u>
	<u>36,120</u>	<u>33,708</u>

19 Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	10,568	9,953
Trade creditors	6,899	2,187
Taxation and social security	10,651	10,165
Other creditors	558	-
Accruals and deferred income	<u>2,310</u>	<u>2,249</u>
	<u>30,986</u>	<u>24,554</u>

Creditors amounts falling due within one year includes the following liabilities, on which security has been given by the charity

	2013 £	2012 £
Bank loans and overdrafts	<u>10,568</u>	<u>9,953</u>

Aylesham & District Community Workshop Trust

Notes to the Financial Statements for the Year Ended 31 March 2013

continued

20 Creditors. Amounts falling due after more than one year

	2013 £	2012 £
Bank loans and overdrafts	<u>227,946</u>	<u>238,515</u>

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the charity

	2013 £	2012 £
Bank loans and overdrafts	<u>227,948</u>	<u>238,515</u>

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

	2013 £	2012 £
After more than five years by instalments	<u>177,246</u>	<u>191,229</u>

21 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.

22 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 (2012 - £756).

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 2013

continued

23 Related parties

Controlling entity

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

24 Analysis of funds

	At 1 April 2012	Incoming resources	Resources expended	Transfers	At 31 March 2013
	£	£	£	£	£
General Funds					
Unrestricted income fund	395,030	200,560	(187,911)	(9,953)	397,726
Restricted Funds					
Land and buildings	691,058	-	(8,656)	-	682,402
Workshop	540,669	-	(22,710)	9,953	527,912
Verandah	224,923	-	(6,616)	-	218,307
Telecentre	7,716	-	(990)	-	6,726
Farm	-	-	-	-	-
Minibus	9,460	-	(2,365)	-	7,095
Windows	4,859	-	(729)	-	4,130
	<u>1,478,685</u>	<u>-</u>	<u>(42,066)</u>	<u>9,953</u>	<u>1,446,572</u>
	<u>1,873,715</u>	<u>200,560</u>	<u>(229,977)</u>	<u>-</u>	<u>1,844,298</u>

25 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	£	£	£	£
Tangible assets	270,380	1,107,087	1,377,467	1,408,797
Investments	-	578,000	578,000	595,000
Current assets	147,763	-	147,763	132,987
Creditors Amounts falling due within one year	(20,418)	(10,568)	(30,986)	(24,554)
Creditors Amounts falling due after more than one year	-	(227,946)	(227,946)	(238,515)
Net assets	<u>397,725</u>	<u>1,446,573</u>	<u>1,844,298</u>	<u>1,873,715</u>

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2013

	Unrestricted income fund 2013	Unrestricted income fund 2012
	£	£
Incoming resources		
Incoming resources from generated funds		
Voluntary income	4,384	400
Activities for generating funds	60,578	67,485
Investment income	1,132	975
Incoming resources from charitable activities	134,466	114,457
Total incoming resources	<u>200,560</u>	<u>183,317</u>
Resources expended		
Costs of generating funds		
Fundraising trading cost of goods sold and other costs	16,646	17,344
Charitable activities	158,951	141,901
Governance costs	12,314	9,992
Total resources expended	<u>187,911</u>	<u>169,237</u>
Net expenditure before transfers	12,649	14,080
Transfers		
Gross transfers between funds	<u>(9,953)</u>	<u>(9,252)</u>
Net movements in funds	2,696	4,828
Reconciliation of funds		
Total funds brought forward	395,030	390,202
Total funds carried forward	<u>397,726</u>	<u>395,030</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 2013***continued*

	Land and buildings 2013	Land and buildings 2012
	£	£
Resources expended		
Charitable activities	8,656	8,629
Total resources expended	<u>8,656</u>	<u>8,629</u>
 Net movements in funds	 (8,656)	 (8,629)
Reconciliation of funds		
Total funds brought forward	691,058	699,687
Total funds carried forward	<u>682,402</u>	<u>691,058</u>

Aylesham & District Community Workshop Trust**Statement of financial activities by fund Year Ended 31 March 2013***continued*

	Workshop 2013	Workshop 2012
	£	£
Resources expended		
Costs of generating funds		
Fundraising trading cost of goods sold and other costs	17,000	17,000
Charitable activities	5,710	5,710
Total resources expended	<u>22,710</u>	<u>22,710</u>
 Net expenditure before transfers	 (22,710)	 (22,710)
Transfers		
Gross transfers between funds	<u>9,953</u>	<u>9,252</u>
 Net movements in funds	 (12,757)	 (13,458)
Reconciliation of funds		
Total funds brought forward	<u>540,669</u>	<u>554,127</u>
Total funds carried forward	<u><u>527,912</u></u>	<u><u>540,669</u></u>

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2013

continued

	Verandah 2013	Verandah 2012
	£	£
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	224,923	231,539
Total funds carried forward	<u>218,307</u>	<u>224,923</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 2013

continued

	Telecentre 2013	Telecentre 2012
	£	£
Resources expended		
Charitable activities	990	1,158
Total resources expended	<u>990</u>	<u>1,158</u>
 Net movements in funds	 (990)	 (1,158)
Reconciliation of funds		
Total funds brought forward	7,716	8,874
Total funds carried forward	<u><u>6,726</u></u>	<u><u>7,716</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 2013

continued

	Farm 2013	Farm 2012
	£	£
Net movements in funds	-	-
Reconciliation of funds		
Total funds brought forward	-	-
Total funds carried forward	-	-

Aylesham & District Community Workshop Trust

Statement of financial activities by fund Year Ended 31 March 2013

continued

	Minibus 2013	Minibus 2012
	£	£
Resources expended		
Charitable activities	2,365	3,154
Total resources expended	<u>2,365</u>	<u>3,154</u>
 Net movements in funds	 (2,365)	 (3,154)
Reconciliation of funds		
Total funds brought forward	9,460	12,614
Total funds carried forward	<u>7,095</u>	<u>9,460</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 2013

continued

	Windows 2013	Windows 2012
	£	£
Resources expended		
Charitable activities	729	857
Total resources expended	<u>729</u>	<u>857</u>
 Net movements in funds	 (729)	 (857)
Reconciliation of funds		
Total funds brought forward	<u>4,859</u>	<u>5,716</u>
Total funds carried forward	<u><u>4,130</u></u>	<u><u>4,859</u></u>

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Registered number: 03000723

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Business Support Kent Community Interest Company

Directors' report and financial statements

For the year ended 31 March 2013



Business Support Kent Community Interest Company

Company Information

Directors	M T Adam (resigned 8 June 2012) B W C Bond R R Clewley J R Ollis E F Russell P C Winter S Wood
Registered number	03000723
Registered office	Foord Annexe High Street Rochester Kent ME1 1EW
Independent 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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Independent auditor's report	4 - 5
Income and expenditure account	6
Balance sheet	7
Notes to the financial statements	8 - 12

Business Support Kent Community Interest Company

Directors' report

For the year ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013

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, the South East and Europe 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 surplus on ordinary activities of £3,867 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 £313,785 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, most notably those for the UK Government's flagship business support programme, Growth Accelerator, Enterprise Europe Network and the KCC funded High Growth Kent programmes (2013-2014). BSK works in collaboration with a number of partner organisations in the private and public sectors on local, national, and international initiatives. BSK has also been instrumental in supporting SMEs applying for, and successfully being awarded Regional Growth Fund loans.

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 2013

Directors

The directors who served during the year were

M T Adam (resigned 8 June 2012)

B W C Bond

R R Clewley

J R Ollis

E F Russell

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.

Disclosure 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 relevant audit information 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 2013

Auditor

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 19 December 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'R R Clewley', is positioned above the printed name and title.

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 2013, set out on pages 6 to 12. 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 2013 and of its surplus 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

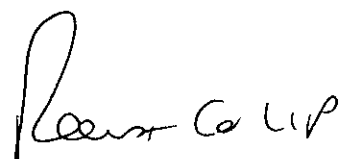
Matters on which we are required to report by exception

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

Emphasis of matter - uncertain outcome of a claim

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 11 to the financial statements concerning the uncertain outcome of a clawback of matched funding. The company has disputed the clawback claim and discussions are continuing between the two parties. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.



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

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

20 December 2013

Business Support Kent Community Interest Company

**Income and expenditure account
For the year ended 31 March 2013**

	Note	2013 £	2012 £
Turnover	1	1,713,585	3,921,994
Cost of sales		<u>(346,247)</u>	<u>(1,886,726)</u>
Gross surplus		1,367,338	2,035,268
Administrative expenses		<u>(1,485,484)</u>	<u>(2,144,795)</u>
Operating deficit	2	(118,146)	(109,527)
Income from other fixed asset investments		134,000	-
Interest receivable and similar income		-	824
Interest payable and similar charges		<u>(11,987)</u>	<u>-</u>
Surplus/(deficit) on ordinary activities before taxation		3,867	(108,703)
Tax on surplus/(deficit) on ordinary activities	4	<u>-</u>	<u>(173)</u>
Surplus/(deficit) for the financial year	10	<u>3,867</u>	<u>(108,876)</u>

The notes on pages 8 to 12 form part of these financial statements

Business Support Kent Community Interest Company
Registered number: 03000723

Balance sheet
As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	5		427		15,456
Investments	6		40		40
			<u>467</u>		<u>15,496</u>
Current assets					
Debtors	7	1,187,243		1,533,712	
Cash at bank and in hand		1,657		13,189	
		<u>1,188,900</u>		<u>1,546,901</u>	
Creditors amounts falling due within one year	8	(875,582)		(1,252,479)	
Net current assets			<u>313,318</u>		<u>294,422</u>
Net assets			<u>313,785</u>		<u>309,918</u>
Capital and reserves					
Called up share capital	9		6		6
Capital redemption reserve	10		2		2
Income and expenditure account	10		313,777		309,910
Shareholders' funds			<u>313,785</u>		<u>309,918</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies 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 19 December 2013



R R Clewley
Director

The notes on pages 8 to 12 form part of these financial statements

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2013

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 representing 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

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

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2013

2. Operating deficit

The operating deficit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the company	15,029	51,488
Auditor's remuneration	5,500	4,350
Pension costs	44,712	63,109
	<u>65,241</u>	<u>118,947</u>

3. Directors' remuneration

	2013 £	2012 £
Aggregate remuneration	121,827	211,080
	<u>121,827</u>	<u>211,080</u>

During the year retirement benefits were accruing to 3 directors (2012 - 1) in respect of defined contribution pension schemes

4 Taxation

	2013 £	2012 £
UK corporation tax charge on surplus/deficit for the year	-	173
	<u>-</u>	<u>173</u>

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.

5. Tangible fixed assets

	Furniture and office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2012 and 31 March 2013	88,666	63,564	152,230
Depreciation			
At 1 April 2012	85,238	51,536	136,774
Charge for the year	3,190	11,839	15,029
At 31 March 2013	88,428	63,375	151,803
Net book value			
At 31 March 2013	238	189	427
At 31 March 2012	3,428	12,028	15,456

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2013

6 Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 April 2012 and 31 March 2013	<u>20</u>	<u>20</u>	<u>40</u>

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%

The aggregate of the share capital and reserves as at 31 March 2013 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	<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 2013. 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 2012 show net assets of £21,859 (2011 £34,945 net liabilities) and a profit of £443,804 (2011 loss of £136,638), with a dividend of £387,000 (2011 £nil) being issued in the year.

7. Debtors

	2013 £	2012 £
Trade debtors	234,100	74,992
Amounts owed by group undertakings	88,418	106,293
Prepayments and accrued income	859,740	1,346,823
Other debtors	4,985	5,604
	<u>1,187,243</u>	<u>1,533,712</u>

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2013

8 Creditors: Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	442,149	202,994
Trade creditors	44,221	20,786
Corporation tax	-	173
Other taxation and social security	65,621	43,087
Other creditors	323,591	985,439
	<u>875,582</u>	<u>1,252,479</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company

9. Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
6 Ordinary shares of £1 each	<u>6</u>	<u>6</u>

10. Reserves

	Capital redemption reserve £	Income and expenditure account £
At 1 April 2012	2	309,910
Surplus for the financial year		3,867
	<u>2</u>	<u>313,777</u>
At 31 March 2013		

11. Contingent liabilities

Included in reserves is a provision of £72,190 (2012 £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

During the year, £452,689 of matched funding received by the company was subject to a clawback claim by the Department of Communities and Local Government. The directors disagree with this treatment and have disputed the accuracy of the claim being made against the company. The matter remains unresolved and is contingent upon the agreement of the treatment of the matched funding previously given to the company. No provision has been made for this in these financial statements

Business Support Kent Community Interest Company

Notes to the financial statements For the year ended 31 March 2013

12 Operating lease commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	85,000	-	6,278	-
Between 2 and 5 years	17,500	102,500	-	25,112

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

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

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 2013

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.

BSK-CiC continue to expand their work supporting the growth and development of ambitious small and medium sized companies. Through the High Growth Kent coaching programme, the UK governments Growth Accelerator programme, Enterprise Europe Network and other EU funded programmes the organisation continues to support the development of jobs, and economic development in the region through increased business innovation and internationalisation.

The company is extremely well networked and trusted within the Kent community, and works closely with key private and public sector stakeholders not only in the county but across the SE of England and in many European countries.

That status of Community Interest company accords with the role the business has in serving communities in Kent.

cont

(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

The Company has a wide range of public and private stakeholders, ranging from EU funding bodies, European project partners, Local authorities such as Kent County Council, Medway Unitary Council and local Boroughs, as well as other south east public bodies BSK also work closely with several trade associations, UK government bodies such as MAS, GA, UKTi and directly with government departments. Additionally BSK work with a wide range of local companies and through networking events, surveys and face to face meetings

Staff from BSK-CiC regularly meet with key stakeholders and through our direct engagement with local companies BSK have asked for feedback both on the service it offers and the range of information it provides. These have both been amended in light of stakeholder input. This has allowed an increasingly co-ordinated and relevant support service to work effectively with the regions most ambitious entrepreneurs

(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	121,827
	=====

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)

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 2013

PLEASE CLEARLY INDICATE THE PART YOU ARE CONTINUING HERE

PART 1cont.

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

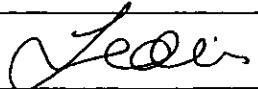
1 Small and medium sized businesses and their employees, particularly those in designated areas of social deprivation, regeneration or growth Small and medium sized businesses account for the majority of new job creation and make a significant positive contribution to the economy BSK - CIC supported over 120 new jobs created and more than £8m of new business investment into the Kent business 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 BSK-CiC runs the Medway Start up Programme and supports environmentally aware start up businesses through an EU project.

PART 5 – SIGNATORY

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

Signed



Date

19/12/13

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 Ollis	
jane.ollis@bsk-cic.co.uk	
01634 870414	
Telephone	07880 710895
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

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COMMERCIAL SERVICES KENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
JH: 30 August 2013

COMMERCIAL SERVICES KENT LIMITED

COMPANY INFORMATION

DIRECTORS	I A McPherson Esq (appointed 21 March 2013) L J Faulkner Esq L Coulson Esq (appointed 21 March 2013) S G Heywood Esq (appointed 21 March 2013) D Jackson Esq
COMPANY SECRETARY	D N Jackson Esq
REGISTERED NUMBER	05858177
REGISTERED OFFICE	1 Abbey Wood Road West Malling Kent ME19 4YT
INDEPENDENT AUDITORS	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA

COMMERCIAL SERVICES KENT LIMITED

CONTENTS

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Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9
Detailed profit and loss account and summaries	10 - 11

COMMERCIAL SERVICES KENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

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 has been dormant throughout the year, as part of a review of the group's activities by the ultimate parent entity.

From April 2013 the principal activities of the company will be that of a temporary agency, employment business, community services and equipment, waste and print services.

DIRECTORS

The directors who served during the year were:

I A McPherson Esq (appointed 21 March 2013)
L J Faulkner Esq
L Coulson Esq (appointed 21 March 2013)
S G Heywood Esq (appointed 21 March 2013)
D Jackson Esq

COMMERCIAL SERVICES KENT LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

BUSINESS REVIEW

The directors note that the company did not trade during the 2012-13 year.

Dividends paid during the year amount to £Nil (2012: £125,000).

FUTURE DEVELOPMENTS

Following a group review by Kent County Council, the ultimate parent entity, from April the company will resume trading and add to its business streams. This trading will increase the turnover and profitability of the Company. The additional businesses were previously carried out by other trading entities in the group and have been transferred to promote and sustain further growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the company's strategy are subject to the current economic uncertainty.

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.

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 14th October 2013 and signed on its behalf.



D N Jackson Esq
Secretary

COMMERCIAL SERVICES KENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMERCIAL SERVICES KENT LIMITED

We have audited the financial statements of Commercial Services Kent Limited for the year ended 31 March 2013, set out on pages 5 to 9. 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 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 2013 and of its results 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in notes 1 and 10 to the financial statements concerning the company's ability to continue as a going concern. Following an initial review by the parent undertaking the company has not traded during the year ended 31 March 2013. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern as the directors feel that any adjustments would be immaterial to the financial statements.

COMMERCIAL SERVICES KENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMERCIAL SERVICES KENT LIMITED

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.

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.



Mario Ciantanni (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date: 5.12.2013

COMMERCIAL SERVICES KENT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1	-	657,431
Cost of sales		-	(145,963)
		<hr/>	<hr/>
GROSS PROFIT		-	511,468
Administrative expenses		-	(156,958)
		<hr/>	<hr/>
OPERATING PROFIT		-	354,510
Interest payable and similar charges		-	(8,250)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	346,260
Tax on profit on ordinary activities	2	-	(88,422)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	6	-	257,838
		<hr/>	<hr/>

The company has not traded during the year. During this period, the company received no income and incurred no expenditure and therefore made neither profit or loss.

COMMERCIAL SERVICES KENT LIMITED
REGISTERED NUMBER: 05858177

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013	£	£	2012	£
CURRENT ASSETS							
Debtors	3		7		241,972		
Cash at bank			2,679		41,869		
			<u>2,686</u>		<u>283,841</u>		
CREDITORS: amounts falling due within one year							
	4		<u>(4,405)</u>		<u>(285,560)</u>		
NET CURRENT LIABILITIES				<u>(1,719)</u>			<u>(1,719)</u>
NET LIABILITIES				<u>(1,719)</u>			<u>(1,719)</u>
CAPITAL AND RESERVES							
Called up share capital	5			2			2
Profit and loss account	6			<u>(1,721)</u>			<u>(1,721)</u>
SHAREHOLDERS' DEFICIT				<u>(1,719)</u>			<u>(1,719)</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
14th October 2013


L J Faulkner Esq
Director

The notes on pages 7 to 9 form part of these financial statements.

COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 Going concern

As described in the directors' report on page 1, recent EU court rulings require changes to the way in which the public sector conducts business with the private sector, as a result the ultimate parent undertaking has carried out a review of the group's trading activities. On 31 March 2012 the company's trading operations ceased, with these activities transferred to fellow subsidiary, Kent Top Temps Limited.

The directors have concluded that these circumstances represent a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries the directors have a reasonable expectation that the company has adequate resources to meet its residual liabilities as they fall due. For this reason they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Operating leases

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

2. TAXATION

	2013 £	2012 £
UK corporation tax charge on profit for the year	-	88,422

There were no factors that may affect future tax charges.

3. DEBTORS

	2013 £	2012 £
Trade debtors	-	121,339
Other debtors and prepayments	7	120,633
	<u>7</u>	<u>241,972</u>

COMMERCIAL SERVICES KENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

4. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Other loans	-	150,000
Trade creditors	2,137	16,174
Corporation tax	-	88,422
Social security and other taxes	-	19,027
Other creditors and accruals	2,268	11,937
	<u>4,405</u>	<u>285,560</u>

A loan to the value of £nil (2012: £150,000) is repayable on demand and is secured by a fixed charge on all book debts and other debts by a floating charge on the assets of the company.

5. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

6. RESERVES

	Profit and loss account £
At 1 April 2012 and 31 March 2013	<u>(1,721)</u>

7. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	<u>-</u>	<u>125,000</u>

COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

8. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Between 2 and 5 years	-	7,166

9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related party disclosures', not to disclose any transactions with members of the group headed by Kent County Trading Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements.

The company has a loan from Kent County Council of £Nil (2012: £150,000). The loan is repayable on demand and carries interest at a rate of 5% above the Bank of England's base rate, and is disclosed within creditors due within one year. During the year, the company traded with Kent County Council, the ultimate controlling party. The following transactions occurred during the financial period:

	2013 £	2012 £
Sales	-	21,933
Purchases	-	181,213
Trade debtors	-	3,035
Trade creditors	-	9,190
Loan interest paid @ 5.5%	-	8,250

10. POST BALANCE SHEET EVENTS

As noted in the directors' report the ultimate parent undertaking has carried out a review of the group's trading activities. Post year end the employment agency activities of fellow subsidiary, Kent Top Temps Limited, together with other business units of Kent County Council Commercial Services, were transferred to Commercial Services Kent Limited and Commercial Services Trading Limited. The company resumed trading on 1 April 2013.

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is Kent County Council, which owns 100% of the issued share capital of the parent company, Kent County Trading Limited.

COMMERCIAL SERVICES TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
JH: 30 August 2013

COMMERCIAL SERVICES TRADING LIMITED

COMPANY INFORMATION

DIRECTORS

D N Jackson Esq
I A McPherson Esq (appointed 2 July 2012)
S Heywood Esq (appointed 22 March 2013)
L Coulson Esq

COMPANY SECRETARY

L Coulson Esq

REGISTERED NUMBER

05858178

REGISTERED OFFICE

1 Abbey Wood Road
Kings Hill
West Malling
Kent
ME19 4YT

INDEPENDENT AUDITORS

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

COMMERCIAL SERVICES TRADING LIMITED

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Graphical representations	17 - 19

COMMERCIAL SERVICES TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

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 AND REVIEW OF BUSINESS

The principal activities in the year continued to provide waste, community services and equipment, and facility management services.

RESULTS

The profit for the year, after taxation, amounted to £266,707 (2012 - £213,270).

DIRECTORS

The directors who served during the year were:

D N Jackson Esq
I A McPherson Esq (appointed 2 July 2012)
S Heywood Esq (appointed 22 March 2013)
L Coulson Esq

COMMERCIAL SERVICES TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

BUSINESS REVIEW

The directors note that the company traded at a satisfactory level during the 2012-13 year.

Trade levels continued to be satisfactory and for those continuing activities a similar performance is expected for 2013-14. From April the company will add to its trading activities by carrying out business previously traded by other group companies. This will increase the turnover and profitability of the company.

On 29 August 2012 the company changed its name by special resolution to Commercial Services Trading Limited.

FUTURE DEVELOPMENTS

Following a review of the group by Kent County Council, the ultimate parent entity, from April 1st the company will add a broader base to its existing business streams and this trading will add to the turnover and profitability of the Company. The additional businesses were previously carried out by other trading entities in the wider group and have been transferred to promote and sustain further growth.

The company acquired a long leasehold building during the year, which was opened for business in May 2013. The share capital of the company has been increased at the end of the year to provide funds for the relocation of the business, and working capital for the expanded business.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the company's strategy are subject to the current economic uncertainty.

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.

This report was approved by the board on 14th October 2013 and signed on its behalf.



L Coulson Esq
Secretary

COMMERCIAL SERVICES TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMERCIAL SERVICES TRADING LIMITED

We have audited the financial statements of Commercial Services Trading Limited for the year ended 31 March 2013, set out on pages 5 to 13. 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 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 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 2013 and of its profit 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

COMMERCIAL SERVICES TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMMERCIAL SERVICES TRADING 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.

Mario Ciantanni (senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

Date:

COMMERCIAL SERVICES TRADING LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	3,772,657	4,094,515
Cost of sales		(3,135,895)	(3,473,613)
GROSS PROFIT	3	636,762	620,902
Administrative expenses		(275,544)	(369,265)
OPERATING PROFIT	3	361,218	251,637
Interest receivable and similar income		3,068	1,385
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		364,286	253,022
Tax on profit on ordinary activities	5	(97,579)	(39,752)
PROFIT FOR THE FINANCIAL YEAR		266,707	213,270

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

COMMERCIAL SERVICES TRADING LIMITED
REGISTERED NUMBER: 05858178

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	6	3,773,579	118,655
CURRENT ASSETS			
Stocks	7	86,242	30,849
Debtors	8	783,814	335,962
Cash at bank		1,404,732	711,105
		<u>2,274,788</u>	<u>1,077,916</u>
CREDITORS: amounts falling due within one year	9	<u>(1,146,154)</u>	<u>(638,684)</u>
NET CURRENT ASSETS		<u>1,128,634</u>	<u>439,232</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,902,213</u>	<u>557,887</u>
CREDITORS: amounts falling due after more than one year	10	(3,000,000)	-
PROVISIONS FOR LIABILITIES			
Deferred Tax	11	(77,619)	-
NET ASSETS		<u><u>1,824,594</u></u>	<u><u>557,887</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000,002	2
Profit and loss account	13	824,592	557,885
SHAREHOLDERS' FUNDS	14	<u><u>1,824,594</u></u>	<u><u>557,887</u></u>

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

14th October 2013


D N Jackson Esq
 Director

The notes on pages 7 to 13 form part of these financial statements.

COMMERCIAL SERVICES TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 applicable accounting standards.

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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:

L/Term Leasehold Property	-	Straight line over 50 years
Motor Vehicles	-	Straight line over 3 - 7 years
Fixtures & Fittings	-	Straight line over 10 years
Office Equipment	-	Straight line over 10 years

1.5 STOCK AND WORK-IN-PROGRESS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at current tax rates.

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.

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2013	2012
	£	£
Facilities management	2,774,845	3,373,872
Landscape services	997,812	720,643
	3,772,657	4,094,515

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	26,693	11,590
Auditors' remuneration	7,175	4,918
Operating lease rentals	-	24,619

During the year, no director received any emoluments (2012 - £NIL).

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

4. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	1,684,258	1,434,591
Other pension costs	13,975	6,161
	<u>1,698,233</u>	<u>1,440,752</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Facility management	72	57
Waste Management	11	11
Kent Scheme	2	2
	<u>85</u>	<u>70</u>

5. TAXATION

	2013 £	2012 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	19,960	39,752
DEFERRED TAX (see note 11)		
Origination and reversal of timing differences	77,619	-
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>97,579</u>	<u>39,752</u>

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

5. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	364,286	253,022
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	87,429	65,786
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6	120
Capital allowances for year in excess of depreciation	(63,482)	(21,232)
Change in tax rates	(3,993)	-
Marginal relief	-	(4,922)
CURRENT TAX CHARGE FOR THE YEAR (see note above)	19,960	39,752

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

6. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor Vehicles £	Fixtures & Fittings £	Office Equipment £	Total £
COST					
At 1 April 2012	-	130,245	-	-	130,245
Additions	2,092,406	-	1,313,444	275,767	3,681,617
At 31 March 2013	2,092,406	130,245	1,313,444	275,767	3,811,862
DEPRECIATION					
At 1 April 2012	-	11,590	-	-	11,590
Charge for the year	8,896	17,797	-	-	26,693
At 31 March 2013	8,896	29,387	-	-	38,283
NET BOOK VALUE					
At 31 March 2013	2,083,510	100,858	1,313,444	275,767	3,773,579
At 31 March 2012	-	118,655	-	-	118,655

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

7. STOCKS

	2013 £	2012 £
Stock and work-in-progress	86,242	30,849

8. DEBTORS

	2013 £	2012 £
Trade debtors	373,330	293,311
Other debtors, accrued income and prepayments	410,484	42,651
	783,814	335,962

**9. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade creditors	729,246	159,876
Corporation tax	19,960	39,752
Social security and other taxes	30,419	95,951
Other creditors, accruals and deferred income	366,529	343,105
	1,146,154	638,684

**10. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Share capital treated as debt (Note 12)	3,000,000	-

11. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	-	-
Charge for year	77,619	-
At end of year	77,619	-

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

11. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>77,619</u>	<u>-</u>

12. SHARE CAPITAL

	2013 £	2012 £
SHARES CLASSIFIED AS CAPITAL		
ALLOTTED, CALLED UP AND FULLY PAID		
1,000,002 (2012 - 2) Ordinary shares of £1 each	<u>1,000,002</u>	<u>2</u>
SHARES CLASSIFIED AS DEBT		
ALLOTTED, CALLED UP AND FULLY PAID		
3,000,000 Redeemable shares of £1 each	<u>3,000,000</u>	<u>-</u>

During the year 1,000,000 Ordinary £1 shares, 1,000,000 Redeemable £1 shares and 2,000,000 Redeemable 2017 £1 shares were issued at par. Both classes of redeemable shares entitle the holder to one vote in any circumstance. The Redeemable shares and Redeemable 2017 shares can be redeemed at the option of the company or the shareholder at any time after 1 April 2016 and 1 April 2017 respectively.

13. RESERVES

	Profit and loss account £
At 1 April 2012	557,885
Profit for the year	266,707
At 31 March 2013	<u>824,592</u>

COMMERCIAL SERVICES TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	557,887	344,617
Profit for the year	266,707	213,270
Shares issued during the year	1,000,000	-
	<hr/>	<hr/>
Closing shareholders' funds	1,824,594	557,887
	<hr/>	<hr/>

15. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
EXPIRY DATE:		
Within 1 year	7,132	8,693
Between 2 and 5 years	16,906	17,062
	<hr/>	<hr/>

16. RELATED PARTY TRANSACTIONS

During the year the company made sales to Kent County Council, the ultimate controlling party, of £2,514,409 (2012: £2,189,375). At the year end, the balance owed by Kent County Council included in trade debtors amounted to £301,092 (2012: £236,438) and £205,873 (2012: £nil) in other debtors.

The company also made purchases of goods and management services from Kent County Council amounting to £880,033 (2012: £193,897). At the year end, the balance owed to Kent County Council, included in trade creditors, amounted to £343,091 (2012: £89,658).

The company has chosen to take advantage of exemptions under FRS 8 not to provide related party disclosures in its own financial statements when those statements are presented within consolidated financial statements of its group.

17. POST BALANCE SHEET EVENTS

As noted in the directors' report on page 2 the ultimate parent undertaking has carried out a review of the group's trading activities. Post year end the employment agency activities of fellow subsidiary, Kent Top Temps Limited, together with other business units of Kent County Council Commercial Services, were transferred to Commercial Services Kent Limited and Commercial Services Trading Limited.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is Kent County Council, which owns 100% of the issued share capital of the parent company, Kent County Trading Limited.

Registered number: 04410176

East Kent Spatial Development Company
(A company limited by guarantee)

Directors' report and financial statements
for the year ended 31 March 2013



East Kent Spatial Development Company
(A company limited by guarantee)

Company Information

Member Organisations

Kent County Council (KCC)
University of Kent (UoK)
Locate in Kent (LiK)
Thanet District Council (TDC)
Dover District Council (DDC)
Shepway District Council (SDC)
Canterbury City Council (CCC)
Homes and Communities Agency (HCA)

Directors

P Wookey (LiK)
A Clifton-Holt (SDC)
J Gilbey (CCC)
C Barron (UoK)
P Watkins (DDC)
D Everitt (UoK)
M Dance (KCC) (appointed 10 May 2012)
C Hart (TDC) (appointed 8 March 2013)

**Company secretary & Chief
executive officer**

D Spalding

Company number

04410176

Registered office

Canterbury Innovation Centre
University Road
Canterbury
Kent
CT2 7FG

Auditors

Reeves & Co LLP
Statutory Auditor & Registered Auditors
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

NatWest Bank Plc
11 The Parade
Canterbury
Kent
CT1 2SQ

East Kent Spatial Development Company
(A company limited by guarantee)

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East Kent Spatial Development Company
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2013

The Directors present their report and the financial statements for the year ended 31 March 2013

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 promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council, Dover District Council, Shepway District Council and Canterbury City Council including, without limitation

- (a) primarily to undertake or procure the provision of infrastructure works and wider regeneration activities, and
- (b) subject thereto to promote, provide and procure the provision of economic development activities and to promote, provide and procure the provision of other appropriate support activities, including without limitation, advice and training, in each case within or for the benefit of the Target Area.

Directors

The Directors who served during the year were

K Lyles (KCC) (resigned 10 May 2012)
C Barron (UoK)
P Wookey (LiK)
A Clifton-Holt (SDC)
J Gilbey (CCC)
I Johnston (TDC) (resigned 8 March 2013)
P Watkins (DDC)
D Everitt (UoK)
M Dance (KCC) (appointed 10 May 2012)
C Hart (TDC) (appointed 8 March 2013)

East Kent Spatial Development Company
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2013

Provision of information to auditors

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

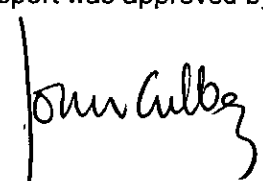
- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the company's auditors in connection with preparing 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 19 June 2013 and signed on its behalf


J Gilbey (CCC)
Director

East Kent Spatial Development Company
(A company limited by guarantee)

Independent auditors' report to the members of East Kent Spatial Development Company

We have audited the financial statements of East Kent Spatial Development Company for the year ended 31 March 2013, set out on pages 5 to 17. 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 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 2013 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.

East Kent Spatial Development Company
(A company limited by guarantee)

Independent auditors' report to the members of East Kent Spatial Development Company

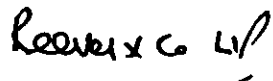
Matters on which we are required to report by exception

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

Emphasis of matter – valuation of other debtors

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 18 to the financial statements concerning the value of other debtors which is dependent upon performance criteria outside the company's control. The ultimate value of these other debtors cannot be presently determined.



Peter Manser (FCA) (DChA) (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Registered Auditors

Canterbury

19 June 2013

East Kent Spatial Development Company
(A company limited by guarantee)

Profit and loss account
for the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1	776,405	720,310
Cost of sales		(431,422)	(381,212)
Gross profit		344,983	339,098
Administrative expenses		(193,723)	(283,473)
Operating profit	2	151,260	55,625
Interest receivable and similar income		7,930	5,809
Profit on ordinary activities before taxation		159,190	61,434
Tax on profit on ordinary activities	4	(30,064)	(10,788)
Profit for the financial year	13	129,126	50,646

The notes on pages 8 to 17 form part of these financial statements

East Kent Spatial Development Company
(A company limited by guarantee)

Statement of total recognised gains and losses
for the year ended 31 March 2013

	2013	2012
	£	£
Profit for the financial year	129,126	50,646
Unrealised surplus on revaluation of investment properties	1,590,400	400,000
Unrealised movement on valuation of other debtors	178,367	568,542
Associated movement in deferred tax arising from the movement on valuation of other debtors	(35,000)	(110,000)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	1,862,893	909,188
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 17 form part of these financial statements

East Kent Spatial Development Company
(A company limited by guarantee)
Registered number: 04410176

Balance sheet
as at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	5		121,345		2,786
Investment property	6		3,790,400		2,200,000
			<u>3,911,745</u>		<u>2,202,786</u>
Current assets					
Debtors	7	5,428,389		5,506,179	
Cash at bank		3,068,679		2,709,369	
		<u>8,497,068</u>		<u>8,215,548</u>	
Creditors: amounts falling due within one year	8	(731,537)		(603,951)	
Net current assets			<u>7,765,531</u>		<u>7,611,597</u>
Total assets less current liabilities			<u>11,677,276</u>		<u>9,814,383</u>
Creditors: amounts falling due after more than one year	9	(7,586,668)		(7,586,668)	
Net assets			<u><u>4,090,608</u></u>		<u><u>2,227,715</u></u>
Capital and reserves					
Revaluation reserve	13		3,790,400		2,200,000
Other reserves	13		(283,689)		(427,056)
Profit and loss account	13		583,897		454,771
			<u><u>4,090,608</u></u>		<u><u>2,227,715</u></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 19 June 2013


J Gilbey (CCC)
 Director

The notes on pages 8 to 17 form part of these financial statements

Notes to the financial statements
for the year ended 31 March 2013

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE)

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 income received in respect of the company's principal activities. It incorporates two main elements, firstly income from investment properties, and secondly grants released (see note 1.7)

Income from investment properties is credited to the profit and loss account on a straight line basis over the rental period

1.4 Tangible fixed assets and depreciation

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

Office Equipment	- 33% straight line
------------------	---------------------

Assets under the course of construction are included at cost less impairment. No depreciation is provided until assets are brought into use. Assets under the course of construction will be reclassified on completion to another tangible fixed asset heading or investment properties as appropriate

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

1.5 Investment properties

Investment properties are carried in the financial statements at market values based on the latest valuation. A valuation was carried out by the Directors as at 31 March 2013, which was informed by previous independent professional valuations undertaken by Cluttons LLP as at 15 February 2010 and 31 March 2011

In accordance with the FRSSE, depreciation is not provided on investment properties that are held as leaseholds having more than 20 years unexpired. This is not in accordance with the Companies Act 2006, which requires all tangible assets to be depreciated. This departure from the requirements of the Act is, in the opinion of the Directors, necessary for the financial statements to give a true and fair view and comply with applicable accounting standards which require investment properties to be included in the financial statements at market value. Had the provisions of the Act been followed, prior to grants being released as described in note 1.7, revenue profits would have been reduced, the revaluation surplus would have been increased and therefore net assets would have been unchanged

Notes to the financial statements
for the year ended 31 March 2013

1. Accounting policies (continued)

1.6 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

1.7 Grants

The company's activities are funded primarily by grant aid

Grants by member organisations given to finance the general administration of the company. Such grants are recognised in the profit and loss account of the period in which they become receivable

Other grants receivable of a revenue nature are credited to the profit and loss account in the period to which the expenditure, towards which they are intended to contribute, are incurred

Grants relating to tangible fixed assets are treated as grants received in advance and are released to the profit and loss account in the period during which any corresponding depreciation or impairment of the costs is made

Grants received in respect of investment properties have been deducted from the cost of those assets. This is not in accordance with the Companies Act 2006, which requires assets to be shown at their purchase price or production cost and hence grants and contributions to be presented as deferred income. This departure from the requirements of the Act is, in the opinion of the Directors, necessary to give a true and fair view as these assets do not have determinable finite lives and therefore no basis exists on which to recognise grants and contributions as income. The effect of this departure is that the cost of the investment property is £7,471,934 lower than it would otherwise have been (2012 £7,471,934), but the valuation of the property is unchanged

Grants receivable to finance loans made by the company are transferred from designated grants in advance to unrestricted grants in advance in the period in which repayment of the other debtor to which they relate is made

Notes to the financial statements
for the year ended 31 March 2013

1. Accounting policies (continued)

1.8 Other debtors

Other debtors comprise loans made to a utility provider to finance new infrastructure works in East Kent. The loans (utility loans) are index linked to RPI and are repayable as and when third parties pay the utility provider to connect to the new utility infrastructure. The amount of utility loan repayable is proportionate to the capacity connected as a percentage of the total capacity of the new utility network.

In order to make these utility loans the company has received grants (see 1.7 above). At the point of repayment, the grant made to finance the utility loan is transferred from designated grants in advance to unrestricted grants in advance.

Although the company's classification is small and it is not therefore required to implement the provisions of FRS26 "Financial instruments measurement", the company has adopted FRS26 as best practice on accounting for these utility loans. Accordingly the utility loans have been treated as an "available for sale financial asset" and are measured at fair value. Fair value is taken as the Directors' best estimate of the discounted future income stream arising from the repayment of the utility loans.

Any movement in the value of this estimate, other than from the draw down or repayment, is taken to other reserves.

There is no certainty over the timing and percentage connection to the network that will be achieved. As such there is significant uncertainty over the carrying value of utility loans. The Directors do not envisage 100% connection to the network and therefore they have made a provision to reduce the value of utility loans to their estimated fair value. The accumulated provision is shown as an other reserve, as disclosed in note 13.

1.9 Going concern

There is no certainty over the timing and future value of the other debtor loan repayments and consequently the carrying value of the loans which are valued at the Directors' best estimate of fair value.

The recognition of the unrealised deficit relating to the revaluation of other debtors does not impact on the company's financial facilities. The company has started to receive repayments and expects a positive cash flow in future years to arise from the other debtor balances. The company made a profit on ordinary activities after taxation of £129,126 (2012: £50,646). The company has £3,068,679 (2012: £2,709,369) included in cash at the bank. As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

1. Accounting policies (continued)

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is not provided on timing differences arising from the revaluation of investment properties in the financial statements, unless the company is contractually committed to the disposal of those investment properties at the balance sheet date

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

2. Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	1,306	608
Auditors' remuneration	5,100	5,050
	<u> </u>	<u> </u>

During the year, no Director received any emoluments (2012 - £NIL)

3. Exceptional items

The operating profit is also stated after charging / (crediting)

	2013 £	2012 £
Impairment of tangible fixed assets	(429,067)	(664,914)
Release of grants towards tangible fixed assets	429,067	664,914
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Assets under the course of construction have been impaired to the higher of their net realisable value and their value in use. Corresponding releases have been made from grants received in advance. Both the impairments and the grant releases have been charged to administration expenses within the profit and loss account resulting in nil overall effect to the profit and loss account.

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

4. Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	30,200	10,750
Adjustments in respect of prior periods	(136)	38
	<u>30,064</u>	<u>10,788</u>
Tax on profit on ordinary activities	<u>30,064</u>	<u>10,788</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 20%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>159,190</u>	<u>61,434</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 20%)	31,838	12,287
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	91	168
Capital allowances for year in excess of depreciation	(143)	(543)
Utilisation of tax losses	(1,586)	(1,162)
Adjustments to tax charge in respect of prior periods	(136)	38
	<u>30,064</u>	<u>10,788</u>
Current tax charge for the year (see note above)	<u>30,064</u>	<u>10,788</u>

Factors that may affect future tax charges

The company has tax losses carried forward of £230,000 (2012 £415,000) These have resulted in the recognition of a deferred tax asset The tax losses will be utilised to reduce future taxable profits

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

5. Tangible fixed assets

	Furniture, fittings and equipment £	Assets under the course of construction £	Total £
Cost or valuation			
At 1 April 2012	5,621	98,932	104,553
Additions	1,950	546,982	548,932
At 31 March 2013	<u>7,571</u>	<u>645,914</u>	<u>653,485</u>
Depreciation			
At 1 April 2012	2,835	98,932	101,767
Charge for the year	1,306	-	1,306
Impairment (see note 3)	-	429,067	429,067
At 31 March 2013	<u>4,141</u>	<u>527,999</u>	<u>532,140</u>
Net book value			
At 31 March 2013	<u>3,430</u>	<u>117,915</u>	<u>121,345</u>
At 31 March 2012	<u>2,786</u>	<u>-</u>	<u>2,786</u>

6 Investment property

	Long term Leasehold investment property £
Valuation	
At 1 April 2012	2,200,000
Surplus on revaluation	1,590,400
At 31 March 2013	<u>3,790,400</u>
Comprising	
Revaluation surplus - 2010	1,517,250
Revaluation surplus - 2011	282,750
Revaluation surplus - 2012	400,000
Revaluation surplus - 2013	1,590,400
At 31 March 2013	<u>3,790,400</u>

The 2013 valuations were made by the Directors, on an open market value for existing use basis. The valuation was informed by previous independent professional valuations undertaken by Cluttons LLP as at 15 February 2010 and 31 March 2011 and on actual sale proceeds arising on the subsequent disposal of some of the properties (see note 17).

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

7. Debtors

	2013 £	2012 £
Due after more than one year		
Other debtors	3,470,512	5,096,189
Deferred tax asset (see note 11)	26,000	62,500
Due within one year		
Trade debtors	9,359	10,065
Other debtors	1,804,044	-
Grants receivable	-	151,153
Prepayments and accrued income	99,474	168,772
Deferred tax asset (see note 11)	19,000	17,500
	<u>5,428,389</u>	<u>5,506,179</u>

Other debtors include loans made to a utility service provider to finance the installation of new network infrastructure. The valuation principles of these loans and related uncertainties are described in note 18.

8 Creditors:
Amounts falling due within one year

	2013 £	2012 £
Grants received in advance (see note 10)	124,488	168,267
Trade creditors	18,129	132,188
Corporation tax	30,200	10,750
Social security and other taxes	36,363	-
Other creditors	522,357	292,746
	<u>731,537</u>	<u>603,951</u>

9. Creditors:
Amounts falling due after more than one year

	2013 £	2012 £
Grants received in advance (see note 10)	<u>7,586,668</u>	<u>7,586,668</u>

Notes to the financial statements
for the year ended 31 March 2013

10 Grants received in advance

	2013	2012
	£	£
Unrestricted grants	1,983,424	1,983,424
Designated grants - other debtors	5,603,244	5,715,837
Designated grants - fixed assets	124,488	55,674
	<u>7,711,156</u>	<u>7,754,935</u>

Unrestricted grants

These relate to those grants received by the company that the company is able to use for whatever purpose it deems appropriate. The balance includes HCA funding of £300,430 (2012 £300,430) and converted other debtor grants of £1,682,994 (2012 £1,682,994).

Designated grants - other debtors

These relate to grants received in order to finance the other debtor loans made by the company. They are converted to unrestricted grants once the repayment of the other debtor falls due. The balance includes Single Regeneration Budget funding administered through TDC of £1,412,540 (2012 £1,412,540), funding from the HCA of £2,229,568 (2012 £2,229,568), and funding from the European Regional Development Fund of £1,961,136 (2012 £1,961,136).

The balance also includes funding from the HCA in respect of recoverable deposits totalling £Nil (2012 £112,593).

Designated grants - fixed assets

These relate to grants received in order to finance fixed assets of the company. The balance comprises funding received from the HCA of £6,574 (2012 £55,674) and funding utilised on unamortised fixed asset expenditure of £117,914 (2012 £Nil).

11. Deferred tax asset

	2013	2012
	£	£
At beginning of year	80,000	190,000
Charged for year	(35,000)	(110,000)
At end of year	<u>45,000</u>	<u>80,000</u>

The deferred tax asset is made up as follows

	2013	2012
	£	£
Tax losses carried forward	<u>45,000</u>	<u>80,000</u>

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

12. 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.

13. Reserves

	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 April 2012	2,200,000	(427,056)	454,771
Profit for the year			129,126
Surplus on revaluation of leasehold property	1,590,400		
Movement on other reserves		143,367	
At 31 March 2013	<u>3,790,400</u>	<u>(283,689)</u>	<u>583,897</u>

Other reserves represent the provision made to reduce utility loans to the Directors' best estimate of fair value. See accounting policy 1.8.

14. Contingent liabilities

The company has received grants contingent on meeting certain performance criteria. The Directors are confident that the company will meet these performance criteria.

15. Capital commitments

At 31 March 2013 the company had capital commitments as follows:

	2013 £	2012 £
Contracted for but not provided in these financial statements	<u>266,056</u>	<u>813,332</u>

In respect of the commitment, the company had an agreement with the HCA that capital grant funding would be made available to the company in respect of qualifying capital expenditure.

16. Related party transactions

During the year the company was refunded premises expenses totalling £Nil (2012: £955) from TDC, a member of the company.

During the year the company received grants from the HCA totalling £578,893 (2012: £1,300,610). The unutilised balance remaining on grants received are shown in note 10. In addition included within other creditors is £240,952 (2012: £Nil) of grant funding which is due back to the HCA.

During the year the company paid rates to CCC of £146,942 (2012: £131,305).

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

17 Post balance sheet events

On 26 April 2013, the company sold investment properties previously granted to the company for consideration of £1,784,000. These investment properties are recognised in these financial statements at sale value net of disposal costs. Under FRS19, provision is not made for the associated tax liability as the company had not entered into a binding agreement for the sale as at the Balance Sheet date.

18. Controlling party

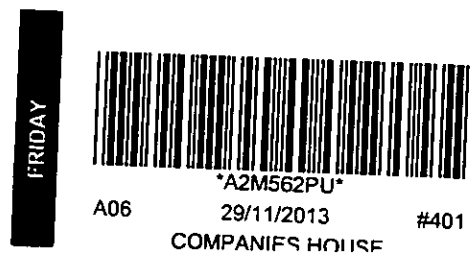
There is no controlling party for the company.



Goetec Limited

(A company limited by guarantee)
Annual report and financial statements
for the year ended 31 July 2013

Registered Number 04416782



Goetec Limited (a company limited by guarantee)

Contents

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Goetec Limited (a company limited by guarantee)

Directors and advisors

Directors

Mr John Sotillo Chair of Board
Mr Andrew Ironside
Mr Peter Bole started 01/10/2012
Mr Paul Butler
Ms Hilary Sellars

Directors leaving in year

Mr Peter Banbury left 30/09/2012

Company secretary

Mrs Alison Grover

Independent auditors

Reeves & Co LLP
Chartered Accountants and Statutory Auditors
37 St Margaret's Street
Canterbury
Kent CT1 2TU

Solicitors

Vertex Law LLP
23 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4UA

Registered office

Canterbury Christ Church University
Rochester House
St George's Place
Canterbury
Kent CT1 1UT

Registered number

04416782

Goetec Limited (a company limited by guarantee)

Directors' report for the year ended 31 July 2013

The directors present their report and the audited financial statements of Goetec Limited for the year ended 31 July 2013

Legal status

The company is limited by guarantee. The members of the company are Higher Education Institutions in Kent and Kent County Council.

Review of business, future developments and principal risks and uncertainties

Since 1st October 2011, GOETEC Limited has provided several distinct services on behalf of its members and other funding bodies. In its second year of trading as GOETEC, it continues to provide valuable service and has positioned itself for significant growth early in 2013/14.

The company works closely with The JNT association trading as Janet, which runs the UK's research and education network, and with the Kent Public Service Network (KPSN), to ensure that connected sites in the region receive a high quality of service, and that the relationship between Janet, KPSN and the connected sites is effective. GOETEC continues to involve itself on a regular basis in operational issues and has helped ensure the delivery of a very high quality service.

GOETEC has worked to provide a focal point for ICT activity and sharing best practice across its members. It brings members of the community together through the Management Group and Board, and has facilitated the opening of institutions' internal technical discussion fora to the broader community.

The company works to ensure that members and customers can take full advantage of KPSN provided services. There has been some churn in the services consumed by GOETEC's members. A modest reduction in the take-up of connectivity services resulted from projects completing and a change in sourcing strategy for one member. However, there has been a notable increase in the uptake of web filtering services by FE colleges based on the very good economies of scale through partnership with Kent Schools.

GOETEC continues discussions around the development of shared services both for the community and potentially for sale beyond. A number of ideas are being progressed and further pilot projects are expected in the near future.

GOETEC has increasingly provided expertise to the KPSN community. In June 2013, KPSN accepted a GOETEC proposal to provide two full time resources in the form of a Programme Manager for their procurement and a Service Development Officer to assist with the management of technical projects. At the close of the year, GOETEC was recruiting two new staff members to fulfil these roles.

There are two principal risks to the longer-term sustainability of the company. The withdrawal of a member and subsequent loss of income would place a significant burden on the remaining members and/or on the company cash reserves. GOETEC is partly funded by Janet and by Kent County Council as a contribution to its function to provide a liaison between these organisations. GOETEC is working closely with all members and

Goetec Limited (a company limited by guarantee)

Directors' report for the year ended 31 July 2013 (continued)

funding organisations to ensure that it is adding value and meeting their needs. However, the current difficult financial climate means this risk must continue to be proactively managed.

The General Manager is key to running the company and to delivering its strategic goals. With the recent agreement with KPSN to provide two full-time resources to meet their needs, there is considerably more opportunity for cross-cover, reducing the risk to the organisation of the loss of the General Manager. However, the General Manager is still a key resource, and loss of the individual filling this role would inevitably cause significant disruption to the company's operations in the short term.

Results for the year

The company's expenditure for the year was £254,184 (2012 £309,891). The income received during the year was £295,995 (2012 £400,540). Profit for the year before taxation was £43,073 (2012 £94,390). Profit after taxation was £35,722 (2012 £75,511).

Every member of the Company undertakes to contribute to cover any liabilities the company may incur in the event of its being wound up, however, on a going concern basis members are asked to contribute to any shortfall in funding through their membership subscriptions.

Use of Public Funds

The directors confirm that payments received either directly or through Janet from the Higher and Further Education Funding Councils have been applied for the purposes for which they were provided.

Statement of directors' responsibilities

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 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.

Goetec Limited (a company limited by guarantee)

Directors' report for the year ended 31 July 2013 (continued)

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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Website

The company has a website <http://www.goetec.ac.uk>. This website is used to publish documents under the Freedom of Information Act 2000, including confirmed minutes of its Board and Executive Committee and the Annual Report and Financial Statements.

Directors

A full list of directors of the company can be found on page 1 Directors and advisors.

Principal activities

The principal activity of the company is the provision of network facilities for Further and Higher Education Institutions in Kent and Kent County Council.

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 each 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.

Auditor

The auditor, 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 21 November 2013 and signed on its behalf



Mr John Sotillo

Director

Goetec Limited Registered Number 04416782

Goetec Limited (a company limited by guarantee)

Independent auditors' report to the members of Goetec Limited

We have audited the financial statements of Goetec Limited for the year ended 31 July 2013, set out in the profit and loss account, balance sheet and related notes 1 –14. 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 July 2013 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.

Goetec Limited (a company limited by guarantee)

Independent auditors' report to the members of Goetec Limited (continued)

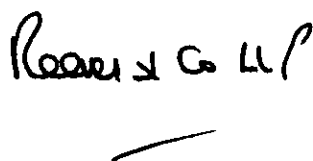
Opinion on other matter prescribed by the Companies Act 2006

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

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.



Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

37 St Margaret's Street
Canterbury
Kent
CT1 2TU
Date 27/11/2013

Goetec Limited (a company limited by guarantee)

Profit and loss account for the year ended 31 July 2013

	Note	2013 £	2012 £
Turnover	2	295,995	400,540
Administration expenses		254,184	309,891
Operating profit	3	41,811	90,649
Interest on bank account maintained by CCCU		1,262	3,741
Profit on ordinary activities before taxation		43,073	94,390
Tax on profit on ordinary activities	5	7,351	18,879
Profit for the financial year	12	35,722	75,511

All results relate to continuing activities

The company has no recognised gains or losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents

Goetec Limited (a company limited by guarantee)

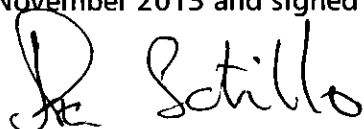
Balance sheet as at 31 July 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	6	17,824	97,084
Current assets			
Debtors	8	259,908	303,344
Creditors: amounts falling due within one year	9	(28,763)	(178,870)
Net current assets/ (liabilities)		231,145	124,474
Total assets less liabilities		248,969	221,558
Creditors: amounts falling due after more than one year	10	-	(8,311)
Net assets		248,969	213,247
Reserves			
Profit and loss account	12	248,969	213,247
Total funds		248,969	213,247

The notes on pages 9 to 14 are integral to the financial statements

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 Standards for Smaller Entities (effective April 2008)

The financial statements on pages 7 to 14 were approved by the board of directors on 21 November 2013 and signed on its behalf by



Mr John Sotillo
Director
Goetec Limited
Registered Number 04416782

Goetec Limited (a company limited by guarantee)

Notes to the financial statements for the year ended 31 July 2013

1 Accounting policies

These financial statements are prepared on the going concern basis, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, in accordance with Financial Reporting Standards for Smaller Entities (effective April 2008).

Tangible Fixed Assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Tangible fixed assets consist entirely of computer equipment, and are depreciated on a straight line basis over four years.

Government Grants

Grants received to finance the purchase of fixed assets are treated as deferred capital grants and amortised to the profit and loss account over the useful economic life of the related asset to offset the depreciation charge on the assets acquired. The amortisation of deferred capital grants to the profit and loss account is reflected within turnover. Grants received to finance the purchase of revenue assets are treated as revenue grants, being released to the profit and loss account when expenditure is incurred. Grants received but not allocated for the year are disclosed within the Creditors figure.

Cash flow statement

During the years ended 31 July 2012 and 31 July 2013, the company qualifies as a small company in accordance with the conditions and size criteria as stipulated in the Companies Act 2006. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 'Cash flow statements (revised 1996)'.

Turnover

Turnover, excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover is recognised in the month in which the invoice generating activity takes place. The whole of the company's turnover is from activities within the UK.

Goetec Limited (a company limited by guarantee)

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax liability is recognised as payable

2 Turnover

Turnover and profit are attributable to one class of business activity of the company undertaken in the United Kingdom Turnover consists of

	2013 £	2012 £
Amortisation of deferred capital grants	65,810	71,125
Grant funding		77,502
Membership subscriptions	67,500	62,500
Other services	162,685	189,413
	295,995	400,540

Member's subscriptions cover all operating expenses before tax following a long standing Board level agreement that the company will be a not-for-profit organisation

3 Profit on ordinary activities before taxation

	2013 £	2012 £
Profit on ordinary activities before taxation is stated after charging		
Depreciation	79,260	84,576
Directors' liability insurance	0	1,086
External auditors' fees	5,000	4,850

4 Directors' emoluments

None of the directors received emoluments during the year (2012 £nil)

Goetec Limited (a company limited by guarantee)

5 Tax on profit on ordinary activities

	2013 £	2012 £
(a) Analysis of tax charge for the period		
<u>Current tax</u>		
UK corporation tax at 20% (PY 20 %)	10,432	19,389
Adjustment in respect of prior period	(247)	
Total current tax (note b)	<u>10,185</u>	<u>19,389</u>
<u>Deferred tax:</u>		
Origination and reversal of timing differences	(2,834)	(510)
Total deferred tax (note 7)	<u>(2,834)</u>	<u>(510)</u>
Tax on profit on ordinary activities	<u>7,351</u>	<u>18,879</u>

(b) FRS 19 reconciliation of current tax charge

The tax assessed for the period is higher (2012 higher) than the standard effective rate of corporation tax in the UK (20 0%) (2012 20%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before taxation	43,073	94,390
Tax on profit on ordinary activities at standard rate of corporation tax	8,615	18,878
Effects of		
Adjustment in respect of prior period	(247)	-
Depreciation in excess of capital allowances	1,817	511
Current tax for the year (note a)	<u>10,185</u>	<u>19,389</u>

(c) Factors affecting future tax charges

Based on current capital investment plans, the company expects to be able to claim capital allowances at a level lower than depreciation in future periods

Goetec Limited (a company limited by guarantee)

6 Tangible assets

	Computer equipment £
Costs brought forward 1 August 2012	416,609
Additions during the year	-
Disposals during the year	-
Cost as at 31 July 2013	416,609
Accumulated depreciation as at 31 July 2012	319,525
Charge for year	79,260
Depreciation for assets disposed of	-
Accumulated depreciation as at 31 July 2013	398,785
Net book value as at 31 July 2013	17,824
Net book value as at 31 July 2012	97,084

7 Deferred Tax Asset

	2013 provided £	2012 provided £
Capital allowances in excess of depreciation	(2,074)	760
Deferred tax (asset)/liability		
Liability at start of period	760	1,270
Deferred tax (credit) in profit and loss	(2,834)	(510)
(Asset)/liability at end of period	(2,074)	760

8 Debtors

	2013 £	2012 £
Deferred tax asset	2,074	-
Other debtors	385	17,600
Related party debtors	248,946	285,744
Value Added Tax	5,091	-
Prepayments and accrued income	3,412	-
	259,908	303,344

Goetec Limited (a company limited by guarantee)

9 Creditors: amounts falling due within one year

	2013	2012
	£	£
Deferred tax liability	-	760
Accruals	6,660	89,302
Value Added Tax	-	1
Deferred income	3,360	3,605
Corporation Tax	10,432	19,392
Deferred capital grants due in less than one year	8,311	65,810
	28,763	178,870

Amounts due to third parties are unsecured, interest free and repayable on demand

10 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Deferred capital grants	-	8,311

11 Deferred Capital Grants

	Capital Grants
	£
Costs brought forward 1 August 2012	362,809
Additions during the year	-
Disposals during the year	-
Cost as at 31 July 2013	362,809
Accumulated amortisation as at 31 July 2012	288,688
Amount released to income	65,810
Amount released to income on disposed assets	-
Accumulated amortisation as at 31 July 2013	354,498
Net book value as at 31 July 2013	8,311
Net book value as at 31 July 2012	74,121

Goetec Limited (a company limited by guarantee)

12 Reserves

	Profit and loss account
	£
As at 1 August 2012	213,247
Profit for the financial year	35,722
At 31 July 2013	248,969

13 Controlling party

No one party has overall control of the company

14 Related party transactions

The company undertook transactions with related parties during the year. University for the Creative Arts, University of Greenwich, University of Kent and Kent County Council are related parties of Goetec Limited by virtue of their membership of the Goetec Limited board. Janet is a funding body of Goetec Limited and Canterbury Christ Church University is contracted by Goetec Limited to carry out the operations of the company.

The company paid expenditure and received income from the following related parties during the year:

	2013 £	2012 £
Canterbury Christ Church University - income receivable	28,088	37,084
Expenditure payable	130,734	162,316
University for the Creative Arts - income receivable	22,149	24,776
University of Greenwich - income receivable	27,291	43,110
University of Kent - income receivable	21,619	24,056
Expenditure payable	105	3,244
Kent County Council - income receivable	58,885	54,481
Expenditure payable	68,453	91,929
Janet - income receivable	25,354	97,817
Expenditure payable	-	537

Canterbury Christ Church University is contracted by Goetec Limited to run its Network Operation Centre and to provide technical advice. Amounts totalling £130,734 (2012 £138,452) were made to Canterbury Christ Church University during the year for this service. Included within Goetec Limited debtors balance at 31 July 2013 is £246,136 (2012 £256,904) due from Canterbury Christ Church University. Other related party debtor balances totalled £2,810 (2012 £28,839).

DS01

Striking off application by a company

004129 / 10



A fee is payable with this form
Please see 'How to pay' on the last page

☒ **What this form is for**
You may use this form to strike off a
company from the Register

☐ **What this form is NOT for**
You cannot use this form to strike off a Limited Liability Partnership (LLP). To strike off an LLP please use form LL DS01 'Striking off application by a Limited Liability Partnership (LLP)'

SATURDAY



A17 *A2N7NYCH* 14/12/2013 #221
COMPANIES HOUSE

Warning to all interested parties

This is an important notice and should not be ignored. The company named has applied to the Registrar to be struck off the Register and dissolved. Please note that on dissolution any remaining assets will be passed to the Crown. The Registrar will strike the company off the register unless there is reasonable cause not to do so. Guidance is available on grounds for objection. If in doubt, seek professional advice.

1 Company details

Company number 3 0 6 8 2 6 3

Company name in full GROUNDWORK KENT & MEOWAY

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

2 The application

Warning to all applicants

It is an offence to knowingly or recklessly provide false or misleading information on this application.

You are advised to read Section 4 and to consult the guidance available from Companies House before completing this form. If in doubt, seek professional advice.

I/We as director(s) / the majority of directors apply for this company to be struck off the Register and declare that none of the circumstances described in section 1004 or 1005 of the Companies Act 2006 (being circumstances in which the directors would otherwise be prohibited under those sections from making an application) exists in relation to the company.

This form must be signed by the sole director if only 1, by both if there are 2, or by the majority if there are more than 2.

→ Go to Section 3 'Name(s) and Signature(s) of the directors'

① Please read the guidance on our website at www.companieshouse.gov.uk or section 1004 or 1005 of the Companies Act 2006 for circumstances under which an application may not be made.



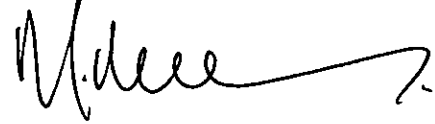
Please note that on dissolution all property and rights etc will be passed to the Crown.

DS01

Striking off application by a company

3

Name(s) and signature(s) of the director(s)

Name (Print clearly)	MR RICHARD JOHN HARMAN	
Signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>d</div> 0 <div>d</div> 2 <div>m</div> 1 <div>m</div> 2 <div>y</div> 2 <div>y</div> 0 <div>y</div> 1 <div>y</div> 3	
Name (Print clearly)	MR RICHARD JOHN HARMAN	
Signature	<div>Signature</div> <div>X X</div>	
Signature date	<div>d</div> <div>d</div> <div>m</div> <div>m</div> <div>y</div> <div>y</div> <div>y</div> <div>y</div>	
Name (Print clearly)	A JONES	
Signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>d</div> 0 <div>d</div> 2 <div>m</div> 1 <div>m</div> 2 <div>y</div> 2 <div>y</div> 0 <div>y</div> 1 <div>y</div> 3	
Name (Print clearly)	MR MARK HEELEY	
Signature	<div>Signature</div> <div>X  X</div>	
Signature date	<div>d</div> 0 <div>d</div> 2 <div>m</div> 1 <div>m</div> 2 <div>y</div> 2 <div>y</div> 0 <div>y</div> 1 <div>y</div> 3	

Warning to all applicants
It is an offence to knowingly or recklessly provide false or misleading information on this application

Please note that on dissolution all property and rights etc will be passed to the Crown

You are advised to read Section 4 and to consult the guidance notes available from Companies House before completing this form. If in doubt, seek professional advice

Name and date

Please ensure that you complete the name and signature date

Signatures

This form must be signed by the sole director if only 1, by both if there are 2, or by the majority if there are more than 2

Further signatures

Please use a continuation page if you need to enter further signatures

4

What to do next

Notify all parties

Please ensure that you send copies of this application to all notifiable parties e.g. creditors, employees, shareholders, pension managers or trustees and other directors of the company within 7 days from the day on which the application is made

Please also send copies to anyone who later becomes a notifiable party within 7 days of this taking place. This applies from the day of application and before the day on which the application is finally dealt with or withdrawn. Please check the guidance notes which contain a full list of those who must be notified. Failure to notify interested parties is an offence. It is advisable to obtain and retain some proof of delivery or posting of copies to notifiable parties

Withdrawal of striking off application by a company

If the company ceases to be eligible for striking off at any time after the application is made, and before the application is finally dealt with, as specified in section 1009 of the Companies Act 2006, then the application must be withdrawn using form DS02 'Withdrawal of striking off application by a company' available from our website www.companieshouse.gov.uk

DS01

Striking off application by a company



Presenter information

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

Contact name	CLAIRE WOODCOCK
Company name	GROUNDWORK KENT & MEOWAY
Address	THE OLD NEIGHBRIDGE MANOR WAY
Post town	SWANSCOMBE
County/Region	KENT
Postcode	DA10 0LL
Country	ENGLAND
DX	
Telephone	01322 384848



Checklist

We may return the forms completed incorrectly or with information missing

Please make sure you have remembered the following

- ☐ The company name and number match the information held on the public Register
- ☐ The correct number of current directors have signed and dated the form – 1 director if there is only 1 director, both if there are 2, and the majority if there are more than 2 e.g. Out of 6 directors, 4 must sign
- ☐ You have included a printed name and date for the signature(s)
- ☐ You have included a continuation sheet (available from www.companieshouse.gov.uk) if applicable
- ☐ You have enclosed the correct fee



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £10 is payable to Companies House in respect of a striking off application

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below

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

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

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KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
JH: 30 August 2013

KENT COUNTY TRADING LIMITED

COMPANY INFORMATION

DIRECTORS

L Coulson Esq
D N Jackson Esq
I A McPherson Esq (appointed 2 July 2012)

COMPANY SECRETARY

L Coulson Esq

REGISTERED NUMBER

05242899

REGISTERED OFFICE

1 Abbey Wood Road
Kings Hill
West Malling
Kent
ME19 4YT

INDEPENDENT AUDITORS

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

KENT COUNTY TRADING LIMITED

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Company balance sheet	8
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KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

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 the group and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the group continued to be that of a temporary employment agency and employment business. The group is also a provider of community services and equipment, bus services, including school transport, facility management services, and waste.

BUSINESS REVIEW

The Group has been subject to a review of its trading activities by the ultimate parent entity Kent County Council (KCC). During the year and post year end there has been a restructure of businesses between the trading entities controlled by Kent County Council. The employment agency activities of fellow subsidiary, Kent Top Temps Limited, together with other business units of Kent County Council Commercial Services, were transferred to Commercial Services Kent Limited and Commercial Services Trading Limited. As part of these changes, Commercial Services Kent Ltd. was dormant throughout the year. The new structure has traded from April 2013.

Turnover for the group has increased during the year (up by 9%). The gross profit margin is 7.5% (down from 7.8% for the year ended 31 March 2012). Looking forward the gross profit margins are expected to improve.

In addition to this, the group's employment agency business, Kent Top Temps Limited, was last awarded audited status from the Recruitment and Employment Confederation (REC) in November 2010. The award confirms that the company is continually fully compliant with industry regulations and best practice. This is awarded to only an elite number of recruitment companies nationwide, and demonstrates that the company is conducting their business lawfully and ethically.

Kent Top Temps Limited achieved bronze level status in July 2010, over and above the standard Investors In People (IIP) award.

KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

BUSINESS REVIEW (CONT'D)

The company has expanded its recruitment business during the year and has opened two further offices outside of Kent, specialising in Care, and to enable local authorities nationally to access highly skilled professionals at a reasonable cost to enable front line services delivery.

The significant and ongoing increases in fuel prices and duty, combined with a reduction in bus service operator's grant, continue to have an impact on margins in the bus and coach business and this added credence to the decision to exit this market. The directors note that the company traded at a satisfactory level in recruitment during the 2012-13 year, and has made provision to exit the bus services market which was announced by KCC during the year.

The group's community services and equipment business continues to grow and diversify in line with the business plan.

With regard to the facility management business, the directors note that the business traded at a satisfactory level during the 2012/13 financial year. Trade levels continue to be satisfactory and a similar performance is expected during the forthcoming financial year.

The waste business also performed steadily in line with the business plan.

The overall business results were impacted by the restructure of the group outlined above.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £259,427 (2012 - £689,745).

Dividends paid during the year amounted to £Nil (2012: £150,000).

DIRECTORS

The directors who served during the year were:

L Coulson Esq
D N Jackson Esq
I A McPherson Esq (appointed 2 July 2012)

FUTURE DEVELOPMENTS

The market remains competitive and uncertain, but the directors remain confident that they will maintain and improve their current level of performance in the medium to long term. Given the economic conditions, and the success of KCC in encouraging more entrants into the bus services market to provide better competition for the ratepayers of Kent, it has been decided that the moderation exercise has been successfully completed. Accordingly the review of the business culminated in a decision to exit this market. The planned exit of contracts began during the year, and will be completed by December 2013.

The group acquired a long leasehold building during the year, which was opened for business in May 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the group are considered to relate to the current economic uncertainty and downturn (especially in the public sector), competition from national and independent employment agencies, facility management businesses, and legislative, world market and taxation changes.

KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

KEY PERFORMANCE INDICATORS

The majority of employment vacancies were satisfied from Kent Top Temps Limited own resources, with the balance being outsourced to recruitment agencies mainly based in Kent from the preferred suppliers list.

The focus of the organisation is on its profitability and there are no other key performance indicators that would benefit any reader of the accounts.

EMPLOYEE INVOLVEMENT

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the groups performance.

DISABLED EMPLOYEES

All necessary assistance with initial training courses is given to employees with disabilities. A career plan is developed to ensure suitable opportunities are available for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

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 and the group'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 and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on 14th October 2013

✗ and signed on its behalf.

✗ 

L Coulson Esq
Secretary

✗

KENT COUNTY TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENT COUNTY TRADING LIMITED

We have audited the financial statements of Kent County Trading Limited for the year ended 31 March 2013, set out on pages 6 to 23. 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 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 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 group's and the parent 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 group's and the parent company's affairs as at 31 March 2013 and of the group's profit 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

KENT COUNTY TRADING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENT COUNTY TRADING 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Mario Ciantanni (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date:

KENT COUNTY TRADING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 £	2012 £
TURNOVER	1,2	41,995,197	38,461,772
Cost of sales		(38,840,048)	(35,450,364)
GROSS PROFIT		3,155,149	3,011,408
Administrative expenses		(2,772,200)	(2,091,051)
OPERATING PROFIT	3	382,949	920,357
Interest receivable and similar income		6,614	4,820
Interest payable and similar charges	6	(13,935)	(37,848)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		375,628	887,329
Tax on profit on ordinary activities	7	(116,201)	(197,584)
PROFIT FOR THE FINANCIAL YEAR	17	259,427	689,745

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 10 to 23 form part of these financial statements.

KENT COUNTY TRADING LIMITED
REGISTERED NUMBER: 05242899

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	8		755		2,995
Tangible assets	9		3,889,754		228,777
Investments	10		2		2
			<u>3,890,511</u>		<u>231,774</u>
CURRENT ASSETS					
Stocks	11	130,188		30,849	
Debtors	12	7,622,070		7,354,344	
Cash at bank and in hand		1,513,323		983,643	
		<u>9,265,581</u>		<u>8,368,836</u>	
CREDITORS: amounts falling due within one year	13	(6,808,739)		(6,590,303)	
NET CURRENT ASSETS			<u>2,456,842</u>		<u>1,778,533</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,347,353</u>		<u>2,010,307</u>
CREDITORS: amounts falling due after more than one year	14		(3,000,000)		-
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(77,619)		-
NET ASSETS			<u><u>3,269,734</u></u>		<u><u>2,010,307</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		1,000,002		2
Profit and loss account	17		2,269,732		2,010,305
SHAREHOLDERS' FUNDS	18		<u><u>3,269,734</u></u>		<u><u>2,010,307</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
 14th October 2013


L Coulson Esq
 Director

The notes on pages 10 to 23 form part of these financial statements.

KENT COUNTY TRADING LIMITED
REGISTERED NUMBER: 05242899

COMPANY BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	10		4,000,008		8
CURRENT ASSETS					
Cash at bank		2		2	
CREDITORS: amounts falling due within one year	13	(8)		(8)	
NET CURRENT LIABILITIES			(6)		(6)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,000,002		2
CREDITORS: amounts falling due after more than one year	14		(3,000,000)		-
NET ASSETS			1,000,002		2
CAPITAL AND RESERVES					
Called up share capital	16		1,000,002		2
SHAREHOLDERS' FUNDS	18		1,000,002		2

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

✓ 14th October 2013

✓

✓ 

✓

L Coulson Esq
 Director

The notes on pages 10 to 23 form part of these financial statements.

KENT COUNTY TRADING LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	20	656,784	1,465,787
Returns on investments and servicing of finance	21	(7,321)	(33,028)
Taxation		(197,584)	(174,866)
Capital expenditure and financial investment	21	(3,772,199)	(146,245)
Equity dividends paid		-	(150,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(3,320,320)	961,648
Financing	21	3,850,000	(340,000)
INCREASE IN CASH IN THE YEAR		529,680	621,648

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 £	2012 £
Increase in cash in the year	529,680	621,648
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(2,850,000)	340,000
MOVEMENT IN NET DEBT IN THE YEAR	(2,320,320)	961,648
Net funds/(debt) at 1 April 2012	633,643	(328,005)
NET (DEBT)/FUNDS AT 31 MARCH 2013	(1,686,677)	633,643

The notes on pages 10 to 23 form part of these financial statements.

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Kent County Trading Limited and its subsidiary undertakings ('subsidiaries'). In accordance with S405(2) of the Companies Act 2006 a dormant subsidiary, Invicta Services Limited, is excluded from consolidation on the basis it is not material for the purpose of giving a true and fair view.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Development expenditure	-	33% straight line
-------------------------	---	-------------------

1.5 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:

L/Term Leasehold Property	-	50 years straight line
S/Term Leasehold Property	-	3 - 5 years straight line
Plant & Machinery	-	5 years straight line
Motor vehicles	-	4 - 8 years straight line
Fixtures & fittings	-	10 years straight line
Office equipment	-	5 years straight line

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.7 Operating leases

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

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

1.8 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at current tax rates.

1.10 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.11 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

The group also participates in a defined benefit pension scheme, being part of the Kent County Council Pension fund providing benefits based on final pensionable pay. The scheme is a multi employer scheme. The employer's contributions are affected by any surplus or deficit in the scheme. However the group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As such the pension charge represents amounts payable by the group to the fund in respect of the year.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2013 £	2012 £
Temps income	35,068,852	30,235,271
Travel income	2,960,055	3,997,917
Facility management income	2,719,421	3,373,872
Carehome supplies	249,057	134,069
Landscape services	997,812	720,643
	<u>41,995,197</u>	<u>38,461,772</u>

All turnover arose within the United Kingdom.

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the group	89,207	39,657
Operating lease rentals:		
- plant and machinery	415,081	472,716
Amortisation of deferred research and development expenditure	2,240	2,240
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2012 - £NIL).

4. AUDITORS' REMUNERATION

	2013 £	2012 £
Fees payable to the group's auditor for the audit of the annual accounts	24,705	18,468
Fees payable to the group's auditor and its associates in respect of:		
Taxation compliance services	-	-
All other non-audit services not included above	13,525	1,450
	<u> </u>	<u> </u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

5. STAFF COSTS

Staff costs were as follows:

	2013 £	2012 £
Wages and salaries	14,682,630	11,752,722
Social security costs	1,005,555	749,576
Other pension costs	27,794	14,005
	<u>15,715,979</u>	<u>12,516,303</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013 No.	2012 No.
Temporary Staff	520	518
Permanent Staff	240	168
Facilities Management	72	49
Waste Management	11	12
Kent Scheme	2	2
	<u>845</u>	<u>749</u>

6. INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	13,645	37,848
Other interest payable	290	-
	<u>13,935</u>	<u>37,848</u>

7. TAXATION

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	38,582	197,584
Deferred tax (see note 15)		
Origination and reversal of timing differences	77,619	-
Tax on profit on ordinary activities	<u>116,201</u>	<u>197,584</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

7. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - *lower than*) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	375,628	887,329
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	90,151	230,706
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	418	(4,304)
Capital allowances for the year in excess of depreciation	(44,270)	(18,323)
Marginal relief	-	(10,495)
Tax at the lower rate of 20%	(7,717)	-
Current tax charge for the year (see note above)	38,582	197,584

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. INTANGIBLE FIXED ASSETS

Group	Develop- ment £
Cost	
At 1 April 2012 and 31 March 2013	29,720
Amortisation	
At 1 April 2012	26,725
Charge for the year	2,240
At 31 March 2013	28,965
Net book value	
At 31 March 2013	755
At 31 March 2012	2,995

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

9. TANGIBLE FIXED ASSETS

Group	L/term Leasehold property £	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures fittings and office equipment £	Total £
Cost						
At 1 April 2012	-	-	56,918	210,789	28,857	296,564
Additions	2,092,406	89,015	18,614	12,084	1,595,130	3,807,249
Disposals	-	-	-	(74,000)	-	(74,000)
At 31 March 2013	2,092,406	89,015	75,532	148,873	1,623,987	4,029,813
Depreciation						
At 1 April 2012	-	-	27,880	28,365	11,542	67,787
Charge for the year	8,896	11,415	28,296	33,017	7,583	89,207
On disposals	-	-	-	(16,935)	-	(16,935)
At 31 March 2013	8,896	11,415	56,176	44,447	19,125	140,059
Net book value						
At 31 March 2013	2,083,510	77,600	19,356	104,426	1,604,862	3,889,754
At 31 March 2012	-	-	29,038	182,424	17,315	228,777

10. FIXED ASSET INVESTMENTS

Group	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2012 and 31 March 2013	2
Net book value	
At 31 March 2013	2
At 31 March 2012	2

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

10. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Commercial Services Kent Limited	Ordinary	100 %
Invicta Services Limited	Ordinary	100 %
Kent Top Temps Limited	Ordinary	100 %
Commercial Services Trading Limited	Ordinary	100 %

Name	Business	Country of Incorporation
Commercial Services Kent Limited	Dormant	England and Wales
Invicta Services Limited	Dormant	England and Wales
Kent Top Temps Limited	Employment agency	England and Wales
Commercial Services Trading Limited	Facility management	England and Wales

The aggregate of the share capital and reserves as at 31 March 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings not consolidated were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Invicta Services Limited	2	-
		Investments in subsidiary companies £
Company		
Cost or valuation		
At 1 April 2012		8
Additions		4,000,000
At 31 March 2013		4,000,008
Net book value		
At 31 March 2013		4,000,008
At 31 March 2012		8

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

11. STOCKS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Finished goods	43,946	-	-	-
Stock and work in progress	86,242	30,849	-	-
	<u>130,188</u>	<u>30,849</u>	<u>-</u>	<u>-</u>

12. DEBTORS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Trade debtors	6,448,606	5,943,511	-	-
Corporation tax debtor	-	-	-	-
Other debtors	1,173,464	1,410,833	-	-
	<u>7,622,070</u>	<u>7,354,344</u>	<u>-</u>	<u>-</u>

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Other loans	200,000	350,000	-	-
Trade creditors	3,697,795	3,390,283	-	-
Corporation tax	38,582	197,584	-	-
Social security and other taxes	1,776,736	1,127,324	-	-
Other creditors	1,095,626	1,525,112	8	8
	<u>6,808,739</u>	<u>6,590,303</u>	<u>8</u>	<u>8</u>

A loan to the value of £200,000 (2012: £350,000) is repayable on demand and is secured by a fixed charge on all book debts and by a floating charge on the assets of Kent Top Temps Limited.

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

14. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Share capital treated as debt (Note 16)	3,000,000	-	3,000,000	-

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16.

15. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
At beginning of year	-	-	-	-
Charge for the year	77,619	-	-	-
At end of year	77,619	-	-	-

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013 £	2012 £	2013 £	2012 £
Accelerated capital allowances	77,619	-	-	-

16. SHARE CAPITAL

	2013 £	2012 £
Shares classified as capital		
Allotted, called up and fully paid		
1,000,002 (2012 - 2) Ordinary shares of £1 each	1,000,002	2
Shares classified as debt		
Allotted, called up and fully paid		
1,000,000 Redeemable shares of £1 each	1,000,000	-
2,000,000 Redeemable 2017 shares of £1 each	2,000,000	-
	3,000,000	-

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

16. SHARE CAPITAL (continued)

During the year 1,000,000 Ordinary £1 shares, 1,000,000 Redeemable £1 shares and 2,000,000 Redeemable 2017 £1 shares were issued at par.

Both classes of redeemable shares entitle the holder to one vote in any circumstance. The Redeemable shares and Redeemable 2017 shares can be redeemed at the option of the company or the shareholder at any time after 1 April 2016 and after 1 April 2017 respectively.

17. RESERVES

	Profit and loss account £
Group	
At 1 April 2012	2,010,305
Profit for the year	259,427
	<u>2,269,732</u>
At 31 March 2013	<u>2,269,732</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Group		
Opening shareholders' funds	2,010,307	1,470,562
Profit for the year	259,427	689,745
Dividends (Note 19)	-	(150,000)
Shares issued during the year	1,000,000	-
	<u>3,269,734</u>	<u>2,010,307</u>
Closing shareholders' funds	<u>3,269,734</u>	<u>2,010,307</u>
Company		
Opening shareholders' funds	2	2
Profit for the year	-	150,000
Dividends (Note 19)	-	(150,000)
Shares issued during the year	1,000,000	-
	<u>1,000,002</u>	<u>2</u>
Closing shareholders' funds	<u>1,000,002</u>	<u>2</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The profit for the year dealt with in the accounts of the company was £NIL (2012 - £150,000).

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

19. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	-	150,000

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	382,949	920,357
Amortisation of intangible fixed assets	2,240	2,240
Depreciation of tangible fixed assets	89,207	39,657
Loss on disposal of tangible fixed assets	22,015	-
(Increase)/decrease in stocks	(99,339)	2,516
(Increase) in debtors	(267,722)	(1,390,240)
Increase in creditors	527,434	1,891,257
Net cash inflow from operating activities	656,784	1,465,787

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	6,614	4,820
Interest paid	(13,935)	(37,848)
Net cash outflow from returns on investments and servicing of finance	(7,321)	(33,028)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,807,249)	(146,245)
Sale of tangible fixed assets	35,050	-
Net cash outflow from capital expenditure	(3,772,199)	(146,245)

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme and participates in a defined benefit pension scheme. The assets of both schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to these funds and amounted to £27,794 (2012: £14,005).

24. OPERATING LEASE COMMITMENTS

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows:

Group	2013 £	2012 £
Expiry date:		
Within 1 year	60,401	34,139
Between 2 and 5 years	129,579	188,481
After more than 5 years	89,562	125,322

25. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related party disclosures', not to disclose any transactions with members of the group headed by Kent County Trading Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements.

The group has a loan from Kent County Council of £200,000 (2012: £350,000). The loan is repayable on demand and carries interest at a rate of 5% above the Bank of England's base rate, and is disclosed within creditors due within one year.

During the year, the group traded with Kent County Council, the ultimate controlling party. The following transactions occurred during the financial period:

<u>Kent County Council</u>	2013 £	2012 £
Sales	32,259,979	33,227,915
Trade Debtors	5,799,754	5,644,665
Purchases	3,367,489	3,301,325
Other Debtors	205,873	-
Trade Creditors	2,148,382	2,032,150
Loan Interest paid @ 5.5%	13,645	37,848

KENT TOP TEMPS LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
JH: 30 August 2013

KENT TOP TEMPS LTD

COMPANY INFORMATION

DIRECTORS

L J Faulkner Esq
S G Heywood Esq (appointed 15 April 2013)
L Coulson Esq (appointed 15 April 2013)
I A McPherson Esq (appointed 15 April 2013)
D N Jackson

COMPANY SECRETARY

L J Faulkner Esq

REGISTERED NUMBER

05242900

REGISTERED OFFICE

1 Abbey Wood Road
Kings Hill
West Malling
Kent
ME19 4YT

INDEPENDENT AUDITORS

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

KENT TOP TEMPS LTD

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KENT TOP TEMPS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 principal activity in the year continued to be that of a temporary employment agency, employment business, and provider of bus services, including school transport.

BUSINESS REVIEW

Turnover has increased during the year (up by 11.2%). The gross profit margin is 6.6% down from 7.3% for the year ended 31 March 2012. The announced withdrawal from the bus service market, and the reduction in routes started during the year, has impacted the profitability of this part of the company's results.

Kent Top Temps Limited was last awarded audited status from the Recruitment and Employment Confederation(REC) in November 2010. The award confirms that the company is continually fully compliant with industry regulations and best practice. This is awarded to only an elite number of recruitment companies nationwide, and demonstrates that the company is conducting their business lawfully and ethically.

Kent Top Temps Limited achieved bronze level status in July 2010, over and above the standard Investors In People (IIP) award.

The company has expanded its recruitment business during the year and has opened two further offices outside of Kent, specialising in Care, and to enable local authorities nationally to access highly skilled professionals at a reasonable cost to enable front line services delivery.

KENT TOP TEMPS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

BUSINESS REVIEW (CONTINUED)

The significant and ongoing increases in fuel prices and duty, combined with a reduction in bus service operators grant, continue to have an impact on margins in the bus and coach business and this added credence to the decision to exit this market. The directors note that the company traded at a satisfactory level in recruitment during the 2012-13 year, and has made provision to exit the bus services market which was announced by Kent County Council, the ultimate parent entity, during the year.

DISCONTINUED OPERATIONS

The recruitment business has been described as discontinued in the note to these accounts. Following a review of the group's activities by the ultimate parent entity the employment activities were transferred to fellow subsidiaries Commercial Services Kent Limited and Commercial Services Trading Limited from April 2013.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £6,708 (2012 - profit £221,322).

Dividends paid during the year amounted to £nil (2012: £25,000).

DIRECTORS

The directors who served during the year were:

L J Faulkner Esq
D N Jackson

The directors have no interest in the issued share capital of the company.

FUTURE DEVELOPMENTS

As announced the withdrawal from the provision of bus services as a business stream is already under way and is expected to cease trading by the end of the calendar year. From April the company will trade only in the planned withdrawal from the remaining bus service contracts.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the company are considered to relate to the exiting of the bus services market.

KEY PERFORMANCE INDICATORS

The majority of vacancies were satisfied from the Kent Top Temps Limited own resources, with the balance being outsourced to recruitment agencies mainly based in Kent from the preferred suppliers list.

Given the economic conditions, and the success of KCC in encouraging more entrants into the bus services market to provide better competition for the ratepayers of Kent, the review of the business culminated in a decision that the market moderation exercise had been a success, and to exit this market.

KENT TOP TEMPS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

EMPLOYEE INVOLVEMENT

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

DISABLED EMPLOYEES

All necessary assistance with initial training courses is given to employees with disabilities. A career plan is developed to ensure suitable opportunities are available for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

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.

This report was approved by the board on ^X 24th October 2013 and signed on its behalf.

^X 
L J Faulkner Esq
Secretary

^X

KENT TOP TEMPS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENT TOP TEMPS LTD

We have audited the financial statements of Kent Top Temps Ltd for the year ended 31 March 2013, set out on pages 6 to 18. 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 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 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 2013 and of its loss 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes 1 and 24 to the financial statements concerning the company's ability to continue as a going concern. The Company is to cease to trade post year end once it has fulfilled existing contracts. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern as the directors feel that any adjustments would be immaterial to the financial statements.

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.

KENT TOP TEMPS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF KENT TOP TEMPS LTD

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.

Mario Ciantanni (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants
Statutory Auditor
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date:

KENT TOP TEMPS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
TURNOVER	1,2		
Continuing operations		2,960,055	3,997,917
Discontinued operations		35,317,909	30,235,271
		38,277,964	34,233,188
Cost of sales	3	(35,757,772)	(31,731,339)
GROSS PROFIT		2,520,192	2,501,849
Administrative expenses	3	(2,497,889)	(2,184,954)
OPERATING PROFIT	4		
Continuing operations		(281,701)	(41,034)
Discontinued operations		304,004	357,929
		22,303	316,895
Interest receivable and similar income		3,546	3,435
Interest payable and similar charges	7	(13,935)	(29,598)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,914	290,732
Tax on profit on ordinary activities	8	(18,622)	(69,410)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	(6,708)	221,322

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account.

The notes on pages 9 to 18 form part of these financial statements.

KENT TOP TEMPS LTD
REGISTERED NUMBER: 05242900

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Intangible assets	9	755	2,995
Tangible assets	10	119,432	112,807
		<u>120,187</u>	<u>115,802</u>
CURRENT ASSETS			
Stocks	11	43,946	-
Debtors	12	6,841,160	6,895,567
Cash at bank and in hand		105,910	230,667
		<u>6,991,016</u>	<u>7,126,234</u>
CREDITORS: amounts falling due within one year	13	<u>(5,661,083)</u>	<u>(5,785,208)</u>
NET CURRENT ASSETS		<u>1,329,933</u>	<u>1,341,026</u>
NET ASSETS		<u>1,450,120</u>	<u>1,456,828</u>
CAPITAL AND RESERVES			
Called up share capital	14	2	2
Profit and loss account	15	1,450,118	1,456,826
SHAREHOLDERS' FUNDS	16	<u>1,450,120</u>	<u>1,456,828</u>

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

14th October 2013

L J Faulkner Esq
Director

The notes on pages 9 to 18 form part of these financial statements.

KENT TOP TEMPS LTD

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	18	47,429	816,841
Returns on investments and servicing of finance	19	(10,389)	(26,163)
Taxation		(69,410)	(153,866)
Capital expenditure and financial investment	19	(92,387)	(16,000)
Equity dividends paid		-	(25,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(124,757)	595,812
Financing	19	-	(340,000)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(124,757)	255,812

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(124,757)	255,812
Cash outflow from decrease in debt and lease financing	-	340,000
MOVEMENT IN NET DEBT IN THE YEAR	(124,757)	595,812
Net funds/(debt) at 1 April 2012	30,667	(565,145)
NET (DEBT)/FUNDS AT 31 MARCH 2013	(94,090)	30,667

The notes on pages 9 to 18 form part of these financial statements.

KENT TOP TEMPS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

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 applicable accounting standards.

1.2 Going concern

As described in the directors' report on page 1, the ultimate parent undertaking has carried out a review of the group's trading activities, including the planned withdrawal from the bus services market. Post year end the company's employment agency activities were transferred to fellow subsidiaries of the holding company Kent County Trading Limited.

The remaining business will be the planned withdrawal from the remaining contracts in the provision of bus services, and as such the company plans to cease all trading during 2013. The directors however, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Intangible assets are development costs capitalised in accordance with SSAP 13. They represent expenditure on viable projects in the course of development, which are deferred until the project has attained commercial basis. Intangible assets are amortised on a straight line basis over 3 years.

Amortisation is provided at the following rates:

Development	-	33% straight line
-------------	---	-------------------

1.5 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:

S/Term Leasehold Property	-	3 - 5 years straight line
Plant & Machinery	-	3 - 5 years straight line
Motor Vehicles	-	4 - 8 years straight line
Office Equipment	-	5 years straight line

1.6 Operating leases

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

KENT TOP TEMPS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES (continued)

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at current tax rates.

1.9 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.10 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 company also participates in a defined benefit pension scheme, being part of the Kent County Council Pension fund providing benefits based on final pensionable pay. The scheme is a multi employer scheme. The employer's contributions are affected by any surplus or deficit in the scheme. However Kent Top Temps Limited is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As such the pension charge represents amounts payable by the company to the fund in respect of the year.

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2013 £	2012 £
Temps income	35,317,909	30,235,271
Travel income	2,960,055	3,997,917
	<u>38,277,964</u>	<u>34,233,188</u>

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from discontinuing activities is attributable to the provision of the temporary employment agency services.

KENT TOP TEMPS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

3. ANALYSIS OF OPERATING PROFIT

	2013		2012	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	2,960,055	35,317,909	3,997,917	30,235,271
Cost of sales	(2,719,830)	(33,037,942)	(3,459,142)	(28,272,197)
Gross profit	240,225	2,279,967	538,775	1,963,074
Administrative expenses	(521,926)	(1,975,963)	(579,809)	(1,605,145)
Operating profit/(loss)	(281,701)	304,004	(41,034)	357,929

4. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	63,747	22,296
Operating lease rentals:		
- motor vehicles	415,081	621,366
Amortisation of intangible assets	2,240	2,240

During the year, no director received any emoluments (2012 - £NIL).

5. AUDITORS' REMUNERATION

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	17,530	13,550
Fees payable to the company's auditor and its associates in respect of:		
All other non-audit services not included above	13,525	1,450

KENT TOP TEMPS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

6. STAFF COSTS

Staff costs were as follows:

	2013	2012
	£	£
Wages and salaries	12,998,372	10,356,126
Social security costs	1,005,555	744,852
Other pension costs	13,819	7,844
	14,017,746	11,108,822

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
	No.	No.
Temporary Staff	520	518
Permanent Staff	240	166
	760	684

7. INTEREST PAYABLE

	2013	2012
	£	£
On bank loans and overdrafts	13,645	29,598
Interest on overdue tax	290	-
	13,935	29,598

8. TAXATION

	2013	2012
	£	£
UK corporation tax charge on profit for the year	18,622	69,410

KENT TOP TEMPS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

8. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 20% (2012 - 26%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>11,914</u>	<u>290,732</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 26%)	2,383	75,590
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	343	(4,284)
Depreciation for the year in excess of capital allowances	15,896	1,409
Marginal relief	-	(3,305)
Current tax charge for the year (see note above)	<u>18,622</u>	<u>69,410</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. INTANGIBLE FIXED ASSETS

	Development £
Cost	
At 1 April 2012 and 31 March 2013	<u>29,720</u>
Amortisation	
At 1 April 2012	26,725
Charge for the year	<u>2,240</u>
At 31 March 2013	<u>28,965</u>
Net book value	
At 31 March 2013	<u>755</u>
At 31 March 2012	<u>2,995</u>

KENT TOP TEMPS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

10. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost					
At 1 April 2012	-	56,918	80,544	20,000	157,462
Additions	90,820	18,614	12,084	5,919	127,437
Disposals	-	-	(74,000)	-	(74,000)
At 31 March 2013	90,820	75,532	18,628	25,919	210,899
Depreciation					
At 1 April 2012	-	27,880	16,775	-	44,655
Charge for the year	11,746	28,296	15,220	8,485	63,747
On disposals	-	-	(16,935)	-	(16,935)
At 31 March 2013	11,746	56,176	15,060	8,485	91,467
Net book value					
At 31 March 2013	79,074	19,356	3,568	17,434	119,432
At 31 March 2012	-	29,038	63,769	20,000	112,807

11. STOCKS

	2013 £	2012 £
Goods for resale	43,946	-

12. DEBTORS

	2013 £	2012 £
Trade debtors	6,075,276	5,628,018
Other debtors, prepayments and accrued income	765,884	1,267,549
	6,841,160	6,895,567

KENT TOP TEMPS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

13. CREDITORS:
Amounts falling due within one year

	2013 £	2012 £
Other loans	200,000	200,000
Trade creditors	2,966,412	3,333,390
Corporation tax	18,622	69,410
Social security and other taxes	1,746,317	1,012,346
Other creditors and accruals	729,732	1,170,062
	<u>5,661,083</u>	<u>5,785,208</u>

A loan to the value of £200,000 (2012: £200,000) is repayable on demand and is secured by a fixed charge on all book debts and a floating charge on the assets of the company.

14. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

15. RESERVES

	Profit and loss account £
At 1 April 2012	1,456,826
Loss for the year	(6,708)
At 31 March 2013	<u>1,450,118</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	1,456,828	1,260,506
(Loss)/profit for the year	(6,708)	221,322
Dividends (Note 17)	-	(25,000)
Closing shareholders' funds	<u>1,450,120</u>	<u>1,456,828</u>

KENT TOP TEMPS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

17. DIVIDENDS

	2013 £	2012 £
Dividends paid on equity capital	-	25,000

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	22,303	316,895
Amortisation of intangible fixed assets	2,240	2,240
Depreciation of tangible fixed assets	63,747	22,296
Loss on disposal of tangible fixed assets	22,015	-
Increase in stocks	(43,946)	-
Decrease/(increase) in debtors	54,407	(1,425,544)
(Decrease)/increase in creditors	(73,337)	1,900,954
Net cash inflow from operating activities	47,429	816,841

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	3,546	3,435
Interest paid	(13,935)	(29,598)
Net cash outflow from returns on investments and servicing of finance	(10,389)	(26,163)
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(127,437)	(16,000)
Sale of tangible fixed assets	35,050	-
Net cash outflow from capital expenditure	(92,387)	(16,000)
	2013 £	2012 £
Financing		
Repayment of other loans	-	(340,000)

KENT TOP TEMPS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

20. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
Cash at bank and in hand	230,667	(124,757)	-	105,910
Debt:				
Debts due within one year	(200,000)	-	-	(200,000)
Net funds	<u>30,667</u>	<u>(124,757)</u>	<u>-</u>	<u>(94,090)</u>

21. PENSION COMMITMENTS

The company operates a defined contribution pension scheme and participates in a defined benefit pension scheme. The assets of both schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to these funds and amounted to £13,819 (2012: £7,844).

22. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	2013 £	2012 £
Expiry date:		
Within 1 year	53,269	25,446
Between 2 and 5 years	112,673	164,253
After more than 5 years	<u>89,562</u>	<u>125,322</u>

KENT TOP TEMPS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related party disclosures', not to disclose any transactions with members of the group headed by Kent County Trading Limited on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements.

The company has a loan from Kent County Council of £200,000 (2012: £200,000). The loan is repayable on demand and carries interest at a rate of 5% above the Bank of England's base rate, and is disclosed within creditors due within one year. Interest of £13,645 (2012: £29,598) has been charged during the year on the loan.

During the year, the company traded with Kent County Council, the ultimate controlling party. The following transactions occurred during the financial period:

<u>Kent County Council</u>	<u>2013</u> £	<u>2012</u> £
Sales	32,745,570	31,737,250
Trade Debtors	5,498,662	5,405,192
Purchases	2,484,456	3,000,289
Trade Creditors	1,772,297	1,933,302

24. POST BALANCE SHEET EVENTS

As noted in the Directors Report on page 2, the company's recruitment agency services business was transferred to fellow subsidiaries, Commercial Services Kent Limited and Commercial Services Trading Limited, on 1 April 2013. Bus and school transport services will cease once the existing contracts have been fulfilled, which is expected to be by 1 November 2013, after which point the company's trading activities will have ceased completely.

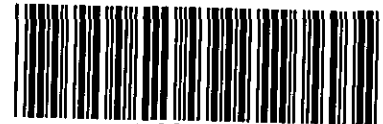
As referred to in note 1, the accounts have been prepared on the going concern basis and no material adjustments would be required if this basis were not adopted.

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is Kent County Council., which owns 100% of the issued share capital of the parent company, Kent County Trading Limited a company incorporated in the UK.

LOCATE IN KENT LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

SATURDAY



A30 *A2GUXBMI* 14/09/2013 #60
COMPANIES HOUSE

HEDLEY DUNK LIMITED
Chartered Accountants & Statutory Auditor
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

LOCATE IN KENT LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO LOCATE IN KENT LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Locate in Kent Limited for the year ended 31 March 2013 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.

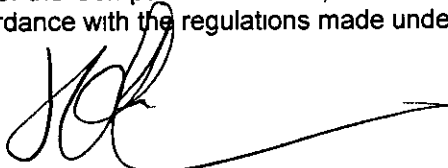
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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.

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 are properly prepared.

OPINION ON FINANCIAL STATEMENTS

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 on pages 2 to 4 have been properly prepared in accordance with the regulations made under that section.



Jason Outram FCA DChA (Senior statutory auditor)

for and on behalf of
Hedley Dunk Limited

Chartered Accountants
Statutory Auditor

Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

22 July 2013

LOCATE IN KENT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 03230721

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
CURRENT ASSETS					
Debtors		53,958		47,416	
Cash at bank and in hand		459,028		498,888	
		<u>512,986</u>		<u>546,304</u>	
CREDITORS amounts falling due within one year		(129,088)		(52,811)	
NET CURRENT ASSETS			383,898		493,493
NET ASSETS			<u>383,898</u>		<u>493,493</u>
CAPITAL AND RESERVES					
Profit and loss account			383,898		493,493
			<u>383,898</u>		<u>493,493</u>

The abbreviated accounts, which 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, were approved and authorised for issue by the board and were signed on its behalf on 10 July 2013

P Wookey
Director



M Dance
Director



The notes on pages 3 to 4 form part of these financial statements

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

LOCATE IN KENT LIMITED
(A company limited by guarantee)

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

3. 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.

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ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013
FOR
NORTH KENT ARCHITECTURE CENTRE LIMITED
(A COMPANY LIMITED BY GUARANTEE)

MONDAY



A2NUP3S8

A03

23/12/2013

#286

COMPANIES HOUSE

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

CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

	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 2013

DIRECTORS:

Ms C Delage
R Holdsworth
S Gamster
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 2013 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



Date 20/12/2013

NORTH KENT ARCHITECTURE CENTRE LIMITED (REGISTERED NUMBER: 03284438)
(A COMPANY LIMITED BY GUARANTEE)

ABBREVIATED BALANCE SHEET
31 MARCH 2013

	Notes	31 3 13 £	31 3 12 £
CURRENT ASSETS			
Debtors		81,883	56,828
Cash at bank and in hand		35,584	57,073
		<u>117,467</u>	<u>113,901</u>
CREDITORS			
Amounts falling due within one year		36,276	52,901
		<u>81,191</u>	<u>61,000</u>
NET CURRENT ASSETS			
		<u>81,191</u>	<u>61,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>81,191</u>	<u>61,000</u>
RESERVES			
Other reserves		41,785	41,785
Income and expenditure account		39,406	19,215
		<u>81,191</u>	<u>61,000</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
its behalf by

19/12/13

and were signed on



R Holdsworth - Director

The notes form part of these abbreviated accounts

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

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013

1 ACCOUNTING POLICIES

Going concern

During the year the Board and the management team made a decision to refocus the resources of the Company 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 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

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

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 MARCH 2013

2 TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 April 2012 and 31 March 2013	20,541
DEPRECIATION	
At 1 April 2012 and 31 March 2013	20,541
NET BOOK VALUE	
At 31 March 2013	-
At 31 March 2012	-

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 contributories among themselves, such amount as may be required not exceeding £1

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PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

SATURDAY



A30 23/11/2013 #247
COMPANIES HOUSE

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION**

Directors

J Barnes
P Hannan
W Opie
S Clarke
A Wickham
M Regan
R Phillips
Professor P Gregory
A Church

Secretary

S Durling

Company number

05505567

Registered office

Charcott Holm Farmhouse
Tonbridge Road
Hadlow
Tonbridge
Kent
TN11 0AH

Auditors

Wilkins Kennedy FKC
Stourside Place
Station Road
Ashford
Kent

Business address

Charcott Holm Farmhouse
Tonbridge Road
Hadlow
Tonbridge
Kent
TN11 0AH

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
CONTENTS**

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Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 10

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities

The principal activity of the company continued to be that of increasing public awareness of produce which has been produced in Kent

Directors

The following directors have held office since 1 April 2012

J Barnes
P Hannan
W Opie
S Clarke
A Wickham
M Regan
R Phillips
Professor P Gregory
A Church

Statement of directors' responsibilities

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 judgements 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

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to read 'W Opie', with a horizontal line drawn underneath the name.

W Opie
Director
25 July 2013

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF PRODUCED IN KENT LIMITED

We have audited the financial statements of Produced in Kent Limited for the year ended 31 March 2013 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 2013 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.

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE MEMBERS OF PRODUCED IN 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



**John McIntyre (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy FKC**

5 August 2013

**Chartered Accountants
Statutory Auditor**

Stourside Place
Station Road
Ashford
Kent

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Notes	2013 £	2012 £
Turnover		242,934	236,969
Cost of sales		(47,794)	(45,963)
Gross profit		195,140	191,006
Administrative expenses		(173,909)	(198,793)
Operating profit/(loss)	2	21,231	(7,787)
Other interest receivable and similar income	3	145	25
Profit/(loss) on ordinary activities before taxation		21,376	(7,762)
Tax on profit/(loss) on ordinary activities	4	(2,330)	-
Profit/(loss) for the year	9	19,046	(7,762)

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET**

AS AT 31 MARCH 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	5		549		315
Current assets					
Debtors	6	73,897		51,695	
Cash at bank and in hand		71,276		77,840	
		<u>145,173</u>		<u>129,535</u>	
Creditors: amounts falling due within one year	7	<u>(107,697)</u>		<u>(110,871)</u>	
Net current assets			<u>37,476</u>		<u>18,664</u>
Total assets less current liabilities			<u><u>38,025</u></u>		<u><u>18,979</u></u>
Capital and reserves					
Profit and loss account	9		<u>38,025</u>		<u>18,979</u>
Shareholders' funds			<u><u>38,025</u></u>		<u><u>18,979</u></u>

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

Approved by the Board and authorised for issue on 25 July 2013

W Opie
Director



Company Registration No 05505567

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

1 Accounting policies

1.1 Accounting convention

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

The accounts are prepared on a going concern basis, the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

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 less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment 33 3% Straight Line

2 Operating profit/(loss)	2013	2012
	£	£
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	590	316
Auditors' remuneration	2,850	2,015
	<u> </u>	<u> </u>

3 Investment income	2013	2012
	£	£
Bank interest	142	25
Other interest	3	-
	<u> </u>	<u> </u>
	<u>145</u>	<u>25</u>

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

4	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U K corporation tax	2,999	-
	Adjustment for prior years	(669)	-
	Total current tax	2,330	-

5	Tangible fixed assets	Fixtures, fittings & equipment £
	Cost	
	At 1 April 2012	19,844
	Additions	824
	At 31 March 2013	20,668
	Depreciation	
	At 1 April 2012	19,529
	Charge for the year	590
	At 31 March 2013	20,119
	Net book value	
	At 31 March 2013	549
	At 31 March 2012	315

6	Debtors	2013	2012
		£	£
	Trade debtors	63,980	44,997
	Other debtors	9,917	6,698
		73,897	51,695

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013

7 Creditors amounts falling due within one year	2013	2012
	£	£
Trade creditors	26,201	87,086
Taxation and social security	10,326	-
Other creditors	71,170	23,785
	<u>107,697</u>	<u>110,871</u>

8 Company status

The company is a company limited by guarantee and not having a share capital. Every member of the company undertakes to contribute in a winding up a sum not exceeding £1 whilst they are a member, or within one year after ceasing to be a member, towards debts and liabilities contracted before ceasing to be a member.

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2012	18,979
Profit for the year	19,046
Balance at 31 March 2013	<u>38,025</u>

10 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014:

	2013	2012
	£	£
Operating leases which expire		
In over five years	<u>10,000</u>	<u>-</u>

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2013**

11 Related party relationships and transactions

During the year ended 31 March 2013 the company received funding from Kent County Council, a member of the company, in respect of operational costs amounting to £120,000 (2012 £122,104) As at 31 March 2013, £55,767 (2012 £42,345) was due from Kent County Council Staff costs payable to Kent County Council for the year amounted to £125,061 (2012 £144,457) of which £51,531 (2012 £71,333) remained outstanding at the year end

The company also received income during the year from Hadlow College, also a member of the company, amounting to £40,000 (2012 £40,000) Staff costs of £2,262 (£2012 £12,066) were paid to Hadlow College during the year The premises occupied by the company during the year to 31 March 2013 were rented from Hadlow College for which rent and service charge expenses were incurred totalling £10,419 As at 31 March 2013, £1,000 (2012 £2,700) was due to Hadlow College

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
£	£	£
Turnover		
Receivable from Kent County Council	120,000	122,104
Receivable from Hadlow College	40,000	40,000
Membership income	35,810	29,666
LEADER income	900	-
Awards, festivals and events income	44,635	41,457
Miscellaneous income	1,237	3,107
Marketing income	352	635
	<u>242,934</u>	<u>236,969</u>
Cost of sales		
Kent Food and Drink Festival	10,825	11,216
Taste of Kent Awards	15,540	12,441
Newsletter	4,251	4,142
Members Marketing	484	530
Kent Show	8,816	8,129
Young Chef Award	5,487	5,226
Kent's Finest	50	3,705
Create a Fruit & Veg Masterpiece	617	574
Sundry events expenditure	<u>1,724</u>	<u>-</u>
	<u>(47,794)</u>	<u>(45,963)</u>
Gross profit	<u>195,140</u>	<u>191,006</u>
Administrative expenses	<u>(173,909)</u>	<u>(198,793)</u>
Operating profit/(loss)	<u>21,231</u>	<u>(7,787)</u>
Other interest receivable and similar income		
Bank interest received	142	25
Interest on tax refund received	<u>3</u>	<u>-</u>
	<u>145</u>	<u>25</u>
Profit/(loss) before taxation	<u><u>21,376</u></u>	<u><u>(7,762)</u></u>

**PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED 31 MARCH 2013**

	2013	2012
	£	£
Administrative expenses		
Wages and salaries (excl NI)	135,157	153,107
Staff training	159	194
Rent	10,419	16,717
Office relocation	1,383	-
Insurance	100	751
Cleaning	231	156
Repairs and maintenance	331	217
Printing, postage and stationery	2,811	2,794
PR and advertising	11,177	11,022
Telephone	1,416	2,169
Computer running costs	2,237	2,790
Travel expenses	3,604	4,100
Legal and professional fees	841	1,496
Audit fees	2,850	2,015
Bank charges	61	54
Bad and doubtful debts	1	14
Sundry expenses	407	312
Subscriptions	134	134
Depreciation on fixtures, fittings and equipment	590	316
Losses on tangible fixed assets scrapped	-	435
	173,909	198,793

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013
FOR
TRADING STANDARDS SOUTH EAST LIMITED



TRADING STANDARDS SOUTH EAST LIMITED

**CONTENTS OF THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2013**

	Page
Company Information	1
Report of the Independent Auditors on the Abbreviated Accounts	2
Abbreviated Balance Sheet	4
Notes to the Abbreviated Accounts	5

TRADING STANDARDS SOUTH EAST LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2013**

DIRECTORS

S C Crawley	L C Corrie
P J Dart	D R Cross
P J Deacon	V De Haan
J C Edsell	P J Emmett
P Exeter	K E Ford
I G Gilmore	M Golledge
A Gregory	G J Jackson
J Kerman	P Lipscomb
L Mooney	S M Murphy
J C Peerless-Mountford	J Player
A L Poole	C D Robinson
M V Rolfe	S J Ruddy
R W Sargeant	R J Sexton
R N Strawson	I K Treacher
R I Webb	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.

Anthony Brain

AUDITORS

CG LEE Limited
Chartered Certified Accountants
Statutory 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 2013 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.



Anthony Brain (Senior Statutory Auditor)
for and on behalf of CG LEE Limited
Chartered Certified Accountants
Statutory Auditors
Ingram House
Mendian Way
Norwich
Norfolk
NR7 0TA

Date

24/12/13

TRADING STANDARDS SOUTH EAST LIMITED (REGISTERED NUMBER 05259365)

ABBREVIATED BALANCE SHEET
31 MARCH 2013

	Notes	2013 £	2012 £
CURRENT ASSETS			
Debtors		217,001	833,983
Cash at bank		<u>962,941</u>	<u>762,649</u>
		1,179,942	1,596,632
CREDITORS			
Amounts falling due within one year		<u>1,147,679</u>	<u>1,568,581</u>
NET CURRENT ASSETS		<u>32,263</u>	<u>28,051</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,263</u>	<u>28,051</u>
RESERVES			
Income and expenditure account		<u>32,263</u>	<u>28,051</u>
		<u>32,263</u>	<u>28,051</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
by

16/7/13

and were signed on its behalf



The notes form part of these abbreviated accounts

TRADING STANDARDS SOUTH EAST LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2013

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 2012	
and 31 March 2013	<u>1,963</u>
DEPRECIATION	
At 1 April 2012	
and 31 March 2013	<u>1,963</u>
NET BOOK VALUE	
At 31 March 2013	<u>-</u>
At 31 March 2012	<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 04400592

Visit Kent Limited

(A company limited by guarantee)

Directors' report and financial statements

for the year ended 31 March 2013

THURSDAY



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A42

19/12/2013

#167

COMPANIES HOUSE

Visit Kent Limited
(A company limited by guarantee)

Company Information

Directors	T Bruton (resigned 11 January 2013) J Bunnett N Bunting C Carmichael P J Colling R Cooper A Cottrell M Dance (appointed 1 June 2012) J Delaney W Ferris S Matthews-Marsh Brigadier M J Meardon RM S R Wood (appointed 4 March 2013)
Registered number	04400592
Registered office	28-30 St Peter's Street Canterbury Kent CT1 2BQ
Independent auditors	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's 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)

Contents

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Directors' report	1 - 2
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 2013

The directors present their report and the financial statements for the year ended 31 March 2013

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 Ferns
A Cottrell
P J Colling
R Cooper
J Delaney
S Matthews-Marsh
T Bruton (resigned 11 January 2013)
Brigadier M J Meardon RM
M Dance (appointed 1 June 2012)
J Bunnett
S R Wood (appointed 4 March 2013)

Visit Kent Limited
(A company limited by guarantee)

Directors' report
for the year ended 31 March 2013

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 £159,104 during the year to 31 March 2013 (2012 £194,419). In addition services valued at £1.3m (2012 £498,000) 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.

Disclosure 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 relevant audit information 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 9 December 2013 and signed on its behalf



Brigadier M J Meardon RM
Director

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 2013, 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 2013 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.

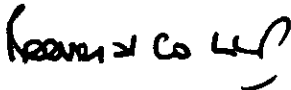
Visit Kent Limited
(A company limited by guarantee)

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



Peter Manser FCA DChA (Senior statutory auditor)
for and on behalf of
Reeves & Co LLP
Statutory Auditor
Chartered Accountants
Canterbury

11 December 2013

Visit Kent Limited
(A company limited by guarantee)

Profit and loss account
for the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1	1,445,993	1,431,536
Cost of sales		<u>(1,326,709)</u>	<u>(1,305,125)</u>
Gross profit		119,284	126,411
Administrative expenses		<u>(118,541)</u>	<u>(124,600)</u>
Operating profit	2	743	1,811
Interest receivable and similar income		<u>372</u>	<u>341</u>
Profit on ordinary activities before taxation		1,115	2,152
Tax on profit on ordinary activities	4	<u>(74)</u>	<u>(68)</u>
Profit for the financial year	9	<u>1,041</u>	<u>2,084</u>

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

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

Balance sheet
as at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible Fixed Assets	5		6,725		12,465
Current assets					
Debtors	6	385,577		489,889	
Cash at bank and in hand		327,439		239,761	
		<u>713,016</u>		<u>729,650</u>	
Creditors amounts falling due within one year	7	(554,547)		(577,962)	
Net current assets			<u>158,469</u>		<u>151,688</u>
Net assets			<u>165,194</u>		<u>164,153</u>
Capital and reserves					
Profit and loss account	9		<u>165,194</u>		<u>164,153</u>
			<u>165,194</u>		<u>164,153</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 9 December 2013


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 2013

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 Going concern

The company has contracts in place and forecast income to finance the business activities to the next financial year end. However, in respect of the 2014/15 financial year, there is some uncertainty over whether the company will be awarded a large contract which, if not won, will have a significant effect on the company's turnover. However, given the continuing efforts to secure this contract, the directors continue to adopt the going concern basis of accounting.

1.3 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).

1.4 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.

1.5 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.

1.6 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.

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

1 Accounting policies (continued)

1.7 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 profit and loss account

2. Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the company	6,167	5,587
Auditors' remuneration	3,900	3,800
	<u>9,067</u>	<u>9,387</u>

3. Directors' remuneration

	2013 £	2012 £
Aggregate remuneration	99,779	94,000
	<u>99,779</u>	<u>94,000</u>

4. Taxation

	2013 £	2012 £
UK corporation tax charge on profit for the year	74	68
	<u>74</u>	<u>68</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 2013

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2012	11,761	49,160	60,921
Additions	330	97	427
At 31 March 2013	12,091	49,257	61,348
Depreciation			
At 1 April 2012	6,694	41,762	48,456
Charge for the year	1,621	4,546	6,167
At 31 March 2013	8,315	46,308	54,623
Net book value			
At 31 March 2013	3,776	2,949	6,725
At 31 March 2012	5,067	7,398	12,465

6. Debtors

	2013 £	2012 £
Trade debtors	81,776	59,218
Interreg debtors	219,504	309,295
Other debtors	84,297	121,376
	<u>385,577</u>	<u>489,889</u>

7 Creditors
Amounts falling due within one year

	2013 £	2012 £
Trade creditors	110,772	153,802
Corporation tax	74	68
Other taxation and social security	8,844	10,227
Accruals and deferred income	434,857	413,633
Other creditors	-	232
	<u>554,547</u>	<u>577,962</u>

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 March 2013

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.

9. Reserves

	Profit and loss account £
At 1 April 2012	164,153
Profit for the financial year	1,041
	<hr/>
At 31 March 2013	165,194
	<hr/>

10 Contingent liabilities

The company's entitlement to Interreg grant funding (see note 1.4) is dependent 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. These negotiations have shown that it is probable that the company does have an obligation to HM Revenue & Customs in respect of underpaid VAT. However until negotiations are complete the directors are unable to reliably estimate the financial effect on the company, and as a consequence no provision in respect of any tax due and associated interest and penalties has been recognised in the financial statements.

11. Operating lease commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Between 2 and 5 years	25,000	25,000	3,580	3,580
	<hr/>	<hr/>	<hr/>	<hr/>

12. Controlling party

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

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By: Neeta Major, Head of Internal Audit

To: Governance and Audit Committee Trading Activities Sub Committee – 3 March 2014

Subject: **UPDATE ON COMMERCIAL SERVICES' GOVERNANCE ARRANGEMENTS**

Classification: Unrestricted

Summary: This report provides an update on Commercial Services' Governance arrangements.

FOR ASSURANCE & DECISION

Introduction

1. In September 2012 and March 2013, papers were presented to this Committee by the Cabinet Member for Environment, Highways and Waste and the Corporate Director of Enterprise & Environment outlining the governance arrangements in place over Commercial Services from 1 April 2013.
2. The purpose of this paper is to update the Committee on further developments and progress since that date from the shareholder's perspective.
3. As a significant part of Commercial Services' business is conducted on Kent County Council's behalf, this Committee may wish to receive regular updates going forward. The Committee will need to determine how it receives these updates in future.
4. For the purposes of this paper the term "Shareholder" is used to represent the Council.

Background

5. Commercial Services ("CS") was set up nearly 70 years ago as a School Supplies Division. Since then it has grown, supplying an increasing range of goods and services to other publicly funded organisations including Local government, education, establishments, the care sector and emergency services. Prior to 1 April 2013, Commercial Services was effectively a non-budget funded division of the County Council which made a net return to KCC central funds of £7m in May 2012.
6. In 2011, the Cabinet Member for Environment, Highways and Waste and the Corporate Director for Enterprise & Environment commissioned an external

appraisal of the management, operations, governance and future business potential of Commercial Services.

7. On issue of their recommendations, Commercial Services commenced a transformation programme to improve its governance structure and focus on sustainable, viable, and profitable activity. This included simplifying its corporate structure from 1 April 2013 to operate Commercial Services (CS) trading from two legal entities, Commercial Services Kent Ltd and Commercial Services Trading Limited (which are both wholly owned by Kent County Council through an intermediary holding company – Kent County Trading Limited).
8. CS (Kent) Limited has been set up to trade exclusively with the Council as a 'Teckal'¹ compliant company under a managed service arrangement whereas CS (Trading) Limited has been set up with the intention of trading with the wider public and private sectors. The managed service arrangement includes the provision of Energy services and Education supplies, two material areas of Commercial Services' business. Given this managed service arrangement, CS (Kent) Limited maintains a separate balance sheet for those assets managed on KCC's behalf. This balance sheet is included at the year-end in KCC's financial statements.
9. As part of its transformation, Commercial Services reconfigured the existing 26 disparate business units into five client facing divisions operated by the two legal entities:
 - Education Supplies – supplying stationery, art & craft materials, furniture and office equipment to schools and nurseries
 - Care - specialising in care recruitment, home care and mobility/living aids equipment (closed in December 2013)
 - Recruitment – the Connect2Staff division deals with permanent, temporary and contract vacancies predominantly in Kent and the South East
 - Energy – dealing within the UK energy buying market to purchase energy on behalf of its public sector customers and also providing an energy broking service
 - Direct Services - comprises a number of businesses operating across a wide range of activities including landscaping, vehicle services, community equipment services, assistive care technologies and facilities management.

¹ This is a provision that allows a public body to avoid EU procurement rules and directly enter into a contract with a service provider as long as certain conditions are met.

Company Boards and Committees

10. There are four legal entities in the Commercial Services (“CS”) group:

Company Name	Holding company/ organisation	Status
Kent County Trading Limited	Kent County Council	Holding company for Commercial Services group of companies
Commercial Services Kent Limited	Kent County Trading Limited	“Teckal” compliant company providing a managed service primarily to KCC
Commercial Services Trading Limited	Kent County Trading Limited	Company providing goods and services to the private sector and wider public sector
Kent Top Temps Limited	Kent County Trading Limited	Recruitment business transferred to the two main trading companies. Bus and transport operation is in process of being wound down.

11. For the two main legal entities, a joint Company Board is in operation but separate minutes are recorded for each. The composition is the Chair (a Non-executive Director (“NED”) who has the casting vote), 2 other NEDs, the Managing Director of CS, CS Chief Operating Officer, CS Group Finance Director and CS Planning Director (who has no voting rights). Hence the majority of votes lie with the independents though the third NED appointment is yet to be finalised. Board meetings are held eight times per annum.
12. Currently there is no KCC officer or Member appointed to the Boards of these companies. Hence in order to improve accountability and governance, in February 2013, the Section 151 officer requested that an agreement be put in place between the Companies, its directors and the Council. The overall objective of the agreement was to formalise the level of delegation to Company Directors and officers thereby setting out the level of risk appetite that the Council has for these companies and ensuring greater transparency and access to information. These agreements were drafted by KCC Legal and were approved by the Shareholder Board in December 2013. They are in the process of being finalised with the Directors at Commercial Services. Once in force, they will significantly enhance and clarify the existing arrangements.

Appointment of Non-Executive Directors

13. To ensure scrutiny of the Board Directors and decision making, KCC has led a process to appoint Non-Executive Directors to the Boards of the two main legal entities, CS Kent Limited and CS Trading Limited. The formal selection panel comprised Head of Paid Service, Corporate Director of Enterprise & Environment and two Cabinet Members who also sit on the shareholder board. Two highly qualified NEDs have been appointed and interviews for a

third NED are currently taking place. One of the NEDs serves as the Chairman of the Boards.

Sub Committees

14. Two subcommittees of the Board have been very recently set up in January 2014 as follows:

Remuneration Committee – will meet quarterly and will be chaired by a NED with membership by the Chairman of the boards, the CS Group Finance Director and the CS Head of HR.

Audit Committee – will meet quarterly and will be chaired by a NED, with additional members being the Chair of the Board and the KCC Head of Internal Audit. The CS IA Manager will attend this committee routinely.

15. Terms of reference for these sub committees to the Board have been drafted and are soon to be finalised.

Shareholder Board

16. In addition to the Boards of the companies, a Shareholder Board comprising Head of Paid Service, Corporate Director of Enterprise & Environment, Section 151 officer and three Cabinet Members meets quarterly. The purpose of this Board is to inform, advise and make recommendations to the Cabinet Member responsible for Commercial Services. This Board currently receives narrative updates on CS activity including financial results. The Terms of Reference have recently been updated and are in the process of being reviewed and agreed.

Internal Audit arrangements

17. The Commercial Services Internal Audit manager (essentially the Head of IA at CS) was appointed by Commercial Services management and reports to the CS Executive Board Directors and the newly appointed CS Audit Committee. She is supported by two members of staff, (another qualified senior internal auditor and a trainee). She meets monthly with the KCC Head of Internal Audit to provide updates on emerging risks and assurance activity being undertaken by her team.
18. The KCC Head of Internal Audit annually reviews the degree of reliance that can be placed on the work of CS Internal Audit and undertakes additional reviews and risk assessments as necessary. Commercial Services are required to report all allegations of fraud or irregularity to KCC Internal Audit for further enquiries and/or investigation. This will involve CS Internal Audit and CS management as necessary. The recent introduction of the CS Audit Committee will considerably enhance the independence of the CS Internal Audit function. This in turn should increase the degree of reliance KCC Internal Audit can place on their work.

Recommendation

19. Members are asked to:

- Note the content of this report for assurance
- In light of this paper, consider what, if any, additional assurances the Committee would like in relation to governance arrangements for the Commercial Services group going forward.

Neeta Major
Head of Internal Audit
X4664

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By: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement
Andy Wood, Corporate Director of Finance & Procurement

To: Governance and Audit Committee Trading Activities Sub Committee - 3 March 2014

Subject: East Kent Opportunities LLP

Classification: Unrestricted

Summary: To provide an annual report on East Kent Opportunities LLP as requested by the Governance and Audit Committee Trading Activities Sub Committee.

FOR ASSURANCE

INTRODUCTION

1. This report is the annual review of East Kent Opportunities LLP which is a Joint Arrangement that is Not an Entity (JANE).
2. This report provides an update on East Kent Opportunities LLP. Its Annual Report and Financial Statements for 2012/13 are attached at **Appendix 1** for Members' review and consideration.

UPDATE ON EAST KENT OPPORTUNITIES

3. Background

Kent County Council (KCC) and Thanet District Council (TDC) wished to bring forward the economic development and regeneration of the sites known as Eurokent and Manston Business Park. A Member Agreement was signed on the 22 August 2008 and a joint arrangement vehicle was set up, the East Kent Opportunities LLP (EKOLLP), which was incorporated on the 4 March 2008. KCC and TDC have 50:50 ownership, control and economic participation in the joint arrangement. KCC and TDC contributed 38 acres of land each to EKOLLP. The land was valued for stamp duty land tax (SDLT) at £5.5m (KCC contribution) and £4.5m (TDC contribution). The powers used are the 'well-being powers' provided to local authorities in Part I of the Local Government Act 2000.

4. Current Position

The current position and outlook for EKO and, therefore, KCC's interest therein is showing an increasingly positive view:

- i. EKO LLP and Rosefarm Estates Ltd (the owners of the northern commercial/retail/leisure area of Eurokent) submitted a joint mixed use planning application in Autumn 2011. This was refused permission on the 16th October 2013 by Thanet District Council's Planning Committee, on the basis of Local Plan Policy H1 and that the land is designated in the local plan as solely for employment use. EKO and Rosefarm are now pursuing an appeal under Section 78 of the Town and Country Planning Act 1990 (as amended), on the basis of encouraging advice from Queen's Counsel, and in accordance with the Government's National Planning Policy Framework where there is emphasis on the need for new homes and in the knowledge that TDC has an emerging new Local Plan.
- ii. If the Appeal is successful, then EKO will be in a position to begin seeking development partners for early phased release of the Eurokent site later this Summer.
- iii. In the meantime, EKO is accommodating the development of the new Laleham Gap (Special Educational Needs) School on EKO land at Eurokent, adjacent to the Marlowe Academy, which is being pursued in conjunction with KCC Property Group and Department for Education with Government funding. This collaboration is as a result of a land swap agreement between KCC and EKO which means that EKO will ultimately acquire the existing school site in Cliftonville for residential redevelopment.
- iv. The loan agreement for the Eurokent Link Road is also being reviewed with a view to 50% of the cost being shared with Thanet District Council and the remaining being re-profiled to a later date to allow EKO to realise an income stream from the Eurokent site post planning appeal decision.
- v. Manston Business Park has also seen an increase in activity with the sale of one plot to facilitate expansion plans for an existing major occupier. These works are almost complete with a further plot to be leased to the same company to allow a connecting roadway between two of their operational sites
- vi. Another plot (Plot 5) at Manston Business Park is under development with TCS Ltd and two sister companies that are moving into Kent from the West Country and creating local jobs. This includes company HQ and operations facilities as well as additional speculative incubator / light industrial units for hire by other businesses. This particular company has benefited from Expansion East Kent funding. Several other live enquiries are being dealt with.

5. East Kent Opportunities LLP's Annual Report and Financial Statements for 2012/13 are attached at Appendix 1, and the key points can be summarised as follows:

- i. In 2012-13, in the EKOLLP accounts, the net assets of the joint arrangement are £10m with an operating loss before members' remuneration and profit shares available for discretionary division among members of £0.20m.
- ii. The accounts have been approved by the EKO Management Committee and lodged with Companies House.

6. Members are recommended to note the contents of this report for assurance, and to note East Kent Opportunities LLP's Annual Report and Financial Statements for 2012/13, attached at **Appendix 1**.

Theresa Bruton, E&E, Regeneration Projects
Bev Gibbs, BSS, Finance & Procurement
3 March 2014

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Registered number: OC335231

East Kent Opportunities LLP

Annual report and financial statements

For the year ended 31 March 2013

East Kent Opportunities LLP

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East Kent Opportunities LLP

Information

Designated Members

Kent County Council
Thanet District Council

LLP registered number

OC335231

Registered office

Sessions House Room S.3.08, County Hall, Maidstone, Kent, ME14 1XG

Independent auditors

Reeves & Co LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

East Kent Opportunities LLP

Members' report

For the year ended 31 March 2013

The members present their annual report together with the audited financial statements of East Kent Opportunities LLP (the LLP) for the ended 31 March 2013.

Principal activities

The principal object of the LLP is to provide, acquire and develop Manston, KCC Eurokent and TDC Eurokent and any other properties in Kent the members believe appropriate investments.

Designated Members

Kent County Council and Thanet District Council were designated members of the LLP throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the ended 31 March 2013 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Members' responsibilities statement

The members is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members has 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members is 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 LLP will continue in business.

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

East Kent Opportunities LLP

Members' report (continued) For the year ended 31 March 2013

Auditor

The auditors, Reeves & Co LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 20 December 2013 and signed on their behalf by:

Kent County Council
Designated member

Independent auditors' report to the members of East Kent Opportunities LLP

We have audited the financial statements of East Kent Opportunities LLP for the year ended 31 March 2013, 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 LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members' responsibilities statement, the members is 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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' 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 LLP's affairs as at 31 March 2013 and of its loss 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

East Kent Opportunities LLP

Independent auditors' report to the members of East Kent Opportunities LLP

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, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

Nigel Fright FCCA (Senior statutory auditor)

for and on behalf of

Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Canterbury

20 December 2013

East Kent Opportunities LLP

Profit and loss account For the year ended 31 March 2013

	Note	2013 £	2012 £
Turnover	1	96,754	85,257
Administrative expenses		(301,395)	(479,513)
Operating loss	2	(204,641)	(394,256)
Interest receivable and similar income		132	101
Interest payable and similar charges		(32)	(6,835)
Loss for the financial year before members' remuneration and profit shares available for discretionary division among members		(204,541)	(400,990)

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

Balance sheet
As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	3		9,801,378		10,165,489
Current assets					
Debtors	4	5,821,658		5,716,144	
Cash at bank		503,286		144,076	
			6,324,944	5,860,220	
Creditors: amounts falling due within one year	5	(768,700)		(816,850)	
Net current assets			5,556,244		5,043,370
Total assets less current liabilities			15,357,622		15,208,859
Creditors: amounts falling due after more than one year	6		(5,396,622)		(5,247,859)
Net assets attributable to members			9,961,000		9,961,000
Represented by:					
Equity					
Members' other interests - Other reserves classified as equity under FRS 25			9,961,000		9,961,000
			9,961,000		9,961,000
Total members' interests					
Amounts due from members (included in debtors)			(5,821,658)		(5,617,117)
Members' other interests			9,961,000		9,961,000
	7		4,139,342		4,343,883

The financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 members and were signed on their behalf on 20 December 2013.

Kent County Council
Designated member

Thanet District Council
Designated member

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

**Notes to the financial statements
For the year ended 31 March 2013**

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) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

1.2 Going concern

The LLP has £503,286 included in cash at the bank. The LLP meets its day to day working capital requirements through these reserves, as well as retaining deferred grants to meet future project expenses. In addition to this the LLP has received significant funding from its members, Thanet District Council and Kent County Council. As a consequence, the members believe that the LLP is well placed to manage its business risks successfully.

After making enquiries, the members have a reasonable expectation that the LLP has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Turnover

Turnover comprises grants received which are recognised in the profit and loss account in the period in which the expenditure towards which they relate is incurred.

1.4 Tangible fixed assets and depreciation

Land is recorded at its open market value at the date of the last valuation carried out by professional valuers.

**Notes to the financial statements
For the year ended 31 March 2013**

1. Accounting policies (continued)

1.5 Members' Participation Rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with the FRSS (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A members' participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account with 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

2. Operating loss

The operating loss is stated after charging:

	2013 £	2012 £
Auditors' remuneration	<u>4,400</u>	<u>4,300</u>

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2013

3. Tangible fixed assets

	Freehold land £
Cost	
At 1 April 2012	10,165,489
Disposals	(364,111)
	<hr/>
At 31 March 2013	9,801,378
	<hr/>
Depreciation	
At 1 April 2012 and 31 March 2013	-
	<hr/>
Net book value	
At 31 March 2013	9,801,378
	<hr/> <hr/>
At 31 March 2012	10,165,489
	<hr/> <hr/>

The historical cost is based on an independent professional valuation of the land which was carried out in September 2008 by Savills (L&P) Limited, Chartered Surveyors.

4. Debtors

	2013 £	2012 £
Other debtors	-	99,027
Amounts due from members	5,821,658	5,617,117
	<hr/>	<hr/>
	5,821,658	5,716,144
	<hr/> <hr/>	<hr/> <hr/>

East Kent Opportunities LLP

Notes to the financial statements For the year ended 31 March 2013

**5. Creditors:
Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	54,833	33,157
Amounts owed to members	619,297	619,297
Social security and other taxes	50,680	17,085
Other creditors	43,890	147,311
	<u>768,700</u>	<u>816,850</u>

**6. Creditors:
Amounts falling due after more than one year**

	2013 £	2012 £
Other loans	<u>5,396,622</u>	<u>5,247,859</u>

Included within other loans is £5,396,622 (2012: £5,247,859) due to Kent County Council for reimbursement of costs associated with a building project.

**Notes to the financial statements
For the year ended 31 March 2013**

7. Reconciliation of members' interests

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Members' interests: balance at 1 April 2011	9,961,000	-	9,961,000	(5,216,127)	4,744,873
Loss for the year available for discretionary division among members	-	(400,990)	(400,990)	-	(400,990)
Members' interests after loss for the year	9,961,000	(400,990)	9,560,010	(5,216,127)	4,343,883
Allocated profit for period	-	400,990	400,990	(400,990)	-
Members' interests: balance at 1 April 2012	9,961,000	-	9,961,000	(5,617,117)	4,343,883
Loss for the year available for discretionary division among members	-	(204,541)	(204,541)	-	(204,541)
Members' interests after loss for the year	9,961,000	(204,541)	9,756,459	(5,617,117)	4,139,342
Allocated profit for period	-	204,541	204,541	(204,541)	-
Members' interests at 31 March 2013	9,961,000	-	9,961,000	(5,821,658)	4,139,342

8. Contingent liabilities

Under the terms of the agreement with KCC, there exists a provision for claims under the Land Compensation Act. This provision is estimated at £160,000 (2012: £200,000). The Members are of the opinion that there may be possible future obligations arising from past events but that the occurrence of these obligations will only be confirmed by future events outside of the control of the Members. Thus the provision is treated as a contingent liability.

**Notes to the financial statements
For the year ended 31 March 2013**

9. Related party transactions

In the opinion of the members there is no controlling party as defined by Financial Reporting Standard for Smaller Entities.

Included in trade creditors at 31 March 2013 is £12,153 (2012: £26,416) due to Kent County Council for expenses paid for on behalf of the limited liability partnership.

Also included in creditors due less than one year is an amount of £619,297 (2012: £619,297) due to Kent County Council and Thanet District Council in respect of short term financing made available to East Kent Opportunities LLP.

East Kent Opportunities LLP

Detailed trading and profit and loss account For the year ended 31 March 2013

	Page	2013 £	2012 £
Turnover	15	96,754	85,257
Less: Overheads			
Administration expenses	15	(301,395)	(479,513)
		<hr/>	<hr/>
Operating loss		(204,641)	(394,256)
Interest receivable	15	132	101
Interest payable	15	(32)	(6,835)
		<hr/>	<hr/>
Loss for the year available for discretionary division among members		(204,541)	(400,990)
		<hr/> <hr/>	<hr/> <hr/>

East Kent Opportunities LLP

Schedule to the detailed accounts For the year ended 31 March 2013

	2013 £	2012 £
Turnover		
Grant income	<u>96,754</u>	<u>85,257</u>
	2013 £	2012 £
Administration expenses		
Management charges	39,977	28,227
Computer costs	-	95
Advertising and promotion	130	3,900
Legal and professional	44,460	183,395
Auditors' remuneration	4,400	4,500
Accountancy fees	1,500	1,951
Bank charges	79	148
Sundry expenses	11,118	767
Repairs and maintenance	12,788	7,950
Profit/loss on sale of tangible assets	(60,889)	-
Spine road costs	148,764	163,323
Thanet project	99,068	85,257
	<u>301,395</u>	<u>479,513</u>
	2013 £	2012 £
Interest receivable		
Bank interest receivable	<u>132</u>	<u>101</u>
	2013 £	2012 £
Interest payable		
Other loan interest payable	<u>32</u>	<u>6,835</u>

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By: John Simmonds, Deputy Leader and Cabinet Member for Finance & Procurement
 Andy Wood, Corporate Director of Finance & Procurement

To: Governance and Audit Committee Trading Activities Sub Committee - 3 March 2014

Subject: Protocol relating to companies in which KCC has an interest (the 'Protocol')

Classification: Unrestricted

Summary: Members are requested to recommend to the Governance and Audit Committee that it endorses / approves a number of proposed amendments to the Protocol, as outlined in paragraphs 3, 4, 5, 6 and 7 below.

FOR DECISION

INTRODUCTION

1. The proposed amendments to the Protocol relate to the following matters:
 - Provisions that must appear in 'KCC controlled' companies' Articles.
 - Assurance re. policies adopted by companies.
 - Participation in the Audit Commission's (or successor body's) National Fraud Initiative data matching exercise.
 - The requirement of a 'KCC controlled' company to, before it first appoints any person as auditor of the company, obtain the Audit Commission's (or successor body's) consent to the appointment of that person.
 - A requirement for company directors and company officers to lodge a copy of each set of Statutory Accounts submitted to Companies House with KCC Legal Services and KCC Finance.
2. An updated version of the Protocol showing the proposed amendments (using 'track changes') is attached at **Appendix 1**.

PROPOSED AMENDMENTS TO THE PROTOCOL

3. It is proposed that paragraph 4 (d) of the Protocol is amended to include the provision that where there is no Council representative on the board of a 'KCC controlled' company, it is the responsibility of the Corporate Director within whose remit the company's business lies to ensure that a full annual report of the company's activities is made to the Cabinet within 3 months after the end of its financial year.
4. It is proposed that paragraph 7 (d) of the Protocol is updated to make it clear that where a company adopts its own policies, assurance must be provided to the

Governance and Audit Committee Trading Activities Sub Committee that adequate policies and procedures are in place, with particular reference to anti-fraud and corruption.

5. It is proposed that paragraph 11 of the Protocol is augmented to include a provision that companies in which KCC has an interest must pass a resolution of the company to provide Internal Audit with all information and explanations required to participate in the Audit Commission's (or successor body's) National Fraud Initiative data matching exercise. This is mandatory for all wholly owned companies of the Council.
6. Under Article 9 of the Local Authorities (Companies) Order 1995 (SI 1995 No. 849), there is the requirement that a Local Authority Controlled Company, before it first appoints any person as auditor of the company, obtain the Audit Commission's (or successor body's) consent to the appointment of that person. Paragraph 14 of the Protocol has been updated to incorporate this requirement.
7. It is proposed that paragraph 19 of the Protocol is updated to include an additional requirement for company directors and company officers to lodge a copy of each set of Statutory Accounts submitted to Companies House with KCC Legal Services and KCC Finance.

RECOMMENDATION

8. Members are requested to recommend to the Governance and Audit Committee that it:
 - Approves the proposed amendments to the Protocol outlined in paragraphs 3, 4, 5 and 7 above.
 - Notes and endorses the proposed amendment outlined in paragraph 6 above.

Guy Record, BSS, Finance & Procurement

Protocol relating to companies in which KCC has an interest

1. In relation to companies in which the Council has an interest, it is imperative that they are set up, managed and run according to rules of good governance so that risks are mitigated. This Protocol aims to establish processes and provide additional controls to ensure such rules are in place.
2. Anyone within the Council intending to set up a company should refer to the ['Guidance on Local Authority Companies'](#) document on KNET. A robust business case must be provided which gives a cost benefit analysis, considers the accounting and tax implications for the Council and identifies any risks to the Council. The business case must go through the Governance and Audit Committee Trading Activities Sub Committee who will examine this and make recommendations. In light of the recommendations the relevant Cabinet Member shall approve the company's business case. Where the company is intending to exercise the power to trade pursuant to section 95 of the Local Government Act 2003, the business case shall contain enough detail to satisfy the requirements of this Act and be similar to that required by the Council for major capital projects.
3. This Protocol relates to the following companies:
 - (a) in the case of companies with issued share capital, those companies in which the Council's interest is more than 1% of the issued share capital, where those shares are held other than for solely investment purposes
 - (b) in the case of any company without shares, where the Council is a member
 - (c) any company of whatever sort in which the Council nominates one or more directors or itself is (or has the right to be) a company director
4. In the case of a company formed or controlled by the Council (or where the Council has, or can reasonably have, input into the wording of the Memorandum and Articles), the following provisions must appear in the company's Articles:
 - (a) The registered office shall be specified as: Sessions House, County Hall, Maidstone, Kent ME14 1XQ (care of the Corporate Director of Finance and Procurement).
 - (b) The Corporate Director (or Managing Director) within whose remit the company's business lies shall be responsible for nominating a secretary for the company from among his/her staff. A register of all company secretaries will be maintained.
 - (c) Any Member or officer of the Council who is appointed as a director or secretary of that company shall not be appointed in their own private capacity but shall be appointed as a nominee of the Council, which shall have the power to remove and replace such director or secretary as it may see fit.

- (d) It shall be the responsibility of the Council's representative on the board or the Corporate Director within whose remit the company's business lies to make whatever arrangements may be necessary to ensure the company makes a full annual report of its activities to the Cabinet within three months after the end of its financial year.
 - (e) No Member or officer of the Council who is appointed as a director or secretary of that company (or who represents the Council at any meeting of the company or of the board) shall receive any income from the company unless the Council's Corporate Director of Finance and Procurement so agrees in writing in advance. If any income is received by a Member or officer, it must be documented in the relevant Register of Interests and published on the Council's website.
5. In respect of any company to which this Protocol applies the following rules shall also apply (even if not included in the company's Articles):
- (a) Any director of the company who is nominated by the Council (and any person authorised to represent the Council at a meeting of the company or of the board) shall be appointed by the Cabinet or relevant Cabinet Member in accordance with the decision making procedures set out in the Council's Constitution.
 - (b) Any person authorised to represent the Council at a meeting of the company (where the Council is a member of the company) or of the board (where the Council is a director of the company) shall follow such directions as to the operation of the company as may be determined by the Cabinet or relevant Cabinet Member from time to time in accordance with the decision making procedures set out in the Council's Constitution.
 - (c) Directors nominated by the Council shall (so far as permitted by law and their duties to the company as directors) follow such directions as to the operation of the company as may be determined by the Cabinet or relevant Cabinet Member from time to time in accordance with the decision making procedures set out in the Council's Constitution.
 - (d) Members or officers representing the Council on any board shall only take decisions which are in accordance with the company's articles and any Council policies that are to apply to the company.
 - (e) Where Members or officers of the Council incur expenses as a result of their involvement in the company, this shall be claimed by them from the company as the Council's Corporate Director of Finance and Procurement may direct.
6. In any situation where a Member or officer of the Council (or any member of their close family) is (in their private capacity) a member, director or secretary of a company of which the Council is also a member or director, or in respect of which the Council has the right to nominate one or more directors, then such Member or officer shall notify the Corporate Director of Finance and Procurement of this in writing as soon as they become aware of the same. These should be documented in the relevant Register of Interests or Statement of Related Party Transactions. The purpose of this is to prevent the company becoming a local authority company without the Council becoming aware of it.

7. The Council shall only become a member or director of a company following a decision of the Cabinet or relevant Cabinet Member taken in accordance with the decision making procedures set out in the Council's Constitution. When seeking such a decision any report to the Cabinet or relevant Cabinet Member shall state:
 - (a) the Council's rights of membership and to nominate directors (or to itself become a corporate director)
 - (b) the purpose of the company and of the Council's involvement
 - (c) the identity of the initial nominated directors and secretary and any person who is intended to be authorised to represent the Council at a meeting of the company (where the Council is a member of the company) or of the board (where the Council is a corporate director of the company)
 - (d) what Council policies (if any) are to apply to the company. If no policies have been stated in the Member decision and the company directors do not formally set their own, the policies adopted should default automatically to KCC policies. Where a company adopts its own policies, assurance must be provided to the Governance and Audit Committee Trading Activities Sub Committee that adequate policies and procedures are in place, with particular reference to anti-fraud and corruption
 - (e) 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
 - (f) any other limits the Councils' Corporate Director of Finance and Procurement or Monitoring Officer recommend be placed on the activities of the company.
8. Once the decision process is completed, the company shall be formed and the Council Members and officers involved with the company shall ensure (so far as it is within their remit) that the relevant policies are applied by the company.
9. This Protocol shall also apply to companies already in existence and as regards such companies:
 - (a) a decision dealing with all the relevant matters set out in this Protocol is to be taken under the decision making procedures set out in the Council's Constitution by Cabinet or the relevant Cabinet Member as soon as reasonably practicable, and
 - (b) the Articles to such companies shall (where appropriate and reasonably practicable) be amended as soon as possible.
10. Both as regards companies already in existence and companies yet to be formed, all Members and officers of the Council should, from the date of adoption of this Protocol, act (so far as is reasonably practicable) as if the Articles had already been amended as required by this Protocol, whether or not this has in fact happened.

11. Companies in which KCC has an interest must pass a resolution of the company to provide Internal Audit with all information and explanations (in the specified format) required to perform internal audits of the companies and participate in the Audit Commission's (or successor body's) National Fraud Initiative data matching exercise. In addition, the Members and officers of the Council who are running KCC companies must seek appropriate advice from time to time to ensure that:
 - (a) they and the company are operating within the law, specifically where they intend to change or expand the business activities of the company
 - (b) they are aware of the extent of their potential personal liabilities, conflicts of interest and any indemnities or insurance cover provided by KCC that may apply to them.
12. KCC Legal Services and KCC Finance between them have produced 'Guidance on Local Authority Companies' that covers these issues in detail and will update and expand this as necessary from time to time.
13. In order that Members and officers of the Council can be fully aware at all times of the extent of KCC's interests in local authority companies and their exposure to potential legal, financial and reputational risks, the Corporate Director of Finance and Procurement shall maintain an accurate, complete and up-to-date record of all companies in which KCC has an interest, clearly identifying those that are trading. Members and officers of the Council are required to supply timely information to the Corporate Director of Finance and Procurement so as to ensure that these records can be fully and properly maintained.
14. Pursuant to Part II of the Local Authorities (Companies) Order 1995, where a company is regulated by KCC (i.e. KCC either controls or has serious influence over it) then the company must:
 - (a) provide any Member of the council who requests it such information as that Member reasonably requires for the proper discharge of their duties (but not so as to require breach of any law or of any obligation to a third party)
 - (b) (**only** if it is a KCC controlled company) before it first appoints any person as auditor of the company obtain the Audit Commission's (or successor body's) consent to the appointment of that person.

- Note (i) A Controlled Company is a company (a) which is a subsidiary of a Local Authority or (b) in which a Local Authority controls the majority of votes at a general meeting or (c) in which a Local Authority has the power to appoint/remove a majority of the Board or (d) which is under the control of another company which is itself a controlled company.
- (ii) An Influenced Company is a company (a) in which a person associated with a Local Authority controls 20% or more of the votes at a general meeting or (b) in which 20% or more of the directors are persons associated with a Local Authority (i.e. employees and members) or (c) in which 20% or more of the voting rights at Board meetings are held by persons associated with a Local Authority.

15. Members and officers representing the Council on the board of any company will at all times comply as appropriate with the County Council's Code of Member Conduct and the Officers Code of Conduct as set out in the Constitution from time to time.
16. Under Appendix 2 Part 2 of the Council's Constitution, the Selection and Member Services Committee is responsible (inter alia) for "making appointments and nominations on behalf of the Council to serve on outside bodies (except those needing to be made by the Leader in connection with a delegation by him of his functions, the list of those appointments to be agreed between the Leader and the Committee from time to time)". Where a decision to appoint rests with the Leader, then the formal decision of the Cabinet or relevant Cabinet Member under paragraph 6 of this Protocol shall act as such appointment. Where the decision rests with the Selection and Member Services Committee, then such appointment shall not take effect unless and until the Committee has resolved to make such appointment.
17. Company directors' duties are codified in Companies Act 2006. There are seven specific duties:
 - (a) to act within powers
 - (b) to promote the success of the company
 - (c) to exercise independent judgement
 - (d) to exercise reasonable skill and care
 - (e) to avoid conflicts
 - (f) not to accept benefits from third parties
 - (g) to declare any interest in a proposed transaction
18. As a matter of general principle, the overriding duty of any director in considering an item before the company is to vote in accordance with the interests of that company. In the case of a director who is also an elected Member, or an officer of KCC, this might give rise to a conflict with the interests of KCC.
19. Directors and company officers are responsible for keeping accounts and making relevant returns to the Registrar of Companies, and in addition are required to lodge a copy of the Companies House Annual Return (showing directors and ownership) and a copy of each set of Statutory Accounts submitted to Companies House with KCC Legal Services and KCC Finance.
20. Elected Members and council officers are under a specific obligation (under the Local Authorities (Companies) Order 1995) to report back to the council through the Trading Activities Sub Committee on their involvement in outside companies to which they have been nominated by KCC. Any changes to companies' structure should also be reported to this Sub Committee.
21. Various breaches of obligation can lead to a director having personal liability or being disqualified from acting as a director. In particular, failure to declare an interest is a criminal offence.
22. KCC's insurance arrangements do not provide an indemnity for Members and officers involved with outside bodies when they act:

- (a) solely on behalf of an outside body
 - (b) outside their delegated powers, i.e. in a decision-making capacity rather than as advisors or observers
 - (c) outside the authority's statutory powers
23. Companies should purchase directors' and officers' liability insurance to protect their directors and officers against claims of negligence, breach of duty, trust, default, etc. Directors should liaise with the company to ensure that such a policy of insurance is maintained at all times, and covers the director as much as it can.
24. KCC may exceptionally give a wider indemnity to specific members/officers where the council specifically requires that person to become a director for KCC business reasons. KCC would insist that such a wider indemnity only dealt with anything not covered by the company's insurance.
25. More detail on indemnities and insurance can be found in the advice note "Members & Officers Indemnity" prepared by the Finance Unit to which reference should be made.
26. There can be a tendency to assume that a new venture requires a new legal entity, and that therefore a new project should be commenced in a new company. This is not necessarily the case. There is a limited number of situations where a limited company might be appropriate, namely:
- (a) Where there is trading to be carried out under the provisions of section 95 of the Local Government Act 2003. Section 95 provides a specific power to trade but the Act says that such trading must be carried out through a limited company. It must be noted that not all trading by KCC is necessarily under the provisions of Section 95. There are other cases where trading can be carried on under other powers (and where therefore a limited company may not be needed). Examples of these other powers are:
 - i. Where what is being done is the provision of goods and/or services to another public body under the provisions of the Local Authorities (Goods and Services) Act 1970, whether a particular organisation is a public body for the purposes of that Act is specified in regulations.
 - ii. Where what is being done is incidental to the main function that is being carried out. An example of this might be a library occasionally selling books as part of a promotion of reading. This power will be fairly tightly interpreted. If the main purpose of the activity is to raise money that will not be considered incidental to the original function.
 - iii. Where what is being done is use of surplus capacity. An example might be a council landscape service having raised too many plants and selling off the surplus to the public. If the activity requires the taking on of additional staff or the procurement of new services or equipment then it will almost certainly not come within this category.
 - (b) Where for some other specific reason it is advised that a limited company be formed. Typically these reasons will include the wish to take the activity out of the mainstream of KCC activity – either so as to

encourage external funding or involvement, or to permit employment of staff outside KCC's usual terms and conditions for directly employed staff, e.g. Kent Top Temps.

27. Whatever power is being used, and whether a company is being formed or not, care must be taken not to exceed the scope of activity permitted by such powers.
28. More detail on companies generally can be found in the advice note "Local Authority Companies" prepared by the Corporate Director of Finance and Procurement and the Director of Governance and Law to which reference should be made.

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