

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

**Monday, 9th March, 2015**

**3.30 pm**

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







## **AGENDA**

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

**Monday, 9 March 2015 at 3.30 pm**  
**Darent Room, Sessions House, County**  
**Hall, Maidstone**

Ask for: **Andrew Tait**  
Telephone: **03000 416749**

*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)*

#### **Webcasting Notice**

Please note: this meeting may be filmed for live or subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

By entering the meeting room you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes. If you do not wish to have your image captured then you should make the Clerk of the meeting aware.

#### **Item**

- 1 Substitutes
- 2 Declarations of Interest by Members for items on the agenda
- 3 Minutes - 20 November 2014 (Pages 5 - 12)
- 4 Statutory Accounts for the companies in which KCC has an interest (Pages 13 - 302)
- 5 East Kent Opportunities LLP (Pages 303 - 320)

6 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  
03000 416647

**Friday, 27 February 2015**

*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 - COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee Trading Activities Sub - Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Thursday, 20 November 2014.

PRESENT: Mr R L H Long, TD (Chairman), Mr R J Parry (Vice-Chairman) and Mr H Birkby

ALSO PRESENT: Mr R H Bird, Mr A H T Bowles, Mr M C Dance, Mr C P D Hoare, Mr D Smyth and Mr M E Whybrow

IN ATTENDANCE: Mr A Wood (Corporate Director Finance and Procurement), Ms S Buckland (Audit Manager), Mr D Smith (Director of Economic Development), Ms J Ward (Senior Partnership Officer), Mr J Burr (Director Highways, Transportation & Waste and Principal Director of Transformation), Mr N Sarrafan (County Transport & Development Manager) and Mr A Tait (Democratic Services Officer)

### UNRESTRICTED ITEMS

#### 6. Minutes - 3 March 2014 (Item 3)

RESOLVED that the Minutes of the meeting held on 3 March 2014 are correctly recorded and that they be signed by the Chairman.

#### 7. The creation of an East Kent Equity Investment Fund via a Limited Liability Partnership (Item 4)

(1) Mr M C Dance, Cabinet Portfolio Holder for Regeneration and Economic Development introduced the report by explaining that KCC had been successful in its bid to the Regional Growth Fund (RGF) for three programmes including *Expansion East Kent*. This could have been funded through the straightforward mechanism of a grant. It had, however, been decided that a more positive approach would be achieved through offering a flexible 0% loan for a period of some 5 years. The best way to do this was through a bank which would take the first charge whilst KCC took the second if directors' loans were involved. There were more than 40 North American companies which were looking to locate to Kent provided that support could be offered for them to get started. He believed that Kent was already well placed to provide the right infrastructure and other incentives which would enable the county to compete with other parts of the UK for additional investment and employment. The East Kent Equity Investment Fund constituted the extra support that was needed.

(2) Mr Smith confirmed that the funding had come from central government by way of an endowment. They were managed by KCC subject to the rules prescribed by the Department of Business, Innovation and Skills. These rules permitted KCC to

make equity investments from that fund. The EU had State Aid rules (Market Economy Investment Principles) which prevented its member states unfairly subsidising businesses in their own countries. These rules required a local authority to set up a corporate vehicle if it wished to make equity investments so that such decisions were made on commercial grounds.

(3) Mr Smith went on to say that the corporate vehicle adopted in this instance had followed expensive legal advice from *Hogan and Lovells*, the UK's leading specialist in this particular sector. A second opinion was also taken from *Geldards* who were sub-contracted to KCC. The need for such external legal advice had been proven by the experience of other authorities when they had set up legal structures which had prevented them from adding other private investors to their equity fund when they had wished to do so.

(4) Mr Smith then said that as a result of the legal advice obtained, the Equity Fund had been set up in two phases. The first of these (which the Sub-Committee was being asked to examine) involved the only money invested (the £5m from the RGF) coming from KCC. Phase 2 would involve investment from other sources, requiring a changed structure and ownership.

(5) Mr Birkby asked for details of the amount being paid for legal advice. Mr Smith replied that payment to *Hogan and Lovell* was being made by *Narec Capital*. KCC itself was only paying *Geldards*.

(6) The Sub-Committee agreed that it did not need the full details of the actual amount paid at the meeting itself. This sum would be communicated to all Members of the Governance and Audit Committee at a later stage.

(7) Ms Ward explained that advice had been obtained from *Geldards* some 18 months before this meeting on structure under the Localism Act. The actual documents and legal agreements were still being awaited from *Hogan and Lovells*. *Geldards* would be asked to review these from an independent perspective.

(8) Mr Parry asked who the Members and Designated Members of the LLP would be. Mr Smith replied that the Partnership would be wholly owned by KCC. This would include all the liabilities and management responsibilities. The Leader of the Council had not yet been asked to make a decision on the actual identity of the designated Members. The recommendation to him was likely to be that there should be a mixture of KCC Members and Officers.

(9) The Chairman asked for the Governance and Audit Committee Members to be notified of the eventual Member and Designated Member appointments as well as of any changes to the governance arrangements.

(10) Mr Hoare asked how *Narec* had been chosen as partners of KCC. Mr Smith replied that they were wholly owned by the Department of Business, Innovation and Skills for the promotion of technology in the field of alternative and renewable energy. They were based in NE England and as a public sector body were a partner in governance to KCC. They were not a commercial body. *Narec Capital* had been set up for similar reasons to those which had led to KCC wishing to set up the Equity Investment Fund. *Narec Capital* was unique in this area as it was a combination of public sector capital finance expertise and the commercial contribution made by

*Ashburton* (the other partner in *Narec Capital*). They had been selected on the advice of the Technology Strategy Board, which was a body set up to report directly to the Department of Business, Innovation and Skills in order to provide grants and financial assistance on a non-commercial basis to companies in innovative engineering and technology sectors. *Narec Capital* had provided similar services to the Scottish Government. The selection process had been through a standard KCC procurement in 2012.

(11) Mr Smyth noted that paragraph 3.1 of the report stated that the public and private sectors could only provide funding on a 50/50 basis. Mr Smith had, however, suggested that this would not be the case. He also noted that the Investment Committee which approved investments would have 2 Directors who would have veto rights. He asked whether these veto rights were absolute or conditional.

(12) Mr Smith said that, in respect of the 50/50 question, a company which set itself up and was looking for equity investment would naturally have its own Board of Investors and a commercial strategy of its own. KCC would seek to invest in rather than direct that company. The EU state aid rules did not allow KCC to become a lead investor in such a company. The maximum amount that KCC could take was therefore 50%. He anticipated that KCC would only take a maximum of a 10% holding in any company in which it invested. This was a separate matter from the LLP whose funds would be 100% owned by KCC.

(13) Mr Smith then said that the veto rights in the Investment Committee were necessary because KCC would be seeking membership from people with technical expertise. KCC would have two out of the 5 members of this Committee, but they would have absolute veto rights. Every decision for this Committee would have to be considered by an Advisory Board which had already been set up, chaired by the Leader of the Council. Mr Dance was a Member of this Advisory Board which also contained a private sector Panel to advise on the overall strategy.

(14) The Chairman asked for assurance that either through shareholder agreements or through issuing different classes of equity shares with special rights, KCC would be able to ensure that matters it considered important required its consent as a shareholder. Mr Smith replied that he could give an absolute assurance to that effect. Each investment from the fund would be accompanied by a shareholder agreement.

(15) Mr Smith replied to a question from Mr Whybrow by saying that the aim was for the LLP to be operational in December 2014. He then explained that KCC had already agreed with three companies to make investments in three companies where KCC was a shareholder without going through the LLP. These three shareholdings would (subject to events proceeding as expected) be added to the Equity Fund.

(16) Mr Whybrow asked for assurance that KCC would be able to gain access to accounts direct from the company itself rather than from Companies House. Ms Ward replied that she could give that assurance because the due diligence process at the point of application required the company to make the accounts available to KCC with an update every three months.

(17) Mr Bird asked whether *Narec's* expertise extended to bio science, life science and other sciences in Discovery Park. Mr Smith replied by referring to the Mandate

for Investments set out in paragraph 5.10 of the report which stated that the Fund would invest in companies producing sustainable energy and life science/medical related technologies and products. *Narec* had considerable expertise in sustainable energy, technology and engineering, but acknowledged that it had none in bio science and medical technologies generally. It was therefore envisaged that *Narec Capital's* expertise would be as much in the investment management process and that, if required, they would be able to assist in identifying the necessary area of expertise from other organisations in evaluating proposals.

(18) Mr Hoare asked why KCC was getting involved so deeply in the failing renewable energy sector. Mr Smith replied that the government had set up *Narec Capital* ten years earlier for the purpose of investing in alternative and renewable energy. Since then it had widened its expertise and had become an engineering and technology research organisation.

(19) Mr Birkby asked how confident it was possible to be that the initial tranche of £5m from *Expansion East Kent* would leverage £45m from the private sector and then £150m from captive co-investment. Mr Smith replied that in the scheme, any company could fail. Early stage investment was very risky. The creation of a Fund would ensure that the successful investments would outweigh the unsuccessful ones. Although it was not possible to predict the eventual returns to the Fund, there was a financial incentive for the Fund managers to succeed rather than to make losses or simply retain the initial investment.

(20) Mr Smith replied to a question from Mr Parry by saying that there were two success factors. These were firstly that the funds allocated by the Government would be used to make an economic impact in East Kent. This would potentially be true even if a company failed after a few years of providing technological development and employment. The second success factor was that investment should increase over time. Returns from investment would be re-invested and not be used for other purposes.

(21) Mr Smith replied to a question from Mr Birkby by saying that the Internal Appraisal Board referred to in paragraph 6.3 of the report was an advisory board to the Leader of the Council. It consisted of a range of directors from a wide range of different business experiences. Should the political composition of the Council change, it would be more than likely that the composition of the Board would change too. Since publication of the agenda papers, two more appointments had been made. These were Mr John Gilbey, Leader of Canterbury CC) and Mr Ron Roser, formerly Regional Director of Barclays Bank.

(22) Mr Dance said that longevity would be provided by the structure that had been established and which was already being replicated for *TIGER* and *Escalate*.

(23) Mr Whybrow asked whether the governance arrangements in relation to job creation would allow measures to be taken if a company which had received a loan was unable to meet its job creation targets. Mr Smith replied that Equity Investment was different from Grant or Loan in that it was not a subsidy. Decisions were based on commercial considerations. Loans were given on the basis of targets being met. The monitoring of the Equity Investments was going to replicate that for the Loan to establish whether the investment had been successful. To state that an Equity

Investment was conditional upon the creation of jobs would be in breach of State Aid Rules.

- (24) RESOLVED that subject to those details currently unavailable being communicated to the Committee, the governance arrangements set out in the report be approved.

**8. Establishment of a Transport Related Local Authority Trading Company**  
*(Item 5)*

(1) Before consideration of this item commenced, Members expressed dissatisfaction that the Exempt report to Environment and Transport Cabinet Committee on this matter had been appended as an open report but with certain passages redacted. The Chairman said that it would be preferable if reports were prepared with the Sub-Committee in mind and without redaction but that, in the event that a report did have to appear in this form again, he would expect the Exempt version to be circulated to all Members of the Governance and Audit Committee in full.

(2) Mr Burr said that KCC had invested in the Trip Rate Information Computer System (TRICS) database 25 years earlier within a consortium which also consisted of Hampshire, Dorset, East Sussex, Surrey and West Sussex County Councils. This software system had been very successful, achieving a high share of the market and being nationally recognised as the best system to use in transport planning.

(3) Mr Burr continued by saying that *JMP Consultants Ltd* had been awarded the contract to operate the database. This company had run into financial difficulties, leading the consortium to reconsider its position. The decision had been reached by the partners to develop a LATCO. KCC would have had the option of withdrawing from the company and hiring the software whenever it wished to use it. The set-up costs would be provided by monies already in the company.

(4) Mr Burr then referred to the business case in the papers, highlighting that 4 members of staff would be employed. Three of these would TUPE transfer from the existing supplier. The other member of staff would be a manager.

(5) Mr Burr said that audited accounts would be produced annually, although this was not actually required by Law. Legal advice had been provided to the consortium by *BA Beachcraft*. KCC had taken its own advice from KCC Legal Services and from the Corporate Director of Finance and Procurement. The company was limited by share at an equity of £35k.

(6) Mr Burr summed up his presentation by saying that the company was limited by share, the software was a successful and well-proven product. There was very little risk attached to becoming a formal shareholder rather than stepping out of the company and buying into use of the product at a later stage.

(7) Mr Burr responded to a question from Mr Birkby by saying that as the consortium would now be delivering the product itself there would be no risk of a private company failing to deliver due to its own financial difficulties.

(8) Mr Sarrafan responded to a question from Mr Parry by saying that the legal position in respect of a potential breach of contract had been examined. There was no risk in this regard because the company to whom the contract had been awarded was no longer in existence. Although the parent company had been operating the service, there was no actual contract with them to do so. There had been no novation clause and therefore no significant risk of challenge. Since production of the appended report in September 2014, there had been no challenge and the new company would start trading on 1 January 2015. The insolvency of the *JMP Consultants Ltd* had made it possible for a change of control to take place.

(9) Mr Whybrow referred to paragraph 4.3.5 of the appended report. He asked whether the consortium would receive the customer database system. Mr Sarrafan replied that following negotiations, the consortium now owned the database, which was currently being managed by the private company but would come over to the new company when it started trading. No important intellectual property resided with the contractor.

(10) Mr Smyth asked whether it would be possible for the current managing company to set up a company in competition with the consortium using the names that the consortium itself was not entitled to use. Mr Sarrafan replied that the trademark, brand name and website belonged to the consortium even though they had been registered by the managing company.

(11) Mr Smyth referred to paragraph 10.6 of the appended report which stated that there was a requirement for decisions taken by the new company to be unanimous, whereas the next paragraph set out the requirement for the decisions made by the Board of Directors to be made by a majority decision.

(12) The Chairman suggested that the answer might be that decisions made by the parties as shareholders would need to be unanimous, whereas decisions made by directors (in a different forum) would be by a majority. Mr Burr said that he believed this to be the case and would confirm at a later stage.

(13) Mr Bird said that he was concerned that if all parties were obliged to agree, there was a possibility that the result could be an impasse. He asked what would happen if three of the parties had confidence in the managing director whilst the other three did not.

(14) Mr Bird then asked whether there was absolute certainty that all the intellectual properties would be transferred to the consortium in time. Mr Burr replied that he was confident that this would be the case because only the consortium would have the entitlement to use it. Anyone aiming to compete would need to start from scratch when the consortium itself had a two thirds market share.

(15) In response to a question from the chairman, Mr Burr confirmed that this would be a transfer of undertaking to which TUPE would apply. The three staff concerned would have the right to transfer if they so wished.

(16) Mr Birkby explained that he wished to abstain on the recommendation in the report as he was concerned over the redactions in the Appendix.

- (17) On being put to the vote the recommendations were carried by 2 vote to 0 with 1 abstention.
- (18) RESOLVED that the governance arrangements for the Transport Related Local Authority Trading Company be approved as set out in the report.

This page is intentionally left blank



---

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

To: Governance and Audit Committee Trading Activities Sub Committee - 9 March 2015

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'.
- 1.2 It was agreed at the meeting on 3 March 2014 that the Sub-Committee did not wish to see basic income and expenditure details for the small companies in the future as their full accounts would have been examined by their external auditors and there would be no reputational risk to the Council.
- 1.3 Copies of the latest Statutory Accounts (for 2013/14) are available from the Chief Accountant Team if Members' wish to review and consider them.
- 1.4 At the same meeting the Sub-Committee requested that future reports included an explanation of payments made by the Council to the company, the purpose of the company and the nature and degree of interest that the Council has in the company. This information is provided in section 2 of the report.

### **2 ENTITIES WHICH KCC HAS AN INTEREST IN**

- 2.1 The table below shows the details of the entities which KCC has an interest including payments made to the entities during 2013-14.

<b>Association of Tourist Attractions in Kent Ltd</b>	
<b>Purpose of entity</b>	To promote the interest of tourist attractions of all sizes and kinds throughout Kent.  Company Limited by Guarantee
<b>Level and Nature of Interest</b>	There is no Kent County Council representative on the board and the company is limited by guarantee with each of the Directors being liable for £1. Kent County Council does not appear to have a direct interest in the company.
<b>Directors on the Board</b>	No
<b>Profit or Surplus / (Deficit)</b>	£(857)
<b>Payment during 2013-14</b>	Nil
<b>Aylesham &amp; District Community Workshop Trust Ltd</b>	
<b>Purpose of entity</b>	Established for the benefit of persons in the Aylesham and Rural District to provide or assist in the provision of facilities for the advancement of education and for recreation and leisure-time occupation with the object of improving the conditions of life and of said persons.  Company Limited by Guarantee and a Charitable Trust.
<b>Level and Nature of Interest</b>	KCC is a Member. Each Member has one vote. There are 9 Trustees.  Liability will not exceed £10.
<b>Directors on the Board</b>	Mr S Manion
<b>Profit or Surplus / (Deficit)</b>	£23,026)
<b>Payment during 2013-14</b>	£252.00 (excluding VAT)
<b>The North Kent Architecture Centre</b>	
<b>Purpose of entity</b>	To deliver design support, including design advice on high profile projects throughout the region, training for key decision makers including design advice on high profile projects throughout the region.

	Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC is a Member. Each Member has one vote. There are four members.  Liability is limited to £1.
<b>Directors on the Board</b>	No
<b>Profit or Surplus / (Deficit)</b>	£20,240
<b>Payment during 2013-14</b>	Nil
<b>Visit Kent</b>	
<b>Purpose of entity</b>	To 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.  Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC is a Member. Each Member has one vote.  Liability is limited to £1.
<b>Directors on the Board</b>	Mr M Dance  Mrs B Cooper – Resigned 9 October 2014
<b>Profit or Surplus / (Deficit)</b>	£5,537
<b>Payment during 2013-14</b>	£328,028.18 (excluding VAT)
<b>Locate in Kent Ltd</b>	
<b>Purpose of entity</b>	To carry out activities as may encourage or assist businesses to locate some or all their activities in Kent. To carry any other trade or business whatever which, can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.  Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC is a Member. Each Member has one vote.  Liability is limited to £1.
<b>Directors on the Board</b>	Mr M Dance

	Mr A King Mr B Sweetland Mrs B Cooper – resigned 7 April 2014
<b>Profit or Surplus / (Deficit)</b>	£40,971
<b>Payment during 2013-14</b>	£918,634.16 (excluding VAT)
<b>Trading Standards South East Kent Ltd</b>	
<b>Purpose of entity</b>	To provide advice to consumers in the south east of England.  Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC is a Member. Each Member has one vote.  Liability is limited to £1.
<b>Directors on the Board</b>	Mr M Rolfe – Trading Standards Manager
<b>Profit or Surplus / (Deficit)</b>	£7,773
<b>Payment during 2013-14</b>	£ 114,530.27 (excluding VAT)
<b>East Kent Spatial Development Company</b>	
<b>Purpose of entity</b>	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 and Dover District Council.  Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC is a Class A Member. Each Class A Member has one vote.  Liability is limited to £1.  Locate in Kent is also a Member which KCC has an interest in.
<b>Directors on the Board</b>	Mr M Dance
<b>Profit or Surplus / (Deficit)</b>	£115,734
<b>Payment during 2013-14</b>	Nil

<b>Goetec Ltd</b>	
<b>Purpose of entity</b>	The provision of network facilities for further and higher education institutions in Kent.  Company limited by Guarantee.
<b>Level and Nature of Interest</b>	A KCC Officer is a Director on the Board.
<b>Directors on the Board</b>	Mr P Bole
<b>Profit or Surplus / (Deficit)</b>	£(2,257)
<b>Payment during 2013-14</b>	£88,755.16 (excluding VAT)
<b>Produced in Kent</b>	
<b>Purpose of entity</b>	To increase public awareness of produce which has been produced in Kent.  Company Limited by Guarantee.
<b>Level and Nature of Interest</b>	KCC has joint voting rights with Hadlow College.  Liability is limited to £1.
<b>Directors on the Board</b>	Mr S Holden
<b>Profit or Surplus / (Deficit)</b>	£7,795
<b>Payment during 2013-14</b>	£67,026.68 (excluding VAT)
<b>Business Support Kent Community Interest Company</b>	
<b>Purpose of entity</b>	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.
<b>Level and Nature of Interest</b>	Business Support Kent Community Interest Company is a partner of Kent County Council in Kent 20/20.
<b>Profit or Surplus / (Deficit)</b>	£(446,051)
<b>Directors on the Board</b>	No
<b>Payment during 2013-14</b>	£85,832.00 (excluding VAT)

- 2.2 Groundwork Kent & Medway ceased trading in December 2012, and dissolved on 15 April 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. INVESTMENT COMPANIES**

- 3.1 During 2013-14 KCC purchased shares in three companies for investment purposes; and details of each purchase are provided below:

a) Shearwater Systems Ltd

233,333 £0.01 Ordinary A Shares were purchased as part of Expansion East Kent through Regional Growth Fund. The shares were purchased for £200,000. KCC has a 7.22% holding in the company.

The return on equity can be recycled back into the Regional Growth Fund for reinvestment in other business.

Shearwater designs and develops innovative software to support a burgeoning need for mobile software applications in healthcare. The company focus is on creating Mobile Health Record (MHR) software applications that allow clinicians to work seamlessly between acute hospital and community care settings including the patients' home

b) TRN - The Research Network Ltd

1,400 £1 Ordinary Shares were purchased as part of Expansion East Kent through Regional Growth Fund. The shares were purchased for £28,000. KCC has a 6% holding in the company.

As with Shearwater Systems Ltd the return on equity can be recycled back into the Regional Growth Fund for reinvestment in other business.

TRN is a small pharmaceutical research company based in Sandwich. It is proposed to invest in additional business development in China, India, USA and Europe. It is proposing to invest in innovative web-based scientific software to support the TRN collaborative drug research model.

c) Kent PFI Holding Company 1 Ltd

As part of the Treasury Strategy to make investments in equity up to the value of £5m KCC purchased shares in Kent PFI Holding Company 1 Ltd. At the end of 2013-14 KCC has a 38% holding in the company. The investment is structured as follows:

- £2,681,260.21 in Loan Notes
- £1,902,181.06 in shares

Kent PFI Holding Company 1 Ltd is a holding company for Kent PFI Company 1 Limited, a company whose activities include the provision of construction and maintenance services for three secondary schools for pupils across Kent. (Thamesview School, Northfleet Technical College and St Johns Catholic Comprehensive School).

KCC has a director on the board, Mrs C Head.

KCC made payments amounting to £9,737,152.89 during 2013-14. These payments relate to the PFI charges for running the three schools.

#### **4 COMMERCIAL SERVICES**

- 4.1 The table below shows the key financial highlights from the Statutory Accounts (attached) for 2013-14 of the Parent Company and the subsidiaries within the parent company; and 2012-13 for comparator purposes.

<b>Commercial Services</b>	<b>Financial Year</b>	<b>Turnover/Income</b>	<b>Surplus/ (Deficit) before Tax</b>	<b>Retained Surplus/ (Deficit)</b>	<b>Net Assets</b>
		<b>£k</b>	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b>Kent County Trading Ltd - Parent Company</b>	<b>2013-14</b>	<b>65201.1</b>	<b>-1459.8</b>	<b>1088.9</b>	<b>2088</b>
	<b>2012-13</b>	<b>41995.2</b>	<b>375.6</b>	<b>2269.7</b>	<b>3269.7</b>
Commercial Services Trading Ltd	2013-14	20481.3	186.1	954.5	1954.5
	2012-13	3772.7	364.3	824.6	1824.6
Commercial Services Kent Ltd	2013-14	50747.6	-1357.4	-1075.1	-1075.1
	2012-13	-	-	-1.7	-1.7
Kent Top Temps	2012/13	-	-	-	-
	2012-13	38278.0	11.9	1450.1	1450.1

- 4.2 2013-14 was the first year of the Commercial Services group trading under its new structure.
- 4.3 Commercial Services Trading Ltd previously operated under the name Kent County Facilities Ltd and began operating under the new name on 1 April 2013.
- 4.4 Commercial Services Kent Ltd was a dormant company throughout the year to 31 March 2013 whilst the restructuring of the businesses took place.

- 4.5 Kent Top Temps is no longer trading as a separate company and has either been transferred to Commercial Services Kent Ltd or Commercial Services Trading Ltd from 1 April 2013.

## **5 RECOMMENDATION**

- 5.1 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: 416082**



**Abbreviated Unaudited Accounts for the Year Ended 31 August 2014**

**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 2014**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Abbreviated Balance Sheet</b>	<b>2</b>
<b>Notes to the Abbreviated Accounts</b>	<b>3</b>

**Association of  
Tourist Attractions  
in Kent Limited**

**Company Information  
for the Year Ended 31 August 2014**

---

**DIRECTORS:**

J Gardner  
G Hukins  
A Morse  
Mrs S Hirsch  
Mrs B Cranfield  
Miss S Belsom  
N Barrie  
Ms L Dickson

**SECRETARY:**

Mrs B Cranfield

**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 2014**

	31.8.14	31.8.13
	£	£
<b>CURRENT ASSETS</b>		
Debtors	2,987	2,776
Cash at bank	<u>12,899</u>	<u>20,002</u>
	<b>15,886</b>	<b>22,778</b>
<b>CREDITORS</b>		
Amounts falling due within one year	<u>852</u>	<u>6,887</u>
<b>NET CURRENT ASSETS</b>	<b><u>15,034</u></b>	<b><u>15,891</u></b>
<b>TOTAL ASSETS LESS CURRENT</b>		
<b>LIABILITIES</b>	<b><u>15,034</u></b>	<b><u>15,891</u></b>
<b>RESERVES</b>		
Capital reserve	10,154	10,154
Income and expenditure account	<u>4,880</u>	<u>5,737</u>
	<b><u>15,034</u></b>	<b><u>15,891</u></b>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2014.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2014 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 13 November 2014 and were signed on its behalf by:

Mrs B Cranfield - Director

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts**  
**for the Year Ended 31 August 2014**

---

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 2014**



A31  
19/12/2014  
COMPANIES HOUSE  
\*A3N3MRRV\*  
#156

## Aylesham & District Community Workshop Trust

### Contents

Reference and Administrative Details .....	1
Trustees' Report .....	2 to 3
Independent examiner's report .....	4
Statement of financial activities .....	5
Balance Sheet .....	6
Notes to the financial statements .....	7 to 14

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

Statement of financial activities per fund .....	15 to 22
--	----------



## **Aylesham & District Community Workshop Trust**

### **Reference and Administrative Details**

<b>Charity name</b>	Aylesham & District Community Workshop Trust
<b>Charity registration number</b>	1050794
<b>Company registration number</b>	03114198
<b>Principal office</b>	Ackholt Road Aylesham Kent CT3 3AJ
<b>Registered office</b>	Ackholt Road Aylesham Kent CT3 3AJ
<b>Trustees</b>	L J Brazier W Field A Hockley L Jeavons S Manion K Rogers R Thompson Rev L C Moncaster (Appointed 12 February 2014) W R Cornelius (Appointed 12 February 2014) Rev R Fisk (Resigned 17 September 2013) J Honnor (Resigned 17 September 2013) L M Ives (Resigned 17 September 2013)
<b>Secretary</b>	D Garrity M.B.E.
<b>Solicitor</b>	Furley Page 52-54 High Street Whitstable Kent CT5 1BG
<b>Bankers</b>	Lloyds TSB Bank PLC 49 High Street Canterbury Kent CT1 2SE
<b>Accountant</b>	Batchelor Coop Ltd The New Barn Mill Lane Eastry Sandwich CT13 0JW
<b>Patron</b>	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 2014. 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 seeks 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**

This year there was a change to the rating charge system operated by Dover District Council through their management agent East Kent Shared Services. Action from this was that we handed back to East Kent Spatial Development Company the management of units 21 to 30.

We continue to talk to East Kent Shared Services about the empty property rates liability which we estimate to be approximately £5,000. We have made a provision in the accounts for payment of this amount.

We continue to manage Garrity House which is fully occupied and financially viable for Aylesham & District Community Workshop Trust.

Aylesham & District Community Workshop Trust has delivered all of its aims and objectives as a charity this year. We have supported local organisations and clubs throughout the former coalfield area with grants totalling £8,266. Children from Eythorne football club visited England's national football stadium Wembley, we paid for work on Snowdown & Aylesham bowls green, Aylesham Youth Football went to a league match at Charlton and there were many other projects which would not have taken place without this grant.

The economy has had an upturn in the last nine months and all of our workshop units and offices are occupied, stimulating the local business community. This has attracted extra income into the trusts accounts and Aylesham Business Park is an important source of employment in Aylesham. There are now approximately 275 people working on site.

I would like to thank Lisa Pope for her work on our finance and conference control systems which give us a clearer view of our financial position.

We are still working with the Aylesham Carnival Committee who manage the Aylesham Minibus on our behalf which is used by many local organisations.

The maintenance of the site has been managed well by Keith Garrity our maintenance officer but we are now having to renew and replace equipment and maintain buildings that are now over 25 years old. The main priorities for the coming year are upgrading of external lighting, replacing the central heating system in the main building, repainting of units 1-9 and 11-20 and the normal maintenance programme.

## **Aylesham & District Community Workshop Trust Trustees' Report**

I would also like to take this opportunity to thank Kenny Devine and Kelly Kirkham who are much more than cleaning maintenance operatives they are great working with clients in the evening bookings. The Aylesham Conference facility is still a great help to local businesses for training and Keith and Lisa are very good at customer care and give clients a great service.

We have also had close working relationships with East Kent Spatial Development Company despite handing the management of units 21-30 back. We work closely Debbie Spalding on those units and Garrity House we can say for business that development has been a success in creating jobs and giving business good professional facilities.

I would like to say that our team of Lisa, Keith, Kenny and Kelly go the extra mile for the trust and their work for and on behalf of the trust is first class. Aylesham & District Community Workshop Trust is in a good position to assist in Aylesham expansion and be the best Business Park in the local area.

### **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 2014 and signed on its behalf by:



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 2014, which are set out on pages 5 to 14.

### **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) 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**

The accounting policy for the investment property is that it is shown at market value. The trustees consider that obtaining a professional valuation would not be an appropriate use of charitable funds every year and therefore they apply a depreciation rate of 2.5% on cost to reflect the wear and tear of the property. No professional valuation has been obtained since 2005 and this time span makes it increasingly difficult for me to make an assessment as to whether the property is included at market value.

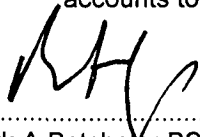
In connection with my examination, apart from the matter referred to above, no matter has come to my attention:

- (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  
10 November 2014

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 2014**

		<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2014</b>	<b>Total Funds 2013</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income	2	-	-	-	4,384
Activities for generating funds	3	71,828	-	71,828	60,578
Investment income	4	1,887	-	1,887	1,132
Incoming resources from charitable activities	5	146,160	-	146,160	134,466
Total incoming resources		<u>219,875</u>	<u>-</u>	<u>219,875</u>	<u>200,560</u>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	16,031	17,000	33,031	33,646
Charitable activities	7	171,004	24,815	195,819	184,017
Governance costs	10	14,051	-	14,051	12,314
Total resources expended		<u>201,086</u>	<u>41,815</u>	<u>242,901</u>	<u>229,977</u>
Net expenditure before transfers		18,789	(41,815)	(23,026)	(29,417)
<b>Transfers</b>					
Gross transfers between funds		<u>(10,568)</u>	<u>10,568</u>	<u>-</u>	<u>-</u>
Net movements in funds		8,221	(31,247)	(23,026)	(29,417)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>397,726</u>	<u>1,446,572</u>	<u>1,844,298</u>	<u>1,873,715</u>
Total funds carried forward		<u>405,947</u>	<u>1,415,325</u>	<u>1,821,272</u>	<u>1,844,298</u>

# Aylesham & District Community Workshop Trust

## Balance Sheet as at 31 March 2014

Registration number: 03114198

		2014		2013	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14	1,341,453		1,377,467	
Investments	15	561,000		578,000	
		<u>1,902,453</u>		<u>1,955,467</u>	
<b>Current assets</b>					
Debtors	16	43,142	36,120		
Cash at bank and in hand		<u>140,027</u>	<u>111,643</u>		
		183,169	147,763		
<b>Creditors: Amounts falling due within one year</b>	17	<u>(47,850)</u>	<u>(30,986)</u>		
<b>Net current assets</b>		<u>135,319</u>		<u>116,777</u>	
<b>Total assets less current liabilities</b>		2,037,772		2,072,244	
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(216,500)</u>	<u>(227,946)</u>		
<b>Net assets</b>		<u>1,821,272</u>		<u>1,844,298</u>	
<b>The funds of the charity:</b>					
<b>Restricted funds in surplus</b>		1,415,325		1,446,572	
<b>Unrestricted funds</b>					
Unrestricted income funds		<u>405,947</u>	<u>397,726</u>		
<b>Total charity funds</b>		<u>1,821,272</u>		<u>1,844,298</u>	

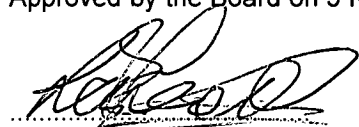
For the financial year ended 31 March 2014, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 2014 and signed on its behalf by:



L. Jeavons  
Trustee

# **Aylesham & District Community Workshop Trust**

## **Notes to the Financial Statements for the Year Ended 31 March 2014**

### **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 22.

#### **Incoming resources**

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

Investment income is recognised on a receivable basis.

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

#### **Resources expended**

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

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

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

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

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

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

#### **Governance costs**

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

#### **Support costs**

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.

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

### 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.

## 2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Donations and legacies</b>				
Appeals and donations	-	-	-	4,384

## 3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Operating activities - "Miners Way"</b>				
Rental income	71,828	-	71,828	60,578

## 4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Interest on cash deposits	1,887	-	1,887	1,132



**Aylesham & District Community Workshop Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... continued

**5 Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
Rental income	146,160	-	146,160	134,466

**6 Fundraising trading: cost of goods sold and other costs**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Operating activities - "Miners Way"</b>				
Depreciation of tangible fixed assets	-	17,000	17,000	17,000
Support costs allocated	16,031	-	16,031	16,646
	16,031	17,000	33,031	33,646

**7 Details of charitable activities**

Activities undertaken directly £	Grant funding of activities £	2014 £	2013 £
187,553	8,266	195,819	184,017

**8 Support costs**

	Operating activities - "Miners Way" £	Governance costs £	Total £
Establishment costs	-	5,167	5,167
Telephone	-	3,105	3,105
Printing, posting and stationery	-	1,158	1,158
Sundry and other costs	-	13	13
Motor expenses	-	154	154
Payroll administration	-	580	580
Independent examiner's fee	-	2,200	2,200
Legal and professional costs	-	1,305	1,305
Bank charges and interest payable	16,031	369	16,400
	16,031	14,051	30,082

**Aylesham & District Community Workshop Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... continued

**9 Grantmaking**

**Grants to  
institutions**  
£  
8,266

The support costs associated with grant making are £0.

**10 Governance costs**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2014</b>	<b>Total Funds 2013</b>
	£	£	£	£
Support costs allocated	<u>14,051</u>	<u>-</u>	<u>14,051</u>	<u>12,314</u>

**11 Trustees' remuneration and expenses**

No trustees received any remuneration during the year.

**12 Net expenditure**

Net expenditure is stated after charging:

	<b>2014</b>	<b>2013</b>
	£	£
Depreciation of tangible fixed assets	<u>53,810</u>	<u>54,873</u>

**13 Taxation**

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

**Aylesham & District Community Workshop Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... continued

**14 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 £
<b>Cost</b>					
As at 1 April 2013	426,790	1,297,713	30,917	216,496	1,971,916
Additions	-	-	796	-	796
As at 31 March 2014	<u>426,790</u>	<u>1,297,713</u>	<u>31,713</u>	<u>216,496</u>	<u>1,972,712</u>
<b>Depreciation</b>					
As at 1 April 2013	-	401,051	23,461	169,937	594,449
Charge for the year	-	27,171	2,654	6,985	36,810
As at 31 March 2014	<u>-</u>	<u>428,222</u>	<u>26,115</u>	<u>176,922</u>	<u>631,259</u>
<b>Net book value</b>					
As at 31 March 2014	<u>426,790</u>	<u>869,491</u>	<u>5,598</u>	<u>39,574</u>	<u>1,341,453</u>
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>

**15 Investments held as fixed assets**

	Investment properties £
<b>Market value</b>	
As at 1 April 2013 and 31 March 2014	<u>680,000</u>
<b>Market value</b>	
As at 1 April 2013	102,000
Charge for the year	<u>17,000</u>
As at 31 March 2014	<u>119,000</u>
<b>Net book value</b>	
As at 31 March 2014	<u>561,000</u>
As at 31 March 2013	<u>578,000</u>

All investment assets were held in the UK.

**Aylesham & District Community Workshop Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... continued

**16 Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	39,863	33,239
Other debtors	1,461	1,121
Prepayments and accrued income	1,818	1,760
	<u>43,142</u>	<u>36,120</u>

**17 Creditors: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	11,448	10,568
Trade creditors	3,578	6,899
Taxation and social security	16,573	10,651
Other creditors	5,627	558
Accruals and deferred income	10,624	2,310
	<u>47,850</u>	<u>30,986</u>

**18 Creditors: Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>216,500</u>	<u>227,946</u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
After more than five years by instalments	<u>162,284</u>	<u>177,246</u>

**19 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.

**20 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 (2013 - £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 2014**

..... continued

**21 Related parties**

**Controlling entity**

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

**Related party transactions**

During the year the company charged rent of £320 (2013 £Nil) to a business operated by S Manion, one of the trustees. This transaction was carried out at arms length on normal commercial terms. At the end of the year no monies were due to the company in respect of this rental.

During the year the company charged rent of £1,000 (2013 £Nil) to Aylesham Amateur Boxing Club, an organisation of which R Thompson, one of the trustees, is an officer. This transaction was carried out at arms length on normal commercial terms. At the end of the year no monies were due to the company in respect of this rental.

During the year the company charged rent and electricity recharges totalling £7,052 (2013 £5,857) to Bechange, an organisation of which K Rogers, one of the trustees, is an officer. This transaction was carried out at arms length on normal commercial terms. At the end of the year no monies were due to the company in respect of this rental.

**22 Analysis of funds**

	At 1 April 2013	Incoming resources	Resources expended	Transfers	At 31 March 2014
	£	£	£	£	£
<b>General Funds</b>					
Unrestricted income fund	397,726	219,875	(201,086)	(10,568)	405,947
<b>Restricted Funds</b>					
Land and buildings	682,402	-	(8,656)	-	673,746
Workshop	527,912	-	(22,710)	10,568	515,770
Verandah	218,307	-	(6,616)	-	211,691
Telecentre	6,726	-	(848)	-	5,878
Minibus	7,095	-	(2,365)	-	4,730
Windows	4,130	-	(620)	-	3,510
	<u>1,446,572</u>	<u>-</u>	<u>(41,815)</u>	<u>10,568</u>	<u>1,415,325</u>
	<u>1,844,298</u>	<u>219,875</u>	<u>(242,901)</u>	<u>-</u>	<u>1,821,272</u>

**Aylesham & District Community Workshop Trust**  
**Notes to the Financial Statements for the Year Ended 31 March 2014**

..... continued

**23 Net assets by fund**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds 2014</b>	<b>Total Funds 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible assets	259,181	1,082,272	1,341,453	1,377,467
Investments	-	561,000	561,000	578,000
Current assets	183,169	-	183,169	147,763
Creditors: Amounts falling due within one year	(36,402)	(11,448)	(47,850)	(30,986)
Creditors: Amounts falling due after more than one year	-	(216,500)	(216,500)	(227,946)
Net assets	<u>405,948</u>	<u>1,415,324</u>	<u>1,821,272</u>	<u>1,844,298</u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

	<b>Unrestricted income fund 2014</b>	<b>Unrestricted income fund 2013</b>
	<b>£</b>	<b>£</b>
<b>Incoming resources</b>		
Incoming resources from generated funds		
Voluntary income	-	4,384
Activities for generating funds	71,828	60,578
Investment income	1,887	1,132
Incoming resources from charitable activities	146,160	134,466
Total incoming resources	<u>219,875</u>	<u>200,560</u>
<b>Resources expended</b>		
Costs of generating funds		
Fundraising trading: cost of goods sold and other costs	16,031	16,646
Charitable activities	171,004	158,951
Governance costs	14,051	12,314
Total resources expended	<u>201,086</u>	<u>187,911</u>
Net expenditure before transfers	18,789	12,649
<b>Transfers</b>		
Gross transfers between funds	<u>(10,568)</u>	<u>(9,953)</u>
Net movements in funds	8,221	2,696
<b>Reconciliation of funds</b>		
Total funds brought forward	397,726	395,030
Total funds carried forward	<u>405,947</u>	<u>397,726</u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	Land and buildings 2014	Land and buildings 2013
	£	£
<b>Resources expended</b>		
Charitable activities	8,656	8,656
Total resources expended	<u>8,656</u>	<u>8,656</u>
Net movements in funds	(8,656)	(8,656)
<b>Reconciliation of funds</b>		
Total funds brought forward	682,402	691,058
Total funds carried forward	<u><u>673,746</u></u>	<u><u>682,402</u></u>



**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	<b>Workshop 2014</b>	<b>Workshop 2013</b>
	<b>£</b>	<b>£</b>
<b>Resources expended</b>		
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)
<b>Transfers</b>		
Gross transfers between funds	<u>10,568</u>	<u>9,953</u>
Net movements in funds	(12,142)	(12,757)
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>527,912</u>	<u>540,669</u>
Total funds carried forward	<u><u>515,770</u></u>	<u><u>527,912</u></u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	Verandah 2014	Verandah 2013
	£	£
<b>Resources expended</b>		
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)
<b>Reconciliation of funds</b>		
Total funds brought forward	218,307	224,923
Total funds carried forward	<u><u>211,691</u></u>	<u><u>218,307</u></u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	Telecentre 2014	Telecentre 2013
	£	£
<b>Resources expended</b>		
Charitable activities	848	990
Total resources expended	<u>848</u>	<u>990</u>
 Net movements in funds	 (848)	 (990)
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>6,726</u>	<u>7,716</u>
Total funds carried forward	<u><u>5,878</u></u>	<u><u>6,726</u></u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	<b>Farm 2014</b>	<b>Farm 2013</b>
	<b>£</b>	<b>£</b>
Net movements in funds	-	-
<b>Reconciliation of funds</b>		
Total funds brought forward	-	-
Total funds carried forward	-	-

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	<b>Minibus 2014</b>	<b>Minibus 2013</b>
	<b>£</b>	<b>£</b>
<b>Resources expended</b>		
Charitable activities	2,365	2,365
Total resources expended	<u>2,365</u>	<u>2,365</u>
 Net movements in funds	 (2,365)	 (2,365)
<b>Reconciliation of funds</b>		
Total funds brought forward	7,095	9,460
Total funds carried forward	<u><u>4,730</u></u>	<u><u>7,095</u></u>

**Aylesham & District Community Workshop Trust**  
**Statement of financial activities by fund Year Ended 31 March 2014**

..... continued

	<b>Windows 2014</b>	<b>Windows 2013</b>
	<b>£</b>	<b>£</b>
<b>Resources expended</b>		
Charitable activities	620	729
Total resources expended	<u>620</u>	<u>729</u>
 Net movements in funds	 (620)	 (729)
<b>Reconciliation of funds</b>		
Total funds brought forward	<u>4,130</u>	<u>4,859</u>
Total funds carried forward	<u><u>3,510</u></u>	<u><u>4,130</u></u>

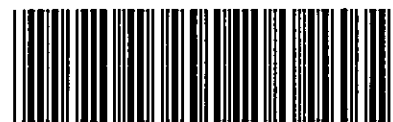
Registered number: 03000723

## **Business Support Kent Community Interest Company**

**Directors' report and financial statements**

**For the year ended 31 March 2014**

THURSDAY



A24      \*A3MIV3UI\*      #160  
11/12/2014  
COMPANIES HOUSE

## **Business Support Kent Community Interest Company**

### **Company Information**

<b>Directors</b>	B W C Bond R R Clewley J R Ollis E F Russell P C Winter S Wood
<b>Registered number</b>	03000723
<b>Registered office</b>	Innovation Centre Maidstone Road Chatham Kent ME5 9FD
<b>Independent auditor</b>	Reeves & Co LLP Statutory Auditor & Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU



## **Business Support Kent Community Interest Company**

### **Contents**

	<b>Page</b>
<b>Directors' report</b>	<b>1 - 3</b>
<b>Independent auditor's report</b>	<b>4 - 5</b>
<b>Income and expenditure account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 13</b>

## **Business Support Kent Community Interest Company**

### **Directors' report**

**For the year ended 31 March 2014**

The directors present their report and the financial statements for the year ended 31 March 2014

### **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 pre-tax deficit on ordinary activities of £431,840 (2013 surplus £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 showing a net liability position of £132,266 (2013 net assets £313,785) This net liability exists this year due to the DCLG claw back owing of £277,456 Removing the effect of this provision which is due to be repaid in installments would show net assets of £145,190 which is 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 high impact growth and innovation programmes to small and medium sized companies During 2013/2014 the company helped local companies create 201 new jobs and raise £12.25million in investment BSK-CIC has also continued to support the development of sustainable business practises, new business models and renewable energy programmes

The company is a partner in the Growth Accelerator programme, is the consortia lead for the Enterprise Europe Network in the South East of England and runs the High Growth programme for Kent County Council BSK continues to support SMEs applying for a number of local RGF funded programmes and is a key partner in several additional European funded programmes supporting the low carbon sector and innovation in SMEs

## **Business Support Kent Community Interest Company**

### **Directors' report**

**For the year ended 31 March 2014**

#### **Principal risks and uncertainties**

The company continues to have an unresolved payment issue with DCLG over an ERDF project that was completed in 2013. However, a payment plan is being agreed. Additionally many of the BSK EU funded projects will be ending as the current 2007-2013 structural funding round ends and it is unlikely that the new round will be operational before August 2015. The company also continues to have a risk from euro exchange rate losses as the £ has continued to strengthen against the euro.

#### **Directors**

The directors who served during the year were

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 2014**

**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 21-10-14 and signed on its behalf



**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 2014, set out on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

#### **Respective responsibilities of directors and auditor**

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its deficit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Emphasis of matter - Going concern**

We draw attention to note 1.2 to the financial statements which describes the uncertainty related to the company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

#### **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.

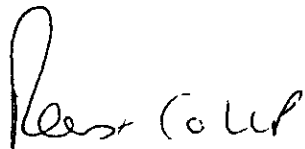
## **Business Support Kent Community Interest Company**

### **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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report



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

for and on behalf of  
**Reeves & Co LLP**

Statutory Auditor  
Chartered Accountants

Chatham Maritime  
Date 10 December 2018

# Business Support Kent Community Interest Company

## Income and expenditure account For the year ended 31 March 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1	<b>1,196,770</b>	1,713,585
Cost of sales		<u>(270,481)</u>	<u>(346,247)</u>
<b>Gross surplus</b>		<b>926,289</b>	1,367,338
Administrative expenses		<u>(977,383)</u>	(1,485,484)
DCLG Low Carbon Essentials claw back		<u>(455,951)</u>	-
Total administrative expenses		<u>(1,433,334)</u>	<u>(1,485,484)</u>
<b>Operating deficit</b>	2	<b>(507,045)</b>	(118,146)
Income from other fixed asset investments		<b>18,945</b>	134,000
Surplus on disposal of investments		<b>71,044</b>	-
Interest receivable and similar income		<b>14</b>	-
Interest payable and similar charges		<u>(14,798)</u>	<u>(11,987)</u>
<b>(Deficit)/surplus on ordinary activities before taxation</b>		<b>(431,840)</b>	3,867
Tax on (deficit)/surplus on ordinary activities	4	<u>(14,211)</u>	-
<b>(Deficit)/surplus for the financial year</b>	11	<u><b>(446,051)</b></u>	<u>3,867</u>

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

**Business Support Kent Community Interest Company**  
**Registered number: 03000723**

**Balance sheet**  
**As at 31 March 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	5		-		427
Investments	6		40		40
			<u>40</u>		<u>467</u>
<b>Current assets</b>					
Debtors	7	825,297		1,187,243	
Cash at bank and in hand		257		1,657	
		<u>825,554</u>		<u>1,188,900</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(680,404)</u>		<u>(875,582)</u>	
<b>Net current assets</b>			<u>145,150</u>		<u>313,318</u>
<b>Total assets less current liabilities</b>			<u>145,190</u>		<u>313,785</u>
<b>Creditors: amounts falling due after more than one year</b>	9		<u>(277,456)</u>		<u>-</u>
<b>Net (liabilities)/assets</b>			<u><u>(132,266)</u></u>		<u><u>313,785</u></u>
<b>Capital and reserves</b>					
Called up share capital	10		6		6
Capital redemption reserve	11		2		2
Income and expenditure account	11		<u>(132,274)</u>		<u>313,777</u>
<b>Shareholders' (deficit)/funds</b>			<u><u>(132,266)</u></u>		<u><u>313,785</u></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 21 OCTOBER 2014



**R R Clewley**  
Director

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



## **Business Support Kent Community Interest Company**

### **Notes to the financial statements For the year ended 31 March 2014**

#### **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**

Notwithstanding the deficit of £446,051 and the net liabilities at the balance sheet date of £132,266 the accounts have been prepared on a going concern basis. The justification of this treatment is as follows

A payment plan has been agreed with the Department for Communities and Local Government

The directors have implemented a series of cost reduction and income generation measures

The working capital facility provided by Royal Bank of Scotland continues to be available albeit on a reducing level. Royal Bank of Scotland are supportive of the company's strategy and will continue to provide banking facilities to the company in its revised state. As at the date of signing these financial statements the company continues to operate within these facilities

The next renewal date for the company banking facilities is scheduled in August 2015. The directors have no reason to believe that these facilities will be withdrawn for the foreseeable future

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities

##### **1.3 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

##### **1.4 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

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

##### **1.5 Investments**

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

##### **1.6 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

## Business Support Kent Community Interest Company

### Notes to the financial statements For the year ended 31 March 2014

#### 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 Income and expenditure account

##### 1.8 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

#### 2. Operating deficit

The operating deficit is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets - owned by the company	427	15,029
Auditor's remuneration	5,700	5,500
Pension costs	32,615	44,712
Exceptional item - Bad debt	455,951	-
	<u>494,693</u>	<u>65,241</u>

#### 3. Directors' remuneration

	2014 £	2013 £
Aggregate remuneration	98,907	121,827
	<u>98,907</u>	<u>121,827</u>

During the year retirement benefits were accruing to 2 directors (2013 - 3) in respect of defined contribution pension schemes

#### 4. Taxation

	2014 £	2013 £
UK corporation tax charge on (deficit)/surplus for the year	14,211	-
	<u>14,211</u>	<u>-</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. However, a Corporation Tax charge has arisen in the financial year due to profits subject to chargeable gains of £71,056

# Business Support Kent Community Interest Company

## Notes to the financial statements For the year ended 31 March 2014

### 5 Tangible fixed assets

	Furniture and office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2013 and 31 March 2014	88,666	63,564	152,230
<b>Depreciation</b>			
At 1 April 2013	88,428	63,375	151,803
Charge for the year	238	189	427
At 31 March 2014	88,666	63,564	152,230
<b>Net book value</b>			
At 31 March 2014	-	-	-
At 31 March 2013	238	189	427

### 6. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost or valuation</b>			
At 1 April 2013 and 31 March 2014	20	20	40

#### 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 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

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

## Business Support Kent Community Interest Company

### Notes to the financial statements For the year ended 31 March 2014

#### 6. Fixed asset investments (continued)

##### Participating interests

The company held one third of the allotted share capital of Skills South East Limited at 31 March 2014. 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 2013 show net assets of £29,271 (2012 £21,859) and a profit of £22,412 (2012 £443,804), with a dividend of £15,000 (2012 £387,000) being issued in the year.

#### 7 Debtors

	2014 £	2013 £
Trade debtors	187,805	234,100
Amounts owed by group undertakings	83,209	88,418
Prepayments and accrued income	554,283	864,725
	<u>825,297</u>	<u>1,187,243</u>

#### 8 Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	296,752	442,149
Trade creditors	68,499	44,221
Corporation tax	14,211	-
Other taxation and social security	41,523	65,621
Accruals and deferred income	238,320	316,237
Other creditors	21,099	7,354
	<u>680,404</u>	<u>875,582</u>

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

# Business Support Kent Community Interest Company

## Notes to the financial statements For the year ended 31 March 2014

### 9 Creditors Amounts falling due after more than one year

	2014 £	2013 £
Other creditors	<u>277,456</u>	<u>-</u>

Other creditors represent monies due to the Department for Communities and Local Government (DCLG) for claims received by the company in previous financial years which have now been deemed as not meeting the criteria of the Low Carbon Essentials project and in effect have been clawed back

This amount has been demanded via invoice, however the DCLG have agreed with both the company and the company's bank that no monies will be demanded immediately with a view to start repayments in 2 years once the company is in a stable financial position to make those repayments. A repayment plan is yet to be formalised.

This creditor of £277,456, coupled with claims raised and not received of £178,495 has been disclosed as an exceptional administrative bad debt on the face of the income and expenditure account. Prior to receipt of the demand, £178,495 of unreceipted claims for Low Carbon Essentials were included in prepayments and accrued income in note 7.

### 10. Share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
6 Ordinary shares of £1 each	<u>6</u>	<u>6</u>

### 11 Reserves

	Capital redemption reserve £	Income and expenditure account £
At 1 April 2013	2	313,777
Deficit for the financial year		(446,051)
At 31 March 2014	<u>2</u>	<u>(132,274)</u>

### 12. Contingent liabilities

Included in reserves is a provision of £72,190 (2013 £72,190) 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.

### 13. Pension commitments

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £32,615 (2013 £44,712) during the year. Contributions totalling £6,099 (2013 £7,355) were payable to the funds at the year end and are included in other creditors due within one year.

## Business Support Kent Community Interest Company

### Notes to the financial statements For the year ended 31 March 2014

#### 14. Operating lease commitments

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>			<b>Other</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	<b>8,750</b>	85,000	-	6,278
Between 2 and 5 years	<b>16,382</b>	17,500	<b>4,344</b>	-

#### 15. Related party transactions

During the year, the company made recharges to BSK-Direct Limited, a fellow subsidiary of BSK-Group CIC, of £197,090. The amount due from BSK-Direct Limited as at 31 March 2014 was £83,209.

During the year E F Russell, a director, provided a £15,000 loan to the company at an interest rate of 2.75% p.a. payable monthly on outstanding capital provided. As at 31 March 2014, £15,000 was outstanding and included in other creditors due within one year.

#### 16. Ultimate parent undertaking and controlling party

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

400990/30.

**CIC 34****Community Interest Company Report**

**For official use**  
(Please leave blank)

Please  
complete in  
typescript, or  
in bold black  
capitals

**Company Name in  
full**

Business Support Kent Community Interest  
Company

**Company Number**

03000723

**Year Ending**

31 March 2014

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 eg SELEP

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	98,907
	=====

**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 2014

### 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

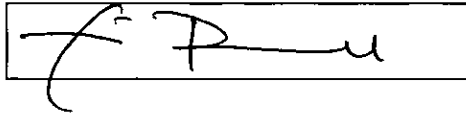
1 Small and medium sized businesses and their employees, particularly those in designated areas of social deprivation, regeneration or growth Small and medium sized businesses account for the majority of new job creation and make a significant positive contribution to the economy BSK - CIC supported over 200 new jobs created and more than £15m 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 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

9.12.14

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.

Enca Russell	
enca.russell@bsk-cic.co.uk	
08457226655	
Telephone	
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, 4<sup>th</sup> 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

---

COMMERCIAL SERVICES KENT LIMITED

---

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

Barnes Roffe LLP Chartered Accountants  
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA  
03 September 2014

---

COMMERCIAL SERVICES KENT LIMITED

---

COMPANY INFORMATION

---

DIRECTORS	G PC Parsons Esq (appointed 13 November 2013) Mrs K M Short (appointed 28 February 2014) R Martin Esq (appointed 28 February 2014) C McCoy Esq (appointed 10 June 2014) S G Heywood Esq I A McPherson Esq (resigned 10 March 2014) L J Faulkner Esq (resigned 13 November 2013) L Coulson Esq (resigned 28 February 2014) D Jackson Esq (resigned 31 March 2014)
COMPANY SECRETARY	Mrs K Short
REGISTERED NUMBER	05858177
REGISTERED OFFICE	1 Abbey Wood Road West Mailing Kent ME19 4YT
INDEPENDENT AUDITORS	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA26QA

---

COMMERCIAL SERVICES KENT LIMITED

---

CONTENTS

---

	Page
Strategic report	
Directors' report	2-3
Independent auditors' report	4-5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8-9
Notes to the financial statements	10-21
Detailed profit and loss account and summaries	22 - 25



---

## COMMERCIAL SERVICES KENT LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

#### INTRODUCTION

The directors present their strategic report accompanying the financial statements for the year ended 31 March 2014.

#### BUSINESS REVIEW

The directors note that the company traded at a satisfactory level during the 2013-14 year.

Under FRS17, the Company has included a pension deficit for the year of £1,275,000 reducing total recognised gains and losses for the year to a loss of £1,073,410.

Trade levels continue to be satisfactory and for those continuing activities a similar performance is expected for 2014/15.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the company's strategy are subject to current economic uncertainty caused by the underlying economic environment and the impact of austerity measures on our customers.

Failure to compete in terms of price and customer service in increasingly competitive local markets could adversely affect the Group's financial results.

Also failure to protect the Group's reputation and brand could lead to a loss of trust and confidence and a decline in our customer base.

The Company employs a number of staff who are members of the Kent County Council Pension Fund. The scheme is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2013/14. Benefits are based on final salary and length of service on retirement. Deficits under the scheme could increase if there is a fall in corporate bond yields which are not offset by an increase in the pension scheme's assets. Other risks affecting the fund include investments, inflation and life expectancy risks. There are also increasing risks of legal and regulatory changes introducing more burdensome requirements.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The Company tracks financial performance indicators based on the consolidated results of the group. No other key performance indicators would benefit any reader of the accounts.

This report was approved by the board on

and signed on its behalf.

G Parsons Esq  
Director

---

## COMMERCIAL SERVICES KENT LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

The directors present their report and the financial statements for the year ended 31 March 2014.

#### 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 activities in the year expanded to include Recruitment services, Waste disposal services, Facilities Management Services and Print and Design Services. These businesses were previously carried out by other trading entities in the wider group and were transferred to promote and sustain further growth.

During the year the Company ceased trading in Print and Design services.

#### RESULTS

The loss for the year, after taxation, amounted to £1,357,410 (2013- profit £NIL).

#### DIRECTORS

The directors who served during the year were:

G PC Parsons Esq (appointed 13 November 2013)  
Mrs K M Short (appointed 28 February 2014)  
R Martin Esq (appointed 28 February 2014)  
S G Heywood Esq  
I A McPherson Esq (resigned 10 March 2014)  
L J Faulkner Esq (resigned 13 November 2013)  
L Coulson Esq (resigned 28 February 2014)  
D Jackson Esq (resigned 31 March 2014)



---

## COMMERCIAL SERVICES KENT LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

#### FUTURE DEVELOPMENTS

Commercial Services Kent Limited is part of a diversified portfolio of businesses delivering a range of services with long-term underlying growth prospects and some niche services to support the shareholder. This includes quality brands our customers recognise as leaders in their markets. The Group is managed by a corporate centre, which sets the strategic direction of the Group continually seeking opportunities to improve growth and drive returns in a manner consistent with the Group's heritage of committed service to its customers, whilst promoting a culture of responsibility and integrity across the business.

The Group aims to deliver shareholder value by:

- Delivering organic sales growth through new services that complement the Group's portfolio and expansion into new high growth markets.
- Enhancing margins through operational efficiencies.
- Managing operations and working capital proficiently to generate strong cash-flows.

In line with the strategic direction of the Group and following a review by Kent County Council, the ultimate parent entity, the Company will cease trading in the Facilities Management division and the activity will be transferred back to the shareholder by December 2014.

The business has also undertaken development of a new computer operating system during the year for one of its key brands and this development programme will continue into 2015. Development expenditure in respect of the new system has been capitalised in the current year and amortised in accordance with the group accounting policy.

#### 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.

This report was approved by the board on

and signed on its behalf.

Mrs K Short  
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 2014, set out on pages 6 to 21. 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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### UNQUALIFIED 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 2014 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.

---

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.

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  
DA26QA

Date:

COMMERCIAL SERVICES KENT LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	1,2		
Acquisitions		50,747,643	
		<u>50,747,643</u>	
Discontinued operations		935,283	
		<u>51,682,926</u>	
Cost of sales	3	(38,132,805)	
		<u>13,550,121</u>	
GROSS PROFIT			
Administrative expenses	3	(14,414,276)	
		<u>OPERATING LOSS</u>	
	4		
Continuing operations		(499,067)	
Acquisitions		(365,088)	
Discontinued operations		<u>(864,155)</u>	
Interest receivable and similar income		12,745	
Other finance (costs)/income	8	(506,000)	
		<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	
		(1,357,410)	
Tax on loss on ordinary activities	9		
		<u>LOSS FOR THE FINANCIAL YEAR</u>	
	17	(1,357,410)	

The notes on pages 10 to 21 form part of these financial statements.

---

COMMERCIAL SERVICES KENT LIMITED

---

---

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2014

---

	Note	2014 £	2013 £
LOSS FOR THE FINANCIAL YEAR		(1,357,410)	
Actuarial gain related to pension scheme	19	284,000	
		<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		(1,073,410)	
		<hr/>	<hr/>

The notes on pages 10 to 21 form part of these financial statements.

COMMERCIAL SERVICES KENT LIMITED

BALANCE SHEET AS  
AT 31 MARCH 2014

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Intangible assets	10	703,559	
Tangible assets	11	1,015,329	
		<u>1,718,888</u>	
<b>CURRENT ASSETS</b>			
Stocks	12	2,618	
Debtors	13	10,417,990	6
Cash at bank and in hand		101,550	2,679
		<u>10,522,158</u>	<u>2,685</u>
CREDITORS: amounts falling due within one year	14	(8,235,993)	(4,405)
NET CURRENT ASSETS/(LIABILITIES)		<u>2,286,165</u>	<u>(1,720)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,005,053</u>	<u>(1,720)</u>
CREDITORS: amounts falling due after more than one year	15	(3,805,183)	
NET ASSETS/(LIABILITIES) EXCLUDING PENSION SCHEME LIABILITIES		<u>199,870</u>	<u>(1,720)</u>
Defined benefit pension scheme liability	19	(1,275,000)	
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES		<u>(1,075,130)</u>	<u>(1,720)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	2	2
Profit and loss account	17	(1,075,132)	(1,722)
SHAREHOLDERS' DEFICIT	18	<u>(1,075,130)</u>	<u>(1,720)</u>

---

COMMERCIAL SERVICES KENT LIMITED  
REGISTERED NUMBER:05858177

---

BALANCE SHEET (continued)  
AS AT 31 MARCH 2014

---

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

S G Heywood Esq  
Director

G P C Parsons Esq  
Director

The notes on pages 10 to 21 form part of these financial statements.

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

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 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.

1.3 Going concern

The company relies on the support of its parent undertaking, Kent County Council. The parent undertaking has given assurances that its support will not be withdrawn. It is on this basis that the accounts have been prepared under the going concern concept, and do not reflect any adjustment that may be necessary should that support be withdrawn.

1.4 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.

1.5 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 a commercial basis. Intangible assets are amortised on a straight line basis over 5 years.

1.6 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:

Motor vehicles	14% to 33% straight line
Office equipment	20% straight line

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.

1.8 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.



---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

1. ACCOUNTING POLICIES (continued)

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 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 participates in a defined benefit pension scheme. The liabilities of the pension fund attributable to the company are included in the balance sheet on an actuarial basis using the projected unit method. The assets of the pension fund attributable to the company are included in the balance sheet at their fair value. The liabilities and assets attributable to the company are based on a full actuarial valuation dated 1 April 2013 updated to 31 March 2014.

2. TURNOVER

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

	2014 £	2013 £
Sales -temporary staff	36,699,042	
Sales -facilities management	6,177,046	
Sales -other	1,289,158	
Other income - recharges	5,634,619	
Sales -waste	1,883,061	
	<hr/>	<hr/>
	51,682,926	
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from continuing activities is attributable to the principal activity of the company. The turnover and profit before taxation from discontinued activities arose from printing services

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

3. ANALYSIS OF OPERATING (LOSS)/PROFIT

	2014		2013	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	50,747,643	935,283		
Cost of sales	(37,385,844)	(746,961)		
Gross profit	13,361,799	188,322		
Administrative expenses	(13,860,866)	(553,410)		
	(499,067)	(365,088)		

The following amounts were included within continuing activities in relation to acquisitions during the year:

	2014 £
Turnover	50,747,643
Cost of sales	(38,572,290)
Gross profit	12,175,353
Administrative expenses	(12,674,420)
Operating (loss)/profit	(499,067)

4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	3,221	
Depreciation of tangible fixed assets: - owned by the company	162,455	

5. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	12,000	

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	17,869,071	
Other pension costs (Note 19)	3,486,070	
	<u>21,355,141</u>	<u></u>

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

	2014 No.	2013 No.
Temporary staff	532	0
Administration staff	95	5
Facilities management	63	0
Education services	196	0
Landscape services	115	0
Laser energy	67	0
Engineering	40	0
Recruitment	34	0
Other	58	0
	<u>1,200</u>	<u>5</u>

7. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	529,656	
Company pension contributions to defined contribution pension schemes	62,645	

During the year retirement benefits were accruing to 5 directors (2013 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £203,261 (2013 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,634 (2013- £NIL).

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

8. OTHER FINANCE (COST) INCOME

	2014 £	2013 £
Expected return on pension scheme assets	1,250,000	
Interest on pension scheme liabilities	(1,756,000)	
	<u>(506,000)</u>	<u></u>

9. TAXATION

	2014 £	2013 £
UK corporation tax charge on loss for the year	<u></u>	<u></u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013- the same as) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(1,357,410)</u>	<u></u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013- 20%)	(271,482)	
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	397,559	
Capital allowances for year in excess of depreciation	(9,909)	
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(161,131)	
Unrelieved tax losses carried forward	31,518	
Group relief	13,445	
Current tax charge for the year (see note above)	<u></u>	<u></u>

Factors that may affect future tax charges

The company have a tax loss carried forward of £157,588 to offset against future taxable profits.

COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

10. INTANGIBLE FIXED ASSETS

	Computer software £	Software development £	Total £
Cost			
Additions	96,854	636,851	733,705
At 31 March 2014	96,854	636,851	733,705
Amortisation			
Charge for the year	3,221		3,221
Impairment charge	26,925		26,925
At 31 March 2014	30,146		30,146
Net book value			
At 31 March 2014	66,708	636,851	703,559

11. TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Total £
Cost			
Additions		801,158	801,158
Transfers intra group	100,859	275,767	376,626
At 31 March 2014	100,859	1,076,925	1,177,784
Depreciation			
Charge for the year	17,797	144,658	162,455
At 31 March 2014	17,797	144,658	162,455
Net book value			
At 31 March 2014	83,062	932,267	1,015,329

12. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	2,618	

---

COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

13. DEBTORS

	2014 £	2013 £
Trade debtors	7,626,674	
Other debtors	90,239	
Prepayments and accrued income	2,701,077	6
	<u>10,417,990</u>	<u>6</u>

14. CREDITORS:  
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	2,625,160	2,137
Amounts owed to group undertakings	622,695	
Other taxation and social security	1,703,940	
Accruals and deferred income	3,284,198	2,268
	<u>8,235,993</u>	<u>4,405</u>

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

	2014 £	2013 £
Other creditors	<u>3,805,183</u>	<u></u>

16. SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

17. RESERVES

	Profit and loss account £
At 1 April 2013	(1,722)
Loss for the year	(1,357,410)
Pension reserve movement	284,000
	<hr/>
At 31 March 2014	(1,075,132)
	<hr/>

The closing balance on the profit and loss account includes a £1,275,000 (2013- £NIL) debit, stated after deferred taxation of £NIL (2013- £NIL), in respect of pension scheme liabilities of the company pension scheme.

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(1,720)	(1,720)
(Loss)/profit for the financial year	(1,357,410)	
Other recognised gains and losses during the year	284,000	
	<hr/>	<hr/>
Closing shareholders' deficit	(1,075,130)	(1,720)
	<hr/>	<hr/>

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £593,070 (2013: £nil). Contributions totalling £141,500 (2013: £nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a defined benefit pension scheme. Employees transferred from Kent County Council on 1 April 2013 under a TUPE arrangement participate in the Kent County Council Pension Fund (the Fund), part of the Local Government Pension Scheme, a defined benefit statutory scheme. The most recent actuarial valuation was carried out as at 1 April 2013. The opening defined benefit obligation and fair value of the scheme assets were transferred on 1 April 2013. The results have been updated to 31 March 2014 by a qualified independent actuary.

The return on the Fund (on a bid value to bid value basis) for the period to 31 March 2014 is estimated to be 8%.

COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

19. PENSION COMMITMENTS (continued)

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(43,554,000)	
Fair value of scheme assets	30,448,000	
Deficit in scheme	(13,106,000)	
Deficit at 1 April 2013 not recognised (see below)	11,831,000	
Net liability	(1,275,000)	

Under the TUPE arrangements for the transference of staff from Kent County Council to the company on 1 April 2013 the company is not liable to meet the calculated scheme deficit in respect of pension benefits provided by the Local Government Pension Scheme of £11,831,000 at that date.

The amounts recognised in the profit and loss account are as follows:

	2014 £	2013 £
Current service cost	(2,476,000)	
Interest on obligation	(1,756,000)	
Expected return on scheme assets	1,250,000	
Gains on curtailments and settlements	(417,000)	
Administration expenses	(22,000)	
Total	(3,421,000)	
Actual return on scheme assets	2,210,000	

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	37,942,000	
Current service cost	2,476,000	
Interest cost	1,756,000	
Contributions by scheme participants	597,000	
Actuarial Losses	676,000	
Losses on curtailments	417,000	
Benefits paid	(310,000)	
Closing defined benefit obligation	43,554,000	



---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

19. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2014 £	2013 £
Opening fair value of scheme assets	26,111,000	
Expected return on assets	1,250,000	
Actuarial gains and (losses)	960,000	
Contributions by employer	1,862,000	
Contributions by scheme participants	597,000	
Benefits paid	(310,000)	
Administration expenses	(22,000)	
	<hr/>	<hr/>
	30,448,000	
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £284,000 (2013 – £NIL).

The company expects to contribute £1,668,000 to its defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	71.00%	- %
Bonds	12.00%	- %
Property	10.00%	- %
Cash	3.00%	- %
Target return portfolio	4.00%	- %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are:

	2014	2013
Discount rate at 31 March	4.60%	- %
Expected return on scheme assets at 31 March	4.60%	- %
Future salary increases	4.70%	- %
Future pension increases	2.90%	- %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2014	2013
Retiring today		
Males	22.7	
Females	25.1	
Retiring in 20 years		
Males	24.9	
Females	27.4	

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

19. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(43,554,000)	
Scheme assets	30,448,000	
Deficit	(13,106,000)	
Experience adjustments on scheme assets	960,000	

20. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within 1 year	4,345	
Between 2 and 5 years	6,798	

---

COMMERCIAL SERVICES KENT LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

21. 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 £3,805,183 (2013: *£nil*). The loan is repayable on demand and carries no interest charge and is included within creditors due after one year.

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

	2014 £	2013 £
Sales	49,213,246	
Purchases	1,281,731	
Trade debtors	6,569,383	
Trade creditors	(173,105)	
Other debtors	1,288,344	
Other creditors	(556,710)	

22. POST BALANCE SHEET EVENTS

From 18 August 2014 the facilities management trade has been transferred to the ultimate parent undertaking. During the year ended 31 March 2014 the results of the business were turnover of £6,177,046 and profit of £1,119,556 before central overheads.

23. 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 KENT LIMITED

---

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014

---

	Page	2014 £	2013 £
TURNOVER	23	51,682,926	
Cost of sales	23	(38,132,805)	
		<hr/>	<hr/>
GROSS PROFIT		13,550,121	
Gross profit %		26.2%	0.0%
LESS: OVERHEADS			
Administration expenses	24	(14,414,276)	
		<hr/>	<hr/>
OPERATING LOSS		(864,155)	
Interest receivable	24	12,745	
Other finance (costs)/income	25	(506,000)	
		<hr/>	<hr/>
LOSS FOR THE YEAR		(1,357,410)	
		<hr/>	<hr/>

---

COMMERCIAL SERVICES KENT LIMITED

---

SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

	2014 £	2013 £
TURNOVER		
Sales- Temporary staff	36,699,042	
Sales - Facilities management	6,177,046	
Other sales	3,172,219	
Other income- recharges	5,634,619	
	<hr/>	<hr/>
	51,682,926	
	<hr/>	<hr/>
	2014 £	2013 £
COST OF SALES		
Closing stocks	(2,618)	
Purchases	927,067	
Wages and salaries	11,955,915	
Staff pension costs	42,714	
Commissions payable	7,159	
Leasing of equipment	136,685	
Motor running costs	40,220	
Subcontractor and other direct costs	21,184,662	
Travel and subsistence	164,532	
Other direct costs	3,676,469	
	<hr/>	<hr/>
	38,132,805	
	<hr/>	<hr/>

COMMERCIAL SERVICES KENT LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
ADMINISTRATION EXPENSES		
Directors' salaries	529,656	
Directors' pension costs	62,645	
Staff salaries	5,383,500	
Staff private health insurance	960	
Staff pension costs	487,711	
Staff pension current service costs (FRS17)	2,476,000	
Loss on scheme curtailment (FRS17)	417,000	
Staff training	90,141	
Motor running costs	76,060	
Entertainment	11,021	
Hotels, travel and subsistence	73,190	
Consultancy	221,100	
Printing and stationery	79,619	
Postage	41,186	
Telephone and fax	17,196	
Computer costs	874,849	
Advertising and promotion	519,710	
Trade subscriptions	5,887	
Legal and professional	316,064	
Auditors' remuneration	12,000	
Accountancy	27,450	
Bank charges	17,744	
Bad debts	125,478	
Sundry expenses	113,237	
Rent	995,875	
Rates	268,693	
Light and heat	126,181	
Cleaning	5,063	
Insurances	98,098	
Repairs and maintenance	95,777	
Depreciation of plant and machinery	144,658	
Depreciation of motor vehicles	17,797	
Amortisation of intangible fixed assets	30,146	
Waste disposal	630,584	
Pension admin costs	22,000	
	<u>14,414,276</u>	
	2014 £	2013 £
INTEREST RECEIVABLE		
Bank interest receivable	10,795	
Other interest receivable	1,950	
	<u>12,745</u>	

COMMERCIAL SERVICES KENT LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
OTHER FINANCE (COSTS)IINCOME		
Expected return on pension scheme assets	1,250,000	
Interest on pension scheme liabilities	(1,756,000)	
	<u>(506,000)</u>	<u></u>

---

COMMERCIAL SERVICES TRADING LIMITED

---

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

Barnes Roffe LLP. Chartered Accountants  
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA  
03 September 2014



---

COMMERCIAL SERVICES TRADING LIMITED

---

COMPANY INFORMATION

---

DIRECTORS	C McCoy Esq (appointed 10 June 2014) S G Heywood Esq R J F Martin Esq (appointed 28 February 2014) Mrs K M Short (appointed 28 February 2014) G P C Parsons Esq (appointed 13 November 2013) I A McPherson Esq (resigned 10 March 2014) D N Jackson Esq (resigned 31 March 2014) L Coulson Esq (resigned 28 February 2014)
COMPANY SECRETARY	Mrs K M Short
REGISTERED NUMBER	05858178
REGISTERED OFFICE	1 Abbey Wood Road Kings Hill West Mailing 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

---

CONTENTS

---

	Page
Strategic report	
Directors' report	2 - 3
Independent auditors' report	4- 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 16
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	17 - 19

## COMMERCIAL SERVICES TRADING LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

#### BUSINESS REVIEW

The directors note that the company traded at a satisfactory level during the 2013-14 year.

Trade levels continue to be satisfactory and for those continuing activities a similar performance is expected for 2014/15.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the company's strategy are subject to current economic uncertainty caused by the underlying economic environment and the impact of austerity measures on our customers.

Failure to compete in terms of price and customer service in increasingly competitive local markets could adversely affect the Group's financial results.

Also failure to protect the Group's reputation and brand could lead to a loss of trust and confidence and a decline in our customer base.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The Company tracks financial performance indicators based on the consolidated results of the group. No other key performance indicators would benefit any reader of the accounts.

This report was approved by the board on

and signed on its behalf.

Mrs K M Short  
Director

---

## COMMERCIAL SERVICES TRADING LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

The directors present their report and the financial statements for the year ended 31 March 2014.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 principal activities in the year expanded to include Fleet procurement, Landscaping, Engineering and Recruitment. These additional businesses were previously carried out by other trading entities in the wider group and were transferred to promote and sustain further growth.

Waste disposalservices and Community care have been transferred out of the Company during the year.

#### RESULTS

The profit for the year, after taxation, amounted to £129,882 (2013- £266,707).

#### DIRECTORS

The directors who served during the year were:

S G Heywood Esq  
R J F Martin Esq (appointed 28 February 2014)  
Mrs K M Short (appointed 28 February 2014)  
G PC Parsons Esq (appointed 13 November 2013)  
I A McPherson Esq (resigned 10 March 2014)  
D N Jackson Esq (resigned 31 March 2014)  
L Coulson Esq (resigned 28 February 2014)

#### FUTURE DEVELOPMENTS

Commercial Services Trading Limited is part of a diversified portfolio of businesses delivering a range of

COMMERCIAL SERVICES TRADING LIMITED

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014

---

services with long-term underlying growth prospects and some niche services to support the shareholder. This includes quality brands our customers recognise as leaders in their markets. The Group is managed by a corporate centre, which sets the strategic direction of the Group continually seeking opportunities to improve growth and drive returns in a manner consistent with the Group's heritage of committed service to its customers, whilst promoting a culture of responsibility and integrity across the business.

The Group aims to deliver shareholder value by:

- Delivering organic sales growth through new services that complement the Group's portfolio and expansion into new high growth markets.
- Enhancing margins through operational efficiencies.
- Managing operations and working capital proficiently to generate strong cash-flows.

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.

This report was approved by the board on

and signed on its behalf.

Mrs K M Short  
Director

---

## 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 2014, set out on pages 6 to 16. 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 strategic report and 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 Cientanni (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  
DA26QA

Date:

COMMERCIAL SERVICES TRADING LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
TURNOVER	1,2		
Continuing operations		1,613,948	3,772,657
Acquisitions		18,867,393	
		<u>20,481,341</u>	<u>3,772,657</u>
Discontinued operations		250,974	
		<u>20,732,315</u>	<u>3,772,657</u>
Cost of sales	4	(16,625,154)	(3,135,895)
		<u>4,107,161</u>	<u>636,762</u>
GROSS PROFIT			
Administrative expenses	4	(5,169,228)	(275,544)
Other operating income	3	1,242,890	
		<u>1,242,890</u>	<u></u>
OPERATING PROFIT	5		
Continuing operations			18,418
Acquisitions		<u>(495,950)</u>	
Discontinued operations		180,823	361,218
		<u>5,234</u>	<u>3,068</u>
Interest receivable and similar income			
		<u>186,057</u>	<u>364,286</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	7	(56,175)	(97,579)
		<u>129,882</u>	<u>266,707</u>
PROFIT FOR THE FINANCIAL YEAR	15		

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.



COMMERCIALSERVICES TRADING LIMITED

BALANCE SHEET AS  
AT 31 MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	4,131,182	3,773,579
CURRENT ASSETS			
Stocks	9	271,546	86,242
Debtors	10	7,908,434	783,811
Cash at bank and in hand		418,145	1,404,732
		<u>8,598,125</u>	<u>2,274,785</u>
CREDITORS: amounts falling due within one year	11	<u>(4,806,189)</u>	<u>(1,146,154)</u>
NET CURRENT ASSETS		3,791,936	1,128,631
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,923,118</u>	<u>4,902,210</u>
CREDITORS: amounts falling due after more than one year	12	(5,834,851)	(3,000,000)
PROVISIONS FOR LIABILITIES			
Deferred Tax	13	<u>(133,794)</u>	<u>(77,619)</u>
NET ASSETS		<u>1,954,473</u>	<u>1,824,591</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000,002	1,000,002
Profit and loss account	15	<u>954,471</u>	<u>824,589</u>
SHAREHOLDERS' FUNDS	16	<u>1,954,473</u>	<u>1,824,591</u>

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

Mrs K M Short  
Director

G P C Parsons Esq  
Director

The notes on pages 8 to 16 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

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 not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

<i>UTerm</i> 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 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 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.

1.7 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.

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

1. ACCOUNTING POLICIES (continued)

1.8 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.

2. TURNOVER

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

	2014 £	2013 £
Facilities management	1,251,211	2,513,196
Vehicle rental	9,133,607	
Landscape services	6,113,629	
Temporary staff	1,211,626	
Engineering	2,503,861	
Other	518,381	1,259,461
	<hr/>	<hr/>
	20,732,315	3,772,657
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from continuing activities is attributable to the hire and repair of vehicles, landscaping services and the provision of temporary workers to companies outside of local government. The turnover and profit before taxation from discontinued activities arose from the provision of care.

3. OTHER OPERATING INCOME

	2014 £	2013 £
Rent received	515,569	
Service charge received	727,321	
	<hr/>	<hr/>
	1,242,890	
	<hr/>	<hr/>

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

4. ANALYSIS OF OPERATING PROFIT

	2014		2013	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	20,481,341	250,974	3,772,657	
Cost of sales	(16,377,688)	(247,466)	(3,135,895)	
Gross profit	4,103,653	3,508	636,762	
Administrative expenses	(4,669,770)	(499,458)	(275,544)	
Other operating income	1,242,890			
	<u>676,773</u>	<u>(495,950)</u>	<u>361,218</u>	

The following amounts were included within continuing activities in relation to acquisitions during the year:

	2014 £
Turnover	18,867,393
Cost of sales	(14,069,704)
Gross profit	4,797,689
Administrative expenses	(5,310,691)
Other operating income	1,171,357
Operating profit	<u>658,355</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	138,997	26,693
Auditors' remuneration	12,000	7,175
Operating lease rentals:		
- other operating leases	497,891	
	<u>648,888</u>	<u>33,868</u>

During the year, no director received any emoluments (2013- £NIL).

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

6. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,194,119	1,684,258
Other pension costs	160,405	13,975
	<u>2,354,524</u>	<u>1,698,233</u>

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

	2014 No.	2013 No.
Landscape services	37	72
Facilities management	4	11
Kent Scheme	0	2
Engineering	2	0
Fleet	1	0
Administration	6	0
Recruitment	14	0
Lumina	9	0
Simplicare	5	0
	<u>78</u>	<u>85</u>

7. TAXATION

	2014 £	2013 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year		19,960
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	56,175	77,619
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>56,175</u>	<u>97,579</u>

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

7. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2013 -lower than) the standard rate of corporation tax in the UK of 20% (2013- 24%). The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before tax	186,057	364,286
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013- 24%)	37,211	87,429
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,115	6
Capital allowances for year in excess of depreciation	(48,881)	(63,482)
Group loss relief	(13,445)	
Change in tax rates		(3,993)
CURRENT TAX CHARGE FOR THE YEAR (see note above)		19,960

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

COMMERCIAL SERVICES TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

8. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor Vehicles £	Fixtures & Fittings £	Office Equipment £	Total £
<b>COST</b>					
At 1 April 2013	2,092,406	130,245	1,313,444	275,767	3,811,862
Additions	315,691		529,902	27,632	873,225
Disposals		(130,245)		(275,767)	(406,012)
At 31 March 2014	2,408,097		1,843,346	27,632	4,279,075
<b>DEPRECIATION</b>					
At 1 April 2013	8,896	29,387			38,283
Charge for the year	55,236		82,051	1,710	138,997
On disposals		(29,387)			(29,387)
At 31 March 2014	64,132		82,051	1,710	147,893
<b>NET BOOK VALUE</b>					
At 31 March 2014	2,343,965		1,761,295	25,922	4,131,182
At 31 March 2013	2,083,510	100,858	1,313,444	275,767	3,773,579

Included in leasehold property is land amounting to £592,632 (2013: £592,632) which is not depreciated.

9. STOCKS

	2014 £	2013 £
Stock and work-in-progress	271,546	86,242

10. DEBTORS

	2014 £	2013 £
Trade debtors	4,322,010	373,330
Amounts owed by group undertakings	978,695	
Other debtors, accrued income and prepayments	2,607,729	410,481
	7,908,434	783,811

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

11. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	1,137,173	729,246
Corporation tax		19,960
Other taxation and social security	390,457	30,419
Other creditors, accruals and deferred income	3,278,559	366,529
	<u>4,806,189</u>	<u>1,146,154</u>

12. CREDITORS:  
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Other creditors	2,834,851	
Share capital treated as debt (Note 14)	3,000,000	3,000,000
	<u>5,834,851</u>	<u>3,000,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 14.

13. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	77,619	
Charge for year (P&L)	56,175	77,619
	<u>133,794</u>	<u>77,619</u>
At end of year		

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>133,794</u>	<u>77,619</u>



---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

14. SHARE CAPITAL

	2014 £	2013 £
SHARES CLASSIFIED AS CAPITAL		
ALLOTTED, CALLED UP AND FULLY PAID		
1,000,002 Ordinary shares of £1 each	<u>1,000,002</u>	<u>1,000,002</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>3,000,000</u>

There are two classes of redeemable shares in issue, both classes 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. No premium is payable upon redemption.

15. RESERVES

	Profit and loss account £
At 1 April 2013	824,589
Profit for the financial year	129,882
	<u>954,471</u>
At 31 March 2014	

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,824,591	557,884
Profit for the financial year	129,882	266,707
Shares issued during the year		1,000,000
	<u>1,954,473</u>	<u>1,824,591</u>
Closing shareholders' funds		

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

17. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
EXPIRY DATE:				
Within 1 year			641,947	7,132
Between 2 and 5 years			2,100,923	16,906
After more than 5 years	757,350			

18. 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 £2,834,851 (2013: £nil). The loan is repayable on demand and carries no interest charge and is included within creditors due after one year.

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

	2014	2013
	£	£
Sales	5,714,166	2,514,409
Purchases	987,730	880,033
Trade debtors	2,086,008	301,092
Trade creditors	(90,312)	(343,091)
Other debtor due within one year	(34,922)	205,873

19. 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

---

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014

---

	Page	2014 £	2013 £
Turnover	18	20,732,315	3,772,657
Cost of sales	18	(16,625,154)	(3,135,895)
		<hr/>	<hr/>
Gross profit		4,107,161	636,762
Gross profit%		19.8%	16.9%
Other operating income	18	1,242,890	
		<hr/>	<hr/>
		5,350,051	636,762
Less: Overheads			
Administrative expenses	19	(5,169,228)	(275,544)
		<hr/>	<hr/>
Operating profit		180,823	361,218
Interest receivable	19	5,234	3,068
		<hr/>	<hr/>
Profit for the year		186,057	364,286
		<hr/>	<hr/>

COMMERCIAL SERVICES TRADING LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Turnover		
Sales	2,913,316	2,774,845
Waste management		997,812
Fleet rental	9,133,607	
Landscape services	6,113,629	
Engineering	2,503,861	
Other income - UK	67,902	
	<u>20,732,315</u>	<u>3,772,657</u>
	2014 £	2013 £
Cost of sales		
Opening stocks and work in progress	86,242	30,848
Closing stocks and work in progress	(271,546)	(86,242)
Purchases	2,890,836	567,023
Wages and salaries	1,210,533	1,508,369
Pension contributions	89,397	1,210
Subcontract labour	4,607,972	1,005,308
Hire of plant and equipment	185,522	14,598
Repairs and maintenance	688,519	18,731
Motor expenses	7,110,744	76,050
Travel and subsistence	26,935	
	<u>16,625,154</u>	<u>3,135,895</u>
	2014 £	2013 £
Other operating income		
Rent received	515,569	
Service charge received	727,321	
	<u>1,242,890</u>	<u></u>

COMMERCIAL SERVICES TRADING LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

	2014 £	2013 £
Administrative expenses		
Staff salaries	983,586	175,889
Staff private health insurance	774	2,299
Staff pensions	71,008	12,765
Staff training	66,010	14,550
Agency staff	851,491	
Motor running costs	25,286	9,978
Hotels, travel and subsistence	28,537	
Printing postage and stationery	211,267	568
Telephone and fax	29,103	1,792
Computer costs	9,713	35,752
Advertising and promotion	39,617	500
Trade subscriptions	17,455	
Legal and professional	238,122	6,312
Auditors' remuneration	12,000	7,175
Accountancy	1,250	
Bank charges and interest	7,738	6,181
Bad debts	55,209	(12,137)
Sundry expenses	38,571	6,249
Rent	497,891	
Rates	253,832	47,273
Light and heat	138,101	1,819
Cleaning	46,144	
Service charges	1,123,182	(100,367)
Insurances	95,329	3,909
Repairs and maintenance	189,015	28,344
Depreciation of fixtures and fittings	87,384	
Depreciation of motor vehicles		17,797
Depreciation of leasehold property	51,613	8,896
	<u>5,169,228</u>	<u>275,544</u>
	2014 £	2013 £
Interest receivable		
Bank interest receivable	<u>5,234</u>	<u>3,068</u>

Purchase analysis

	Selling Department					Grand Total
	KCC (DIRECT)	CORE (KCC)	ILLIR	I<TT	TRAC	
CORE & LASER (KCC)	36,739	5,260	12,968,764	4,541	1,018,599	14,024,822
CORE & LASER (KCC) - post y/e transactions			21,343	1,998	17,765	39,106
Total CORE & LASER (KCC)	36,739	5,260	12,990,107	6,539	1,036,364	14,061,932
I<TT	37,848	383,427	145,069	1,485	24,344	
Total I<TT	37,848	383,427	145,069	1,485	24,344	543,484
KENT						
KENT	431,716	335,617	169,010	45,032	1,156,677	2,138,052
KENT - post y/e	507,840	27,638	518		38,240	546,236
Total KENT	939,557	363,256	169,527	45,032	1,194,917	2,712,289
TRAD						
TRAD	538,773	408,478	4,804,216		186,542	5,937,999
TRAD - post y/e transactions	49,025	2,047	550		1,917	52,539
Total TRAD	587,798	410,525	4,804,766		188,459	5,990,538
KCC (Direct)	-	72,803,030	36,223,139	291,465	4,677,802	113,995,436

COMMERCIAL SERVICES

CROSS BOUNDARY SERVICE -2013/14  
RETURN FOR THE 12 MONTHS TO 31 MARCH 2014

	2013 - 14		
	TOTAL TURNOVER (Per Final Accounts)	EXTERNAL BUSINESS	%
Kent County Supplies	46,339,364	37,560,830	
Less:- Agency Adjustment	(370,464)		
	45,968,900	37,560,830	81.71
Furniture Production			#DIV/0!
Furniture Directs	7,623,771	5,260,145	69.00
Projects/PFis			
Community Equipment Services	6,268,874	196,689	3.14
Technical Services			
County Print	106,134	0	0.00
Kent Fleet	802,379	0	0.00
Facilities Management			
Staff Care Services	389,960	113,597	29.13
Passenger Services	103,875	103,875	100.00
Management/PSG/CSIT/mailroom			
Inspection Services	528,332	271,623	51.41
Assisted Care Technology	1,223,033	100,043	8.18
		'm	
	63,015,258	43,606,771	69.20
Previously IHC's:			
Landscape Services	17,347	0	0.00
Transport Engineering	17,124	0	0.00
	34,471	0	
	63,049,729	43,606,771	69.16
LASER Consortium	243,169,496	231,372,294	95.15
	306,219,225		
	306,589,689		
Total	306,589,689		
External	274,979,065		
Internal above	31,610,624		
Internal Trad	4,677,802		
Internal Kent	36,223,139		
Internal KTI	291,465		
TOTAL INTERNAL	72,803,001		

**Commercial Services Sales to KCC**  
**Cross Boundary Sales Analysis with KCC**  
**12 months TO 31March 2014**

		<u>£</u>
<b>Kent Ltd</b>		INT
08	County Print	276,253
12	Kent Facilities Mgt	4,337,806
71	Connect 2 Kent	30,302,028
64	Waste Mgt	1,307,053
72	PA Payroll	
73	Int Payroll	
90	Executive	
93	HR	
94	New Hythe	
96	CSIT	
97	PSG	
		<u>36,223,139</u>
<b><u>KTT Ltd</u></b>		
61	Kent Top Temps	<u>291,465</u>
<b><u>Trading Ltd</u></b>		
02	Transport Engineering	97,406
04	Lumina	0
07	Kent Fleet	3,433,018
17	Landscape Services	752,252
70	Connect 2 Staff	77,088
62	Simpicare	34,121
67	Facilities Management	196,855
66	Weddings	87,062
95	AWR	
		<u>4,677,802</u>
	Total Sales	<u>41,192,406</u>



**COMMERCIAL SERVICES GROUP RECHARGES (COST)/INCOME 2013-14**

		KCC	CS Kent	CS Trading	KentTop Temps
Central O/H in CS Kent	Apr- Dec 2013	(3,370,596)	3,923,370	(517,677)	(35,097)
Central O/H in CS Kent	Jan - Mar 2015	(1,288,344)	1,494,094	(205,750)	0
Central O/H in CS Kent			36,171	(36,171)	
Central O/H in CS Trading	Apr - Dec 2013	(415,020)	(123,725)	539,761	(1,015)
Central O/H in CS Trading	Jan - Mar 2015	(122,451)	(30,523)	152,974	0
Central O/H in CS Trading		(26,874)	(7,712)	34,586	
Rent in CS Trading	8 months 2013/2014	(108,476)	(212,934)	321,410	0
Rent in CS Trading	4 months 2013/2014	(54,236)	(106,466)	160,706	0
Hire charges for assets in KCC	12 months to Mar 2014	299,517		(299,517)	
Hire charges for assets in KCC	12 months to Mar 2014	16,521		(16,521)	
Hire charges for assets in KCC	12 months to Mar 2014	16,309		(16,309)	
Hire charges for assets in KCC	12 months to Mar 2014	16,617		(16,617)	
<b>TOTAL NET RECHARGES</b>		<b>(5,037,034)</b>	<b>4,972,27</b>	<b>100,874</b>	<b>(36,113)</b>

	Sales Invoice From	Company to pay	Descriptic	Net
CommercialServices Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge -April2013	1	398,598.83
CommercialServices Kent Ltd	KCC(CORE)	Payroll Recharge -April 2013	1	461,126.10
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge -April 2013	1	175,820.62
Commercial Services Kent Ltd	CommercialServices Trading Ltd	Payroll Recharge -May 2013	2	364,217.19
Commercial Services Kent Ltd	KCC (CORE)	Payroll Recharge - May 2013	2	483,779.80
Commercial Services Kent Ltd	KCC (LASER)	Payroll Recharge -May 2013	2	179,195.75
Commercial Services Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge- June 2013	3	362,302.53
Commercial Services Kent Ltd	KCC (CORE)	Payroll Recharge- June 2013	3	453,782.80
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge- June 2013	3	172,920.12
Commercial Services Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge- July 2013	4	356,843.15
Commercial Services Kent Ltd	KCC (CORE)	Payroll Recharge- July 2013	4	449,361.77
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge -July 2013	4	179,826.82
CommercialServices Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge- August 2013	5	355,502.44
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge- August 2013	5	460,321.72
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge- August 2013	5	177,523.90
CommercialServices Kent Ltd	CommercialServices Trading Ltd	Payroll Recharge- September 2	6	355,502.44
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge- September 2	6	435,359.71
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge -September 2	6	175,868.42
CommercialServices Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge-October 201	7	338,889.12
Commercial Services Kent Ltd	KCC (CORE)	Payroll Recharge- October 201.	7	437,924.97
Commercial Services Kent Ltd	KCC (LASER)	Payroll Recharge- October 201	7	181,385.59
Commercial Services Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge - November 21	8	326,344.46
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge - November 21	8	436,630.44
Commercial Services Kent Ltd	KCC (LASER)	Payroll Recharge - November 21	8	175,066.08
CommercialServices Kent Ltd	CommercialServices Trading Ltd	Payroll Recharge - December 21	9	323,292.10
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge- December 21	9	446,615.40
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge - December 21	9	170,895.76
CommercialServices Kent Ltd	CommercialServices Trading Ltd	Payroll Recharge -January 2011	10	329,697.21
CommercialServices Kent Ltd	KCC(CORE)	Payroll Recharge -January 2011	10	442,403.01
CommercialServices Kent Ltd	KCC(LASER)	Payroll Recharge- January 2011	10	168,948.50
CommercialServices Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge- February 201	11	329,302.79
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge- February 201	11	464,010.71
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge- February 201	11	270,088.71
CommercialServices Kent Ltd	Commercial Services Trading Ltd	Payroll Recharge- March 2014	12	326,201.45
CommercialServices Kent Ltd	KCC (CORE)	Payroll Recharge - March 2014	12	437,708.01
CommercialServices Kent Ltd	KCC (LASER)	Payroll Recharge- March 2014	12	199,215.79
CS Kent Ltd to	Commercial Services Trading Ltd			4,165,593.71
CS Kent Ltd to	KCC (CORE)			5,409,024.44
CS Kent Ltd to	KCC (LASER)			2,225,757.05

VAT	Total
79,719.77	478,318.60
92,225.22	553,351.32
35,164.12	210,984.74
72,843.44	437,060.63
96,755.96	580,535.76
35,839.15	215,034.90
72,460.51	434,763.04
90,756.56	544,539.36
34,584.02	207,504.14
71,368.63	428,211.78
89,872.35	539,234.12
35,965.36	215,792.18
71,100.49	426,602.93
92,064.34	552,386.06
35,504.78	213,028.68
71,100.49	426,602.93
87,071.94	522,431.65
35,173.68	211,042.10
67,777.82	406,666.94
87,584.99	525,509.96
36,277.12	217,662.71
65,268.89	391,613.35
87,326.09	523,956.53
35,013.22	210,079.30
64,658.42	387,950.52
89,323.08	535,938.48
34,179.15	205,074.91
65,939.44	395,636.65
88,480.60	530,883.61
33,789.70	202,738.20
65,860.56	395,163.35
92,802.14	556,812.85
54,017.74	324,106.45
65,240.29	391,441.74
87,541.60	525,249.61
39,843.36	239,060.15
1,081,804.87	6,490,829.31
445,351.40	2,672,108.46



---

**COMMERCIAL SERVICES TRADING LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**



**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**03 September 2014**

---

**COMMERCIAL SERVICES TRADING LIMITED**

---

**COMPANY INFORMATION**

---

**DIRECTORS**

C McCoy Esq (appointed 10 June 2014)  
S G Heywood Esq  
R J F Martin Esq (appointed 28 February 2014)  
Mrs K M Short (appointed 28 February 2014)  
G P C Parsons Esq (appointed 13 November 2013)  
I A McPherson Esq (resigned 10 March 2014)  
D N Jackson Esq (resigned 31 March 2014)  
L Coulson Esq (resigned 28 February 2014)

**COMPANY SECRETARY**

Mrs K M Short

**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**

---

**CONTENTS**

---

	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 16

---

**COMMERCIAL SERVICES TRADING LIMITED**

---

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**BUSINESS REVIEW**

The directors note that the company traded at a satisfactory level during the 2013-14 year.

Trade levels continue to be satisfactory and for those continuing activities a similar performance is expected for 2014/15.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and execution of the company's strategy are subject to current economic uncertainty caused by the underlying economic environment and the impact of austerity measures on our customers.

Failure to compete in terms of price and customer service in increasingly competitive local markets could adversely affect the Group's financial results.

Also failure to protect the Group's reputation and brand could lead to a loss of trust and confidence and a decline in our customer base.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Company tracks financial performance indicators based on the consolidated results of the group. No other key performance indicators would benefit any reader of the accounts.

This report was approved by the board on 28/11/14 and signed on its behalf.

Mrs K M Short  
Director

x  x



---

## COMMERCIAL SERVICES TRADING LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

The directors present their report and the financial statements for the year ended 31 March 2014.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, 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 principal activities in the year expanded to include Fleet procurement, Landscaping, Engineering and Recruitment. These additional businesses were previously carried out by other trading entities in the wider group and were transferred to promote and sustain further growth.

Waste disposal services and Community care have been transferred out of the Company during the year.

#### RESULTS

The profit for the year, after taxation, amounted to £129,882 (2013 - £266,707).

#### DIRECTORS

The directors who served during the year were:

S G Heywood Esq  
R J F Martin Esq (appointed 28 February 2014)  
Mrs K M Short (appointed 28 February 2014)  
G P C Parsons Esq (appointed 13 November 2013)  
I A McPherson Esq (resigned 10 March 2014)  
D N Jackson Esq (resigned 31 March 2014)  
L Coulson Esq (resigned 28 February 2014)

#### FUTURE DEVELOPMENTS

Commercial Services Trading Limited is part of a diversified portfolio of businesses delivering a range of

---

## COMMERCIAL SERVICES TRADING LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

services with long-term underlying growth prospects and some niche services to support the shareholder. This includes quality brands our customers recognise as leaders in their markets. The Group is managed by a corporate centre, which sets the strategic direction of the Group continually seeking opportunities to improve growth and drive returns in a manner consistent with the Group's heritage of committed service to its customers, whilst promoting a culture of responsibility and integrity across the business.

The Group aims to deliver shareholder value by:

- Delivering organic sales growth through new services that complement the Group's portfolio and expansion into new high growth markets.
- Enhancing margins through operational efficiencies.
- Managing operations and working capital proficiently to generate strong cash-flows.

#### 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.

This report was approved by the board on *28/11/14* and signed on its behalf.

Mrs K M Short  
Director

*[Signature]*

---

## 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 2014, set out on pages 6 to 16. 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 strategic report and 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: 12 December 2014

**COMMERCIAL SERVICES TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2		
Continuing operations		1,613,948	3,772,657
Acquisitions		18,867,393	-
		<u>20,481,341</u>	<u>3,772,657</u>
Discontinued operations		250,974	-
		<u>20,732,315</u>	<u>3,772,657</u>
Cost of sales	4	(16,625,154)	(3,135,895)
		<u>4,107,161</u>	<u>636,762</u>
<b>GROSS PROFIT</b>			
Administrative expenses	4	(5,169,228)	(275,544)
Other operating income	3	1,242,890	-
		<u>4,107,161</u>	<u>636,762</u>
<b>OPERATING PROFIT</b>	5		
Continuing operations		18,418	361,218
Acquisitions		658,355	-
Discontinued operations		(495,950)	-
		<u>180,823</u>	<u>361,218</u>
Interest receivable and similar income		5,234	3,068
		<u>186,057</u>	<u>364,286</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
Tax on profit on ordinary activities	7	(56,175)	(97,579)
		<u>129,882</u>	<u>266,707</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15		
		<u>129,882</u>	<u>266,707</u>

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

**COMMERCIAL SERVICES TRADING LIMITED**  
**REGISTERED NUMBER: 05858178**

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	8	4,131,182	3,773,579
<b>CURRENT ASSETS</b>			
Stocks	9	271,546	86,242
Debtors	10	7,908,434	783,811
Cash at bank and in hand		418,145	1,404,732
		<u>8,598,125</u>	<u>2,274,785</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(4,806,189)</u>	<u>(1,146,154)</u>
<b>NET CURRENT ASSETS</b>		<u>3,791,936</u>	<u>1,128,631</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,923,118</u>	<u>4,902,210</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	(5,834,851)	(3,000,000)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred Tax	13	(133,794)	(77,619)
<b>NET ASSETS</b>		<u>1,954,473</u>	<u>1,824,591</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,000,002	1,000,002
Profit and loss account	15	954,471	824,589
<b>SHAREHOLDERS' FUNDS</b>	16	<u>1,954,473</u>	<u>1,824,591</u>

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

28/11/14

Mrs K M Short  
Director



G P C Parsons Esq  
Director



The notes on pages 8 to 16 form part of these financial statements.

---

## COMMERCIAL SERVICES TRADING LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

---

#### 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 not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those 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 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.6 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.

##### 1.7 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.

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

1. ACCOUNTING POLICIES (continued)

1.8 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.

2. TURNOVER

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

	2014 £	2013 £
Facilities management	1,251,211	2,513,196
Vehicle rental	9,133,607	-
Landscape services	6,113,629	-
Temporary staff	1,211,626	-
Engineering	2,503,861	-
Other	518,381	1,259,461
	<u>20,732,315</u>	<u>3,772,657</u>

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from continuing activities is attributable to the hire and repair of vehicles, landscaping services and the provision of temporary workers to companies outside of local government. The turnover and profit before taxation from discontinued activities arose from the provision of care.

3. OTHER OPERATING INCOME

	2014 £	2013 £
Rent received	515,569	-
Service charge received	727,321	-
	<u>1,242,890</u>	<u>-</u>



**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**4. ANALYSIS OF OPERATING PROFIT**

	<b>2014</b>		<b>2013</b>	
	<b>Continuing £</b>	<b>Discontinued £</b>	<b>Continuing £</b>	<b>Discontinued £</b>
Turnover	<b>20,481,341</b>	<b>250,974</b>	<b>3,772,657</b>	<b>-</b>
Cost of sales	<b>(16,377,688)</b>	<b>(247,466)</b>	<b>(3,135,895)</b>	<b>-</b>
Gross profit	<b>4,103,653</b>	<b>3,508</b>	<b>636,762</b>	<b>-</b>
Administrative expenses	<b>(4,669,770)</b>	<b>(499,458)</b>	<b>(275,544)</b>	<b>-</b>
Other operating income	<b>1,242,890</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>676,773</b>	<b>(495,950)</b>	<b>361,218</b>	<b>-</b>

The following amounts were included within continuing activities in relation to acquisitions during the year:

	<b>2014 £</b>
Turnover	<b>18,867,393</b>
Cost of sales	<b>(14,069,704)</b>
Gross profit	<b>4,797,689</b>
Administrative expenses	<b>(5,310,691)</b>
Other operating income	<b>1,171,357</b>
Operating profit	<b>658,355</b>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2014 £</b>	<b>2013 £</b>
Depreciation of tangible fixed assets:		
- owned by the company	<b>138,997</b>	<b>26,693</b>
Auditors' remuneration	<b>12,000</b>	<b>7,175</b>
Operating lease rentals:		
- other operating leases	<b>497,891</b>	<b>-</b>

During the year, no director received any emoluments (2013 - £NIL).

---

**COMMERCIAL SERVICES TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**6. STAFF COSTS**

~ Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	2,194,119	1,684,258
Other pension costs	160,405	13,975
	<u>2,354,524</u>	<u>1,698,233</u>

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

	2014 No.	2013 No.
Landscape services	37	72
Facilities management	4	11
Kent Scheme	0	2
Engineering	2	0
Fleet	1	0
Administration	6	0
Recruitment	14	0
Lumina	9	0
Simplicare	5	0
	<u>78</u>	<u>85</u>

**7. TAXATION**

	2014 £	2013 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	-	19,960
<b>DEFERRED TAX</b> (see note 13)		
Origination and reversal of timing differences	56,175	77,619
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>56,175</u>	<u>97,579</u>

---

COMMERCIAL SERVICES TRADING LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

---

7. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2013 - *lower than*) the standard rate of corporation tax in the UK of 20% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	186,057	364,286
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 24%)	37,211	87,429
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	25,115	6
Capital allowances for year in excess of depreciation	(48,881)	(63,482)
Group loss relief	(13,445)	-
Change in tax rates	-	(3,993)
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	-	19,960

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**8. TANGIBLE FIXED ASSETS**

	Leasehold property £	Motor Vehicles £	Fixtures & Fittings £	Office Equipment £	Total £
<b>COST</b>					
At 1 April 2013	2,092,406	130,245	1,313,444	275,767	3,811,862
Additions	315,691	-	529,902	27,632	873,225
Disposals	-	(130,245)	-	(275,767)	(406,012)
At 31 March 2014	2,408,097	-	1,843,346	27,632	4,279,075
<b>DEPRECIATION</b>					
At 1 April 2013	8,896	29,387	-	-	38,283
Charge for the year	55,236	-	82,051	1,710	138,997
On disposals	-	(29,387)	-	-	(29,387)
At 31 March 2014	64,132	-	82,051	1,710	147,893
<b>NET BOOK VALUE</b>					
At 31 March 2014	2,343,965	-	1,761,295	25,922	4,131,182
At 31 March 2013	2,083,510	100,858	1,313,444	275,767	3,773,579

Included in leasehold property is land amounting to £592,632 (2013: £592,632) which is not depreciated.

**9. STOCKS**

	2014 £	2013 £
Stock and work-in-progress	271,546	86,242

**10. DEBTORS**

	2014 £	2013 £
Trade debtors	4,322,010	373,330
Amounts owed by group undertakings	978,695	-
Other debtors, accrued income and prepayments	2,607,729	410,481
	7,908,434	783,811

**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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

	2014 £	2013 £
Trade creditors	1,137,173	729,246
Corporation tax	-	19,960
Other taxation and social security	390,457	30,419
Other creditors, accruals and deferred income	3,278,559	366,529
	<u>4,806,189</u>	<u>1,146,154</u>

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

	2014 £	2013 £
Other creditors	2,834,851	-
Share capital treated as debt (Note 14)	3,000,000	3,000,000
	<u>5,834,851</u>	<u>3,000,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 14.

**13. DEFERRED TAXATION**

	2014 £	2013 £
At beginning of year	77,619	-
Charge for year (P&L)	56,175	77,619
	<u>133,794</u>	<u>77,619</u>

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>133,794</u>	<u>77,619</u>

**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**14. SHARE CAPITAL**

	2014 £	2013 £
<b>SHARES CLASSIFIED AS CAPITAL</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,000,002 Ordinary shares of £1 each	<u>1,000,002</u>	<u>1,000,002</u>
<b>SHARES CLASSIFIED AS DEBT</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
3,000,000 Redeemable shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>

There are two classes of redeemable shares in issue, both classes 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. No premium is payable upon redemption.

**15. RESERVES**

	Profit and loss account £
At 1 April 2013	824,589
Profit for the financial year	<u>129,882</u>
At 31 March 2014	<u>954,471</u>

**16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2014 £	2013 £
Opening shareholders' funds	1,824,591	557,884
Profit for the financial year	129,882	266,707
Shares issued during the year	-	1,000,000
Closing shareholders' funds	<u>1,954,473</u>	<u>1,824,591</u>

---

**COMMERCIAL SERVICES TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**17. OPERATING LEASE COMMITMENTS**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>				
Within 1 year	-	-	<b>641,947</b>	<b>7,132</b>
Between 2 and 5 years	-	-	<b>2,100,923</b>	<b>16,906</b>
After more than 5 years	<b>757,350</b>	-	-	-

**18. 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 £2,834,851 (2013: £nil). The loan is repayable on demand and carries no interest charge and is included within creditors due after one year.

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Sales	<b>5,714,166</b>	<b>2,514,409</b>
Purchases	<b>987,730</b>	<b>880,033</b>
Trade debtors	<b>2,086,008</b>	<b>301,092</b>
Trade creditors	<b>(90,312)</b>	<b>(343,091)</b>
Other debtor due within one year	<b>(34,922)</b>	<b>205,873</b>

**19. 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.

This page is intentionally left blank



Registered number: 04410176

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

**Directors' report and financial statements**

**for the year ended 31 March 2014**



**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)

**Directors**

P Wookey (LiK)  
M Dance (KCC)  
A Clifton-Holt (SDC)  
J Gilbey (CCC)  
C Barron (UoK)  
P Watkins (DDC)  
P Czarnomski (UoK) (appointed 18 July 2014)

**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)**

**Contents**

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Statement of total recognised gains and losses</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 18

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

**Directors' report**  
**for the year ended 31 March 2014**

The Directors present their report and the financial statements for the year ended 31 March 2014.

**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.

**Directors**

The Directors who served during the year were:

P Wookey (LiK)  
M Dance (KCC)  
A Clifton-Holt (SDC)  
J Gilbey (CCC)  
C Barron (UoK)  
P Watkins (DDC)  
D Everitt (UoK) (resigned 14 July 2014)  
C Hart (TDC) (resigned 5 June 2014)  
C Moore (HCA) (appointed 1 April 2013 - resigned 31 March 2014)  
N Polaine (HCA) (appointed 1 April 2013 - resigned 31 March 2014)  
P Czarnomski (UoK) (appointed 18 July 2014)

**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 relevant audit information and to establish that the company's auditors are aware of that information.

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

**Directors' report**  
**for the year ended 31 March 2014**

**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 September 2014 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 2014, set out on pages 5 to 18. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

**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 1.8 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.

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

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

**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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

*Reeves & Co LLP*

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

for and on behalf of  
**Reeves & Co LLP**

Statutory Auditor  
Registered Auditors

Canterbury

9 September 2014

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

**Profit and loss account**  
**for the year ended 31 March 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Turnover</b>	<b>1</b>	<b>905,739</b>	776,405
Cost of sales		<b>(457,325)</b>	(431,422)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>448,414</b>	344,983
Administrative expenses		<b>(312,000)</b>	(193,723)
		<hr/>	<hr/>
<b>Operating profit</b>	<b>2</b>	<b>136,414</b>	151,260
Interest receivable and similar income		<b>24,570</b>	7,930
Interest payable and similar charges		<b>(481)</b>	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>160,503</b>	159,190
Tax on profit on ordinary activities	<b>4</b>	<b>(44,769)</b>	(30,064)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<b>13</b>	<b>115,734</b>	129,126
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 18 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 2014**

	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
<b>Profit for the financial year</b>	<b>115,734</b>	129,126
Unrealised surplus on revaluation of investment properties	<b>875,000</b>	1,590,400
Unrealised movement on valuation of other debtors	<b>(178,367)</b>	178,367
Associated movement in deferred tax arising from the movement on valuation of other debtors	<b>(45,000)</b>	(35,000)
Corporation tax arising on disposal of previously revalued investment property	<b>(260,150)</b>	-
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<b>507,217</b>	1,862,893
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 18 form part of these financial statements.

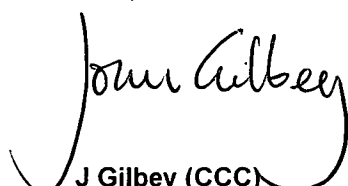
**East Kent Spatial Development Company**  
**(A company limited by guarantee)**  
**Registered number: 04410176**

**Balance sheet**  
**as at 31 March 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	5		2,900		121,344
Investment property	6		3,075,000		3,790,400
			<u>3,077,900</u>		<u>3,911,744</u>
<b>Current assets</b>					
Debtors	7	5,390,005		5,428,392	
Cash at bank		4,450,146		3,068,679	
		<u>9,840,151</u>		<u>8,497,071</u>	
<b>Creditors:</b> amounts falling due within one year	8	(733,557)		(731,539)	
<b>Net current assets</b>			<u>9,106,594</u>		<u>7,765,532</u>
<b>Total assets less current liabilities</b>			<u>12,184,494</u>		<u>11,677,276</u>
<b>Creditors:</b> amounts falling due after more than one year	9		(7,586,668)		(7,586,668)
<b>Net assets</b>			<u><u>4,597,826</u></u>		<u><u>4,090,608</u></u>
<b>Capital and reserves</b>					
Revaluation reserve	13		3,075,000		3,790,400
Other reserves	13		(507,055)		(283,689)
Profit and loss account	13		2,029,881		583,897
			<u><u>4,597,826</u></u>		<u><u>4,090,608</u></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 9 September 2014.

  
**J Gilbey (CCC)**  
 Director

The notes on pages 8 to 18 form part of these financial statements.

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**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 Caxtons Commercial Limited Chartered Surveyors as at 31 March 2014.

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 2014**

**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 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 £8,382,247 lower than it would otherwise have been (2013: £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 2014**

**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 £115,734 (2013: £129,126). The company has £4,450,146 (2013: £3,068,679) 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 2014**

**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:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	1,823	1,306
Auditors' remuneration	5,250	5,100
	<u>          </u>	<u>          </u>

During the year, no Director received any emoluments (2013 - £NIL).

**3. Exceptional items**

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

	2014 £	2013 £
Release of grants towards tangible fixed assets	1,687	(429,067)
Impairment of tangible fixed assets	(1,687)	429,067
	<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 2014**

**4. Taxation**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	<b>44,850</b>	30,200
Adjustments in respect of prior periods	<b>(81)</b>	(136)
	<u><b>44,769</b></u>	<u>30,064</u>
<b>Tax on profit on ordinary activities</b>		

In addition to the above charge recognised through the profit and loss account, the following elements are recognised through the Statement of Total Recognised Gains and Losses:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Corporation tax	<b>260,150</b>	-
Deferred tax	<b>45,000</b>	35,000
<b>Total</b>	<b>349,919</b>	65,064

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 20%). The differences are explained below:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<u><b>160,503</b></u>	<u>159,190</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 20%)	<b>36,916</b>	31,838
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>7,812</b>	91
Capital allowances for year in excess of depreciation	<b>122</b>	(143)
Utilisation of tax losses	-	(1,586)
Adjustments to tax charge in respect of prior periods	<b>(81)</b>	(136)
	<u><b>44,769</b></u>	<u>30,064</u>
<b>Current tax charge for the year</b> (see note above)		

**Factors that may affect future tax charges**

The company has tax losses carried forward of £NIL (2013: £230,000). These losses have previously resulted in the recognition of a deferred tax asset. The tax losses have been utilised to reduce taxable profits.

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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**5. Tangible fixed assets**

	<b>Furniture, fittings and equipment £</b>	<b>Assets under the course of construction £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2013	7,571	645,914	653,485
Additions	1,293	264,398	265,691
Disposals	(2,154)	-	(2,154)
Transfers to investment properties	-	(910,312)	(910,312)
	<hr/>	<hr/>	<hr/>
At 31 March 2014	6,710	-	6,710
<b>Depreciation</b>			
At 1 April 2013	4,141	528,000	532,141
Charge for the year	1,823	-	1,823
Impairment	-	(1,687)	(1,687)
On disposals	(2,154)	-	(2,154)
Transfers to investment properties	-	(526,313)	(526,313)
	<hr/>	<hr/>	<hr/>
At 31 March 2014	3,810	-	3,810
<b>Net book value</b>			
At 31 March 2014	2,900	-	2,900
	<hr/>	<hr/>	<hr/>
At 31 March 2013	3,430	117,914	121,344
	<hr/>	<hr/>	<hr/>



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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**6. Investment property**

	<b>Long term Leasehold investment property £</b>
<b>Valuation</b>	
At 1 April 2013	3,790,400
Additions at cost	225,600
Disposals	(1,816,000)
Surplus on revaluation	875,000
Transfers from Assets under the course of construction	384,000
Grants received in relation to assets constructed	(384,000)
	<hr/>
At 31 March 2014	3,075,000
	<hr/>
<b>Comprising</b>	
Revaluation surplus 2010	1,517,250
	<hr/>
Revaluation surplus 2011	282,750
Revaluation surplus 2012	400,000
Revaluation surplus 2014	875,000
	<hr/>
At 31 March 2014	3,075,000
	<hr/>

The 2014 valuations were made by Caxtons Commercial Limited Chartered Surveyors, on an open market value for existing use basis as at 31 March 2014.

**7. Debtors**

	<b>2014 £</b>	<b>2013 £</b>
<b>Due after more than one year</b>		
Other debtors	5,253,195	3,470,512
Deferred tax asset (see note 11)	-	26,000
<b>Due within one year</b>		
Trade debtors	5,671	9,359
Other debtors	-	1,804,044
Grants receivable	30,171	-
Prepayments and accrued income	100,968	99,477
Deferred tax asset, (see note 11)	-	19,000
	<hr/>	<hr/>
	5,390,005	5,428,392
	<hr/>	<hr/>

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 1.8.

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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**8. Creditors:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Grants received in advance (see note 10)	<b>76,017</b>	124,488
Trade creditors	<b>21,262</b>	18,129
Corporation tax	<b>305,000</b>	30,200
Other taxation and social security	<b>2,013</b>	36,363
Other creditors	<b>329,265</b>	522,359
	<b>733,557</b>	731,539

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Grants received in advance (see note 10)	<b>7,586,668</b>	7,586,668

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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**10. Grants received in advance**

	2014 £	2013 £
Unrestricted grants	1,983,424	1,983,424
Designated grants - other debtors	5,603,244	5,603,244
Designated grants - fixed assets	76,017	124,488
	<u>7,662,685</u>	<u>7,711,156</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 (2013: £300,430) and converted other debtor grants of £1,682,994 (2013: £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 (2013: £1,412,540), funding from the HCA of £2,229,568 (2013: £2,229,568), and funding from the European Regional Development Fund of £1,961,136 (2013: £1,961,136).

**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 £76,017 (2013: £6,574) and funding utilised on unamortised fixed asset expenditure of £NIL (2013: £117,914).

**11. Deferred taxation**

	2014 £	2013 £
At beginning of year	45,000	80,000
released for year (STRGL)	(45,000)	(35,000)
	<u>-</u>	<u>45,000</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Tax losses carried forward	-	45,000

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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**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 2013	3,790,400	(283,689)	583,897
Profit for the financial year			115,734
Corporation tax arising on disposal of previously revalued investment property			(260,150)
Surplus on revaluation of leasehold property	875,000		
Transfer between Revaluation reserve and P/L account	(1,590,400)		1,590,400
Movement on other reserves		(223,366)	
At 31 March 2014	<u>3,075,000</u>	<u>(507,055)</u>	<u>2,029,881</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 2014 the company had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>266,056</u>

In respect of the capital commitment as at 31 March 2013, 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. Other financial commitments**

As at 31 March 2014, the company had made a commitment to make a loan to an unrelated third party totaling £750,000. Of this £150,000 had been paid and is included within other debtors due after more than one year the remainder is expected to be paid out in the forthcoming year. The loan is interest bearing and repayable over 10 years from the date of completion of the project being financed.

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

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**17. Related party transactions**

On 31 March 2014, the Homes and Communities Agency (the HCA) resigned as a member organisation of the company.

Included within other creditors is £42,276 (2013: £240,952) of grant funding which is due back to the HCA. During the year the company received grants from the HCA totaling £307,436 (2013: £578,893). Also during the year some of the grant funding due back to the HCA was converted into a drawdown facility of £195,436 (2013 £NIL) from which expenditure of the company could be funded. The unutilised balance remaining on grants received (including the drawdown facility) is shown in note 10.

During the year the company paid rates to CCC of £148,377 (2013: £146,942).

**18. Controlling party**

There is no controlling party for the company.

This page is intentionally left blank



**Goetec Limited**

**(A company limited by guarantee)**

**Annual report and financial statements  
for the year ended 31 July 2014**

**Registered Number 04416782**



# **Goetec Limited (a company limited by guarantee)**

## **Contents**

Directors and advisors.....	1
Directors' report for the year ended 31 July 2014 .....	2
Independent auditors' report to the members of Goetec Limited.....	6
Profit and loss account for the year ended 31 July 2014 .....	8
Balance sheet as at 31 July 2014.....	9
Notes to the financial statements for the year ended 31 July 2014 .....	10



## **Goetec Limited (a company limited by guarantee)**

### **Directors and advisors**

#### **Directors**

Mr John Sotillo                      Chair of Board

Mr Andrew Ironside

Mr Peter Bole

Mr Paul Butler

#### **Directors resigning in year**

Ms Hilary Sellars                      resigned 28/03/2014

#### **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 2014**

The directors present their report and the audited financial statements of Goetec Limited for the year ended 31 July 2014.

#### **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**

Goetec continues to provide valuable services to its members and the broader community. Plans for significant growth early in 2013/14 were not realised. In July 2013, the General Manager was seconded to the Kent Public Service Network (KPSN) to manage a full European re-procurement of the network that now supports a significant part of the Kent public sector including all Universities and Colleges. As a result, Goetec's overall staffing capacity was considerably diminished and progress on several projects and planned developments was limited. A full time appointment to backfill the General Manager's role was made in February 2014. The General Manager's consultancy for KPSN led to significant income in 2013-14 which will continue into 2014-15 as he continues to manage the transition of the network to new suppliers. It is anticipated that less funding will be available in future years from this source.

Since February 2014, the Interim General Manager has progressed many of the services, projects and new service developments that had been put largely on hold. The company continues to work closely with 'Jisc Collections and Janet Ltd', 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 continues to provide a focal point for ICT activity and sharing best practice across its members and the broader community. It brings members of the community together through the Management Group and Board, and has facilitated the opening of institutions' internal technical discussion to the community. This included an event about the impact of IPv6 in FE and HE.

The company works to ensure that members and customers can take full advantage of KPSN provided services. In 2013-14 there has been a modest increase in the take-up of connectivity services by members. The uptake of web filtering services by FE colleges, based on the very good economies of scale through partnership with Kent Schools, has also continued. The letting of the new KPSN contract in August 2014 is expected to improve the range and cost of the services offered, and a continued increase in uptake can be anticipated.

## **Goetec Limited (a company limited by guarantee)**

### **Directors' report for the year ended 31 July 2014 (continued)**

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. Investment was committed to completing the development of the GOEsend secure file transfer service by the summer of 2014; and also to replace and enhance Goetec's DNS servers providing dual-stack DNS services for the company and some commercial customers. Other services are being discussed or are in pilot including GOEsix, an IPv6 to IPv4 web proxy service. These services will be available to the Goetec community and to external customers by the autumn of 2014 and have potential to realise modest income streams into 2015 as take-up improves.

The financial climate in the public sector is difficult, although the level of challenge is different across the various Goetec members. Goetec works closely with all members and Directors and with funding organisations to ensure that it is adding value and meeting their needs.

The Board agreed at its August meeting that Goetec should engage with the Kent Growth Accelerator programme from the autumn of 2014 to review and reformulate its strategy to identify new products and services, R&D and consultancy. This will be used as the basis for enhancing services to further benefit members and for generating additional income and making inroads into new markets across the public, commercial and not-for-profit sectors over the next 3 years.

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 also partly funded by Janet and by Kent County Council as a contribution to its function to provide a liaison between these organisations. The consultancy income from KPSN is expected to reduce in 2015 though the Janet funding has been confirmed for the next financial year. The interim General Manager's role mentioned above is temporary and is expected to end at the point the consultancy work for KPSN completes. This will leave Goetec's income and expenditure in a sustainable position, but does reduce overall turnover and staff complement.

The second significant risk remains the loss of the General Manager as the only member of staff concerned with the management and quality of Goetec services and the realisation of any forward business plans. This risk is less serious while the Interim General Manager is in place, but will return once the KPSN consultancy mentioned above is complete. The Interim General Manager is to review the company Risk Register to update all financial, operational and commercial risks and to institute a regular risk review including a standing item on the Board agenda.

## **Goetec Limited (a company limited by guarantee)**

### **Directors' report for the year ended 31 July 2014 (continued)**

#### **Results for the year**

Income received during the year was £289,774 (2013: £295,995); the company's expenditure for the year was £291,654 (2013: £254,184). The loss for the year before taxation was £744 (2013: £43,073 profit). Loss after taxation was £2,257 (2013: £35,722 profit).

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 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.

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.

## **Goetec Limited (a company limited by guarantee)**

### **Directors' report for the year ended 31 July 2014 (continued)**

#### **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 20 November 2014 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 2014, which comprise the profit and loss account, balance sheet and related notes 1 -13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not 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 2014 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.

## **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 from the requirement.

*Reeves & Co LLP*

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: *24.11.14*

## **Goetec Limited (a company limited by guarantee)**

### **Profit and loss account for the year ended 31 July 2014**

	Note	2014 £	2013 £
Turnover	2	289,774	295,995
Administration expenses		291,804	254,184
Operating profit	3	(2,030)	41,811
Interest on bank account maintained by CCCU		1,286	1,262
Profit on ordinary activities before taxation		(744)	43,073
Tax on profit on ordinary activities	5	1,513	7,351
(Loss)/Profit for the financial year	11	(2,257)	35,722

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)**

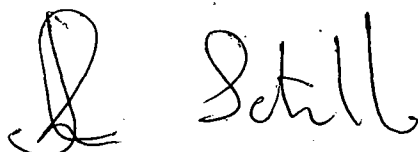
**Balance sheet as at 31 July 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	6	-	17,824
<b>Current assets</b>			
Debtors	8	286,010	259,908
Creditors: amounts falling due within one year	9	(39,298)	(28,763)
<b>Net current assets/ (liabilities)</b>		<b>246,712</b>	<b>231,145</b>
<b>Net assets</b>		<b>246,712</b>	<b>248,969</b>
<b>Reserves</b>			
Profit and loss account	11	246,712	248,969
<b>Total funds</b>		<b>246,712</b>	<b>248,969</b>

The notes on pages 10 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 8 to 14 were approved by the board of directors on 20 November 2014 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 2014**

### **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.

#### **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.

#### **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.

## Goetec Limited (a company limited by guarantee)

### 2 Turnover

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

	2014 £	2013 £
Amortisation of deferred capital grants	8,311	65,810
Membership subscriptions	67,500	67,500
Other services	213,963	162,685
	<b>289,774</b>	<b>295,995</b>

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

	2014 £	2013 £
Profit on ordinary activities before taxation is stated after charging		
Depreciation	17,824	79,260
External auditors' fees	5,150	5,000

### 4 Directors' emoluments

None of the directors received emoluments during the year (2013: £nil).

### 5 Tax on (loss)/profit on ordinary activities

	2014 £	2013 £
<b>(a) Analysis of tax charge for the period</b>		
<u>Current tax:</u>		
UK corporation tax at 20% (PY:20%)	2,700	10,432
Adjustment in respect of prior period	-	(247)
Total current tax	<b>2,700</b>	<b>10,185</b>
<u>Deferred tax:</u>		
Origination and reversal of timing differences	(1,187)	(2,834)
Total deferred tax (note 7)	<b>(1,187)</b>	<b>(2,834)</b>
<b>Tax on profit on ordinary activities</b>	<b>1,513</b>	<b>7,351</b>

#### (b) 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 2013	416,609
Additions during the year	-
Disposals during the year	-
<b>Cost as at 31 July 2014</b>	<b>416,609</b>
Accumulated depreciation as at 31 July 2013	398,785
Charge for year	17,824
Depreciation for assets disposed of	-
<b>Accumulated depreciation as at 31 July 2014</b>	<b>416,609</b>
<b>Net book value as at 31 July 2014</b>	<b>-</b>
Net book value as at 31 July 2013	17,824

### 7 Deferred Tax Asset

	2014 provided £	2013 provided £
Capital allowances in excess of depreciation	(3,261)	(2,074)
<b>Deferred tax (asset)/liability</b>		
Asset at start of period	(2,074)	760
Deferred tax (credit) in profit and loss	(1,187)	(2,834)
<b>(Asset)/liability at end of period</b>	<b>(3,261)</b>	<b>(2,074)</b>
The deferred tax asset is made up as follows:		
Depreciation in advance of capital allowances	(3,261)	(2,074)

### 8 Debtors

	2014 £	2013 £
Deferred tax asset	3,261	2,074
Trade debtors	13,573	385
Related party debtors	260,053	248,946
Value Added Tax	7,351	5,091
Prepayments and accrued income	1,772	3,412
	<b>286,010</b>	<b>259,908</b>

## Goetec Limited (a company limited by guarantee)

### 9 Creditors: amounts falling due within one year

	2014	2013
	£	£
Accruals	31,531	6,660
Deferred income	5,067	3,360
Corporation Tax	2,700	10,432
Deferred capital grants due in less than one year	-	8,311
	<b>39,298</b>	<b>28,763</b>

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

### 10 Deferred Capital Grants

	Capital Grants
	£
Costs brought forward 1 August 2013	362,809
Additions during the year	-
Disposals during the year	-
<b>Cost as at 31 July 2014</b>	<b>362,809</b>
Accumulated amortisation as at 1 August 2013	354,498
Amount released to income	8,311
Amount released to income on disposed assets	-
<b>Accumulated amortisation as at 31 July 2014</b>	<b>362,809</b>
<b>Net book value as at 31 July 2014</b>	<b>-</b>
Net book value as at 31 July 2013	8,311

### 11 Reserves

	Profit and loss account
	£
As at 1 August 2013	248,969
(Loss) for the financial year	(2,257)
<b>At 31 July 2014</b>	<b>246,712</b>

## **Goetec Limited (a company limited by guarantee)**

### **12 Controlling party**

No one party has overall control of the company.

### **13 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:

	2014	2013
	£	£
Canterbury Christ Church University - income receivable	29,838	28,088
Expenditure payable	167,018	130,734
University for the Creative Arts - income receivable	19,796	22,149
University of Greenwich - income receivable	25,294	27,291
University of Kent - income receivable	22,781	21,619
Expenditure payable	6,600	105
Kent County Council - income receivable	96,130	58,885
Expenditure payable	85,562	68,453
Janet - income receivable	25,354	25,354

Canterbury Christ Church University is contracted by Goetec Limited to run its Network Operation Centre and to provide technical advice. Amounts totalling £167,018 (2013: £130,734) were made to Canterbury Christ Church University during the year for this service. Included within Goetec Limited debtors balance at 31 July 2014 is £254,114 (2013: £246,136) due from Canterbury Christ Church University. Other related party debtor balances totalled £5,939 (2013: £2,810).

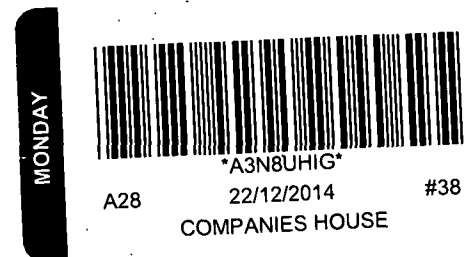
---

**KENT COUNTY TRADING LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**



**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**14 November 2014**

---

## KENT COUNTY TRADING LIMITED

---

### COMPANY INFORMATION

---

**DIRECTORS**

C McCoy Esq (appointed 10 June 2014)  
R Martin Esq (appointed 28 February 2014)  
Mrs K Short (appointed 28 February 2014)  
S Heywood Esq (appointed 13 November 2013)  
G Parsons Esq (appointed 13 November 2013)  
D N Jackson Esq (resigned 31 March 2014)  
I A McPherson Esq (resigned 10 March 2014)  
L Coulson Esq (resigned 28 February 2014)

**COMPANY SECRETARY**

Mrs K Short

**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**

---

**CONTENTS**

---

	Page
<b>Group strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 4</b>
<b>Independent auditors' report</b>	<b>5 - 6</b>
<b>Consolidated profit and loss account</b>	<b>7</b>
<b>Consolidated statement of total recognised gains and losses</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9 - 10</b>
<b>Company balance sheet</b>	<b>11</b>
<b>Consolidated cash flow statement</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 31</b>

---

## KENT COUNTY TRADING LIMITED

---

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

#### INTRODUCTION

The directors present the group strategic report accompanying the financial statements for the year ended 31 March 2014.

#### BUSINESS REVIEW

The directors note that the company and the Group traded at a satisfactory level during the 2013-14 year.

Under FRS17, the Group has included a pension deficit for the year of £1,275,000 reducing total recognised gains and losses for the year to a loss of £1,180,809.

Trade levels continue to be satisfactory and for those continuing activities a similar performance is expected for 2014/15.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and execution of the Group's strategy are subject to current economic uncertainty caused by the underlying economic environment and the impact of austerity measures on our customers (especially in the public sector).

Failure to compete in terms of price and customer service in increasingly competitive local markets could adversely affect the Group's financial results.


Also failure to protect the Group's reputation and brand could lead to a loss of trust and confidence and a decline in our customer base.

The Group employs a number of staff who are members of the Kent County Council Pension Fund. The scheme is a defined benefit statutory scheme administered in accordance with Local Government Pension Scheme Regulations 2013/14. Benefits are based on final salary and length of service on retirement. Deficits under the scheme could increase if there is a fall in corporate bond yields which are not offset by an increase in the pension scheme's assets. Other risks affecting the fund include investments, inflation and life expectancy risks. There are also increasing risks of legal and regulatory changes introducing more burdensome requirements

#### FINANCIAL KEY PERFORMANCE INDICATORS

The Group tracks financial performance indicators based on the consolidated results of the Group. No other key performance indicators would benefit any reader of the accounts.

This report was approved by the board on 28/11/14 and signed on its behalf.



**G Parsons Esq**  
Director

---

## KENT COUNTY TRADING LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

The directors present their report and the financial statements for the year ended 31 March 2014.

#### 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 company is that of a holding company.

The principal activity of the Group continued to be that of a temporary employment agency and employment business. On 1 April 2013, there was a restructure of businesses between the trading entities controlled by Kent County Council. The employment agency activities of 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 a result, the Group expanded activities into Fleet procurement, Landscaping, Engineering, Facilities Management and Print and Design.

During the year the Group ceased trading in Print and Design Services and Healthcare.

#### RESULTS

The loss for the year, after taxation, amounted to £1,464,809 (2013 - profit £259,427).

---

## KENT COUNTY TRADING LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

---

#### DIRECTORS

The directors who served during the year were:

R Martin Esq (appointed 28 February 2014)  
Mrs K Short (appointed 28 February 2014)  
S Heywood Esq (appointed 13 November 2013)  
G Parsons Esq (appointed 13 November 2013)  
D N Jackson Esq (resigned 31 March 2014)  
I A McPherson Esq (resigned 10 March 2014)  
L Coulson Esq (resigned 28 February 2014)

#### FUTURE DEVELOPMENTS

Kent County Trading Limited is part of a diversified portfolio of businesses delivering a range of services with long-term underlying growth prospects and some niche services to support the shareholder. This includes quality brands our customers recognise as leaders in their markets. The Group is managed by a corporate centre, which sets the strategic direction of the Group continually seeking opportunities to improve growth and drive returns in a manner consistent with the Group's heritage of committed service to its customers, whilst promoting a culture of responsibility and integrity across the business.

The Group aims to deliver shareholder value by:

- Delivering organic sales growth through new services that complement the Group's portfolio and expansion into new high growth markets.
- Enhancing margins through operational efficiencies.
- Managing operations and working capital proficiently to generate strong cash-flows.

In line with the strategic direction of the Group and following a review by Kent County Council, the ultimate parent entity, the Group will cease trading in the Facilities Management division and the activity will be transferred back to the shareholder by December 2014.

The business has also undertaken development of a new computer operating system during the year for one of its key brands and this development programme will continue into 2015. Development expenditure in respect of the new system has been capitalised in the current year and amortised in accordance with the group accounting policy.

#### 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.

---

**KENT COUNTY TRADING LIMITED**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**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 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 relevant audit information and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on *x 28/11/14.* *x* and signed on its behalf.

*x [Signature]*

**Mrs K Short**  
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 2014, set out on pages 7 to 31. 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 2014 and of the group's 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.

#### 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: 14 December 2014

**KENT COUNTY TRADING LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2		
Continuing operations		37,204,115	41,995,197
Acquisitions		28,343,284	-
		<u>65,547,399</u>	<u>41,995,197</u>
Discontinued operations		2,185,520	-
		<u>67,732,919</u>	<u>41,995,197</u>
Cost of sales	4	(51,917,455)	(38,840,048)
<b>GROSS PROFIT</b>		15,815,464	3,155,149
Administrative expenses	4	(17,541,479)	(2,772,200)
Other operating income	3	761,527	-
<b>OPERATING (LOSS)/PROFIT</b>	5		
Continuing operations		1,543,892	382,949
Acquisitions		(1,362,929)	-
Discontinued operations		(1,145,451)	-
		<u>(964,488)</u>	<u>382,949</u>
Interest receivable and similar income		18,973	6,614
Interest payable and similar charges	9	(8,250)	(13,935)
Other finance (costs)/income	10	(506,000)	-
		<u>(501,277)</u>	<u>(10,251)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,459,765)	375,628
Tax on (loss)/profit on ordinary activities	11	(5,044)	(116,201)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>	21	<u>(1,464,809)</u>	<u>259,427</u>

The notes on pages 13 to 31 form part of these financial statements.



---

KENT COUNTY TRADING LIMITED

---

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2014

---

	Note	2014 £	2013 £
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(1,464,809)</b>	259,427
Actuarial gain related to pension scheme	26	<u>284,000</u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u><b>(1,180,809)</b></u>	<u>259,427</u>

The notes on pages 13 to 31 form part of these financial statements.

**KENT COUNTY TRADING LIMITED**  
**REGISTERED NUMBER: 05242899**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Intangible assets	12		703,559		755
Tangible assets	13		5,146,511		3,889,754
Investments	14		-		2
			<u>5,850,070</u>		<u>3,890,511</u>
<b>CURRENT ASSETS</b>					
Stocks	15	274,164		130,188	
Debtors	16	17,297,079		7,622,066	
Cash at bank and in hand		1,283,827		1,513,323	
		<u>18,855,070</u>		<u>9,265,577</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	(11,567,391)		(6,808,739)	
<b>NET CURRENT ASSETS</b>			<u>7,287,679</u>		<u>2,456,838</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,137,749</u>		<u>6,347,349</u>
<b>CREDITORS:</b> amounts falling due after more than one year	18		(9,640,034)		(3,000,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	19		(133,794)		(77,619)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>3,363,921</u>		<u>3,269,730</u>
Defined benefit pension scheme liability	26		(1,275,000)		-
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>2,088,921</u></u>		<u><u>3,269,730</u></u>

---

KENT COUNTY TRADING LIMITED

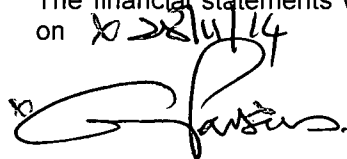
---

CONSOLIDATED BALANCE SHEET (continued)  
AS AT 31 MARCH 2014

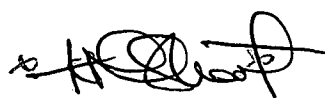
---

	Note	£	2014 £	£	2013 £
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		1,000,002		1,000,002
Profit and loss account	21		1,088,919		2,269,728
<b>SHAREHOLDERS' FUNDS</b>	22		<u>2,088,921</u>		<u>3,269,730</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/4/14



**G Parsons Esq**  
Director



**Mrs K Short**  
Director

The notes on pages 13 to 31 form part of these financial statements.

**KENT COUNTY TRADING LIMITED**  
**REGISTERED NUMBER: 05242899**

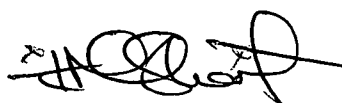
**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Investments	14		4,000,006		4,000,008
<b>CURRENT ASSETS</b>					
Cash at bank		2		2	
<b>CREDITORS: amounts falling due within one year</b>	17	(6)		(8)	
<b>NET CURRENT LIABILITIES</b>			(4)		(6)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,000,002		4,000,002
<b>CREDITORS: amounts falling due after more than one year</b>	18		(3,000,000)		(3,000,000)
<b>NET ASSETS</b>			1,000,002		1,000,002
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		1,000,002		1,000,002
<b>SHAREHOLDERS' FUNDS</b>	22		1,000,002		1,000,002

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 July 14



**G Parsons Esq**  
Director



**Mrs K Short**  
Director

The notes on pages 13 to 31 form part of these financial statements.

---

**KENT COUNTY TRADING LIMITED**

---

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

---

	Note	2014 £	2013 £
Net cash flow from operating activities	23	(2,608,642)	656,784
Returns on investments and servicing of finance	24	10,723	(7,321)
Taxation		(38,582)	(197,584)
Capital expenditure and financial investment	24	(2,392,995)	(3,772,199)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(5,029,496)</b>	<b>(3,320,320)</b>
Financing	24	4,800,000	3,850,000
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(229,496)</b>	<b>529,680</b>

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2014**

---

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(229,496)	529,680
Cash inflow from increase in debt and lease financing	(4,800,000)	(2,850,000)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>(5,029,496)</b>	<b>(2,320,320)</b>
Other non-cash changes	(1,640,034)	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(6,669,530)</b>	<b>(2,320,320)</b>
Net (debt)/funds at 1 April 2013	(1,686,677)	633,643
<b>NET DEBT AT 31 MARCH 2014</b>	<b>(8,356,207)</b>	<b>(1,686,677)</b>

---

The notes on pages 13 to 31 form part of these financial statements.

---

## KENT COUNTY TRADING LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

---

#### 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').

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 Group 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 a commercial basis. Intangible assets are amortised on a straight line basis over 5 years.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those 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.

##### 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.

---

## KENT COUNTY TRADING LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

---

#### 1. ACCOUNTING POLICIES (continued)

##### 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 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

##### 1.11 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.

##### 1.12 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 participates in a defined benefit pension scheme. The liabilities of the pension fund attributable to the Group are included in the balance sheet on an actuarial basis using the projected unit method. The assets of the pension fund attributable to the Group are included in the balance sheet at their fair value. The liabilities and assets attributable to the Group are based on a full actuarial valuation dated 1 April 2013 updated to 31 March 2014

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**2. TURNOVER**

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from continuing activities is attributable to the principal activities of the Group. The turnover and profit before taxation from discontinued activities arose from printing services, the provision of healthcare and bus services.

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Temporary staff	<b>32,408,223</b>	<b>35,068,852</b>
Facilities management	<b>7,428,257</b>	<b>2,719,421</b>
Vehicle rental and travel	<b>9,929,386</b>	<b>2,960,055</b>
Landscape services	<b>6,113,629</b>	-
Engineering	<b>2,503,861</b>	<b>997,812</b>
Recharges	<b>5,634,619</b>	-
Waste	<b>1,883,061</b>	-
Other	<b>1,831,883</b>	<b>249,057</b>
Total	<b>67,732,919</b>	<b>41,995,197</b>

**3. OTHER OPERATING INCOME/(COST)**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Rent received	<b>196,167</b>	-
Service charge receivable	<b>565,360</b>	-
	<b>761,527</b>	-



# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 4. ANALYSIS OF OPERATING (LOSS)/PROFIT

	Continuing £	2014 Discontinued £	Continuing £	2013 Discontinued £
Turnover	65,547,399	2,185,520	41,995,197	-
Cost of sales	(49,925,349)	(1,992,106)	(38,840,048)	-
Gross profit	15,622,050	193,414	3,155,149	-
Administrative expenses	(16,202,614)	(1,338,865)	(2,772,200)	-
Other operating income	761,527	-	-	-
	180,963	(1,145,451)	382,949	-

The following amounts were included within continuing activities in relation to acquisitions during the year:

	2014 £
Turnover	28,343,284
Cost of sales	(17,253,236)
Gross profit	11,090,048
Administrative expenses	(13,214,504)
Other operating income	761,527
Operating (loss)/profit	(1,362,929)

### 5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £	2013 £
Amortisation - intangible fixed assets	3,221	2,240
Depreciation of tangible fixed assets:		
- owned by the group	314,824	89,207
Operating lease rentals:		
- plant and machinery	282,632	415,081
- other operating leases	497,891	-

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**6. AUDITORS' REMUNERATION**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor for the audit of the annual accounts	<b>28,000</b>	24,705
Fees payable to the Group's auditor and its associates in respect of:		
All other non-audit services not included above	<b>33,145</b>	13,525
	<u><b>33,145</b></u>	<u>13,525</u>

**7. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages, salaries and social security costs	<b>19,994,032</b>	15,688,185
Other pension costs (Note 26)	<b>3,694,696</b>	27,794
	<u><b>23,688,728</b></u>	<u>15,715,979</u>

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

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Temporary staff	<b>532</b>	520
Administration staff	<b>101</b>	174
Facilities Management	<b>67</b>	11
Education services	<b>196</b>	0
Landscape services	<b>152</b>	72
Laser energy	<b>76</b>	0
Engineering	<b>40</b>	0
Recruitment	<b>48</b>	0
Other	<b>66</b>	73
	<u><b>1,278</b></u>	<u>850</u>

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**8. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>529,656</u>	<u>-</u>
Company pension contributions to defined contribution pension schemes	<u>62,645</u>	<u>-</u>

During the year retirement benefits were accruing to 5 directors (2013 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £203,261 (2013 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,634 (2013 - £NIL).

**9. INTEREST PAYABLE**

	2014 £	2013 £
On bank loans and overdrafts	8,250	13,645
Other interest payable	-	290
	<u>8,250</u>	<u>13,935</u>

**10. OTHER FINANCE INCOME/(COST)**

	2014 £	2013 £
Expected return on pension scheme assets	1,250,000	-
Interest on pension scheme liabilities	(1,756,000)	-
	<u>(506,000)</u>	<u>-</u>

# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 11. TAXATION

	2014 £	2013 £
<b>Analysis of tax (credit)/charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	38,582
Adjustments in respect of prior periods	(51,131)	-
<b>Total current tax</b>	<b>(51,131)</b>	<b>38,582</b>
<b>Deferred tax</b> (see note 19)		
Origination and reversal of timing differences	56,175	77,619
<b>Tax on (loss)/profit on ordinary activities</b>	<b>5,044</b>	<b>116,201</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - *lower than*) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	(1,459,765)	375,628
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	(335,746)	90,151
<b>Effects of:</b>		
Expenses/(income) not deductible for tax purposes, other than goodwill amortisation and impairment	486,075	418
Capital allowances for the year in excess of depreciation	(49,879)	(44,270)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(185,300)	-
Unrelieved tax losses carried forward	36,246	-
Change in tax rates re losses carried back	(2,527)	-
Tax at the lower rate of 20%	-	(7,717)
<b>Current tax (credit)/charge for the year</b> (see note above)	<b>(51,131)</b>	<b>38,582</b>

#### Factors that may affect future tax charges

Tax losses amounting to £157,588 have been carried forward to offset against future taxable profits of the Group.

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**12. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Computer software £</b>	<b>Development £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2013	-	29,720	29,720
Additions	96,854	636,851	733,705
Disposals	-	(29,720)	(29,720)
At 31 March 2014	<u>96,854</u>	<u>636,851</u>	<u>733,705</u>
<b>Amortisation</b>			
At 1 April 2013	-	28,965	28,965
Charge for the year	3,221	-	3,221
On disposals	-	(28,965)	(28,965)
Impairment charge	26,925	-	26,925
At 31 March 2014	<u>30,146</u>	<u>-</u>	<u>30,146</u>
<b>Net book value</b>			
At 31 March 2014	<u>66,708</u>	<u>636,851</u>	<u>703,559</u>
At 31 March 2013	<u>-</u>	<u>755</u>	<u>755</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

13. TANGIBLE FIXED ASSETS

Group	L/term Leasehold property £	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures fittings and office equipment £	Total £
<b>Cost</b>						
At 1 April 2013	2,092,406	89,015	75,532	148,873	1,623,987	4,029,813
Additions	315,691	-	-	-	1,358,692	1,674,383
Disposals	-	(89,015)	(75,532)	(12,084)	(34,776)	(211,407)
At 31 March 2014	2,408,097	-	-	136,789	2,947,903	5,492,789
<b>Depreciation</b>						
At 1 April 2013	8,896	11,415	56,176	44,447	19,125	140,059
Charge for the year	55,236	-	-	17,842	241,746	314,824
On disposals	-	(11,415)	(56,176)	(8,562)	(32,452)	(108,605)
At 31 March 2014	64,132	-	-	53,727	228,419	346,278
<b>Net book value</b>						
At 31 March 2014	2,343,965	-	-	83,062	2,719,484	5,146,511
At 31 March 2013	2,083,510	77,600	19,356	104,426	1,604,862	3,889,754

Included in leasehold property is land amounting to £592,632 (2013: £592,632) which is not depreciated.

14. FIXED ASSET INVESTMENTS

Group	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2013	2
Amounts written off	(2)
At 31 March 2014	-
<b>Net book value</b>	
At 31 March 2014	-
At 31 March 2013	2

**KENT COUNTY TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**14. FIXED ASSET INVESTMENTS (continued)**

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2013	4,000,008
Amounts written off	(2)
At 31 March 2014	<u>4,000,006</u>
<b>Net book value</b>	
At 31 March 2014	<u>4,000,006</u>
At 31 March 2013	<u>4,000,008</u>

**15. STOCKS**

	<u><b>Group</b></u>	<u><b>Company</b></u>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Finished goods	-	43,946
Stock and work in progress	274,164	86,242
	<u>274,164</u>	<u>130,188</u>
	<u>-</u>	<u>-</u>

**16. DEBTORS**

	<u><b>Group</b></u>	<u><b>Company</b></u>
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	10,992,478	6,448,606
Corporation tax debtor	51,131	-
Other debtors	6,253,470	1,173,460
	<u>17,297,079</u>	<u>7,622,066</u>
	<u>-</u>	<u>-</u>

Included in other debtors due after more than one year are amounts due from Kent County Council in relation to a liability arising on the defined benefit pension scheme, for employees transferred under TUPE regulations on 1 April 2013 as disclosed in note 26.

# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 17. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other loans	-	200,000	-	-
Trade creditors	3,178,332	3,697,795	-	-
Corporation tax	-	38,582	-	-
Other taxation and social security	2,094,397	1,776,736	-	-
Other creditors	6,294,662	1,095,626	6	8
	<u>11,567,391</u>	<u>6,808,739</u>	<u>6</u>	<u>8</u>

### 18. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Other loans	6,640,034	-	-	-
Share capital treated as debt (Note 20)	3,000,000	3,000,000	3,000,000	3,000,000
	<u>9,640,034</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 20.

### 19. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	77,619	-	-	-
Charge for the year (P&L)	56,175	77,619	-	-
At end of year	<u>133,794</u>	<u>77,619</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	133,794	77,619	-	-



---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**20. SHARE CAPITAL**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Shares classified as capital</b>		
<b>Allotted, called up and fully paid</b>		
1,000,002 Ordinary shares of £1 each	<u><b>1,000,002</b></u>	<u><b>1,000,002</b></u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
1,000,000 Redeemable shares of £1 each	<b>1,000,000</b>	<b>1,000,000</b>
2,000,000 Redeemable 2017 shares of £1 each	<b>2,000,000</b>	<b>2,000,000</b>
	<u><b>3,000,000</b></u>	<u><b>3,000,000</b></u>

There are two classes of redeemable shares in issue, both classes 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. No premium is payable upon redemption.

**21. RESERVES**

	<b>Profit and loss account</b>
	<b>£</b>
<b>Group</b>	
At 1 April 2013	<b>2,269,728</b>
Loss for the financial year	<b>(1,464,809)</b>
Pension reserve movement	<b>284,000</b>
	<u><b>1,088,919</b></u>
At 31 March 2014	

# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 22. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

<b>Group</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Opening shareholders' funds	3,269,730	2,010,303
(Loss)/profit for the financial year	(1,464,809)	259,427
Shares issued during the year	-	1,000,000
Other recognised gains and losses during the year	284,000	-
	<u>2,088,921</u>	<u>3,269,730</u>
Closing shareholders' funds		
	<u>2,088,921</u>	<u>3,269,730</u>

<b>Company</b>	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Opening shareholders' funds	1,000,002	2
Shares issued during the year	-	1,000,000
	<u>1,000,002</u>	<u>1,000,002</u>
Closing shareholders' funds		
	<u>1,000,002</u>	<u>1,000,002</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 (2013 - £NIL).

### 23. NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>2014</b> <b>£</b>	<b>2013</b> <b>£</b>
Operating (loss)/profit	(964,488)	382,949
Amortisation of intangible fixed assets	30,146	2,240
Depreciation of tangible fixed assets	314,824	89,207
Loss on disposal of tangible fixed assets	88,464	22,015
Increase in stocks	(143,976)	(99,339)
Increase in debtors	(9,623,882)	(267,726)
Increase in creditors	6,637,270	527,438
Increase in net pension assets/liabilities	1,053,000	-
	<u>(2,608,642)</u>	<u>656,784</u>
<b>Net cash (outflow)/inflow from operating activities</b>		
	<u>(2,608,642)</u>	<u>656,784</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	18,973	6,614
Interest paid	(8,250)	(13,935)
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>	<b>10,723</b>	<b>(7,321)</b>
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(733,705)	-
Sale of intangible fixed assets	755	-
Purchase of tangible fixed assets	(1,674,383)	(3,807,249)
Sale of tangible fixed assets	14,338	35,050
<b>Net cash outflow from capital expenditure</b>	<b>(2,392,995)</b>	<b>(3,772,199)</b>
	2014 £	2013 £
<b>Financing</b>		
Issue of ordinary shares	-	1,000,000
Other new loans	5,000,000	-
Repayment of other loans	(200,000)	(150,000)
Issue of shares treated as debt	-	3,000,000
<b>Net cash inflow from financing</b>	<b>4,800,000</b>	<b>3,850,000</b>

25. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand	1,513,323	(229,496)	-	1,283,827
<b>Debt:</b>				
Debts due within one year	(200,000)	200,000	-	-
Debts falling due after more than one year	(3,000,000)	(5,000,000)	(1,640,034)	(9,640,034)
<b>Net debt</b>	<b>(1,686,677)</b>	<b>(5,029,496)</b>	<b>(1,640,034)</b>	<b>(8,356,207)</b>

---

## KENT COUNTY TRADING LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

---

#### 26. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £641,291 (2013: £nil). Contributions totalling £189,500 (2013: £nil) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme. Employees transferred from Kent County Council on 1 April 2013 under a TUPE arrangement participate in the Kent County Council Pension Fund (the Fund), part of the Local Government Pension Scheme, a defined benefit statutory scheme. The most recent actuarial valuation was carried out as at 1 April 2013. The opening defined benefit obligation and fair value of the scheme assets were transferred on 1 April 2013. The results have been updated to 31 March 2014 by a qualified independent actuary.

The return on the Fund (on a bid value to bid value basis) for the period to 31 March 2014 is estimated to be 8%.

The amounts recognised in the balance sheet are as follows:

	2014 £	2013 £
Present value of funded obligations	(43,554,000)	-
Fair value of scheme assets	30,448,000	-
	<hr/>	<hr/>
Deficit in scheme	(13,106,000)	-
Deficit at 1 April 2013 not recognised (see below)	11,831,000	-
	<hr/>	<hr/>
Net liability	(1,275,000)	-
	<hr/>	<hr/>

Under the TUPE arrangements for the transference of staff from Kent County Council to the group on 1 April 2013 there is a calculated deficit in respect of pension benefits provided by the Local Government Pension Scheme of £11,831,000 at that date.

The directors are advised by the actuary that on a scheme funding valuation basis the scheme is fully funded, notwithstanding the deficit calculated under FRS17. On this basis the calculated deficit at 1 April 2013 is not recognised.

**KENT COUNTY TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**26. PENSION COMMITMENTS (continued)**

The amounts recognised in the profit and loss account are as follows:

	2014 £	2013 £
Current service cost	(2,476,000)	-
Interest on obligation	(1,756,000)	-
Expected return on scheme assets	1,250,000	-
Gains on curtailments and settlements	(417,000)	-
Administration expenses	(22,000)	-
<b>Total</b>	<b>(3,421,000)</b>	<b>-</b>
Actual return on scheme assets	<b>2,210,000</b>	<b>-</b>

Movements in the present value of the defined benefit obligation were as follows:

	2014 £	2013 £
Opening defined benefit obligation	37,942,000	-
Current service cost	2,476,000	-
Interest cost	1,756,000	-
Contributions by scheme participants	597,000	-
Actuarial losses	676,000	-
Losses on curtailments	417,000	-
Benefits paid	(310,000)	-
<b>Closing defined benefit obligation</b>	<b>43,554,000</b>	<b>-</b>

Changes in the fair value of scheme assets were as follows:

	2014 £	2013 £
Opening fair value of scheme assets	26,111,000	-
Expected return on assets	1,250,000	-
Actuarial gains and (losses)	960,000	-
Contributions by employer	1,862,000	-
Contributions by scheme participants	597,000	-
Benefits paid	(310,000)	-
Administration expenses	(22,000)	-
<b>Total</b>	<b>30,448,000</b>	<b>-</b>

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of total recognised gains and losses was £284,000 (2013 - £NIL).

The Group expects to contribute £1,668,000 to its defined benefit pension scheme in 2015.

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**26. PENSION COMMITMENTS (continued)**

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2014</b>	<b>2013</b>
Equities	<b>71.00 %</b>	- %
Bonds	<b>12.00 %</b>	- %
Property	<b>10.00 %</b>	- %
Cash	<b>3.00 %</b>	- %
Target return portfolio	<b>4.00 %</b>	- %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages) are:

	<b>2014</b>	<b>2013</b>
Discount rate at 31 March	<b>4.60 %</b>	- %
Expected return on scheme assets at 31 March	<b>4.60 %</b>	- %
Future salary increases	<b>4.70 %</b>	- %
Future pension increases	<b>2.90 %</b>	- %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.  
The assumed life expectations on retirement age 65 are:

	<b>2014</b>	<b>2013</b>
Retiring today		
Males	<b>22.7</b>	-
Females	<b>25.1</b>	-
Retiring in 20 years		
Males	<b>24.9</b>	-
Females	<b>27.4</b>	-

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Defined benefit obligation	<b>(43,554,000)</b>	-
Scheme assets	<b>30,448,000</b>	-
Deficit	<b>(13,106,000)</b>	-
Experience adjustments on scheme assets	<b>960,000</b>	-

## KENT COUNTY TRADING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

#### 27. OPERATING LEASE COMMITMENTS

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2014	Other
	2014	2013		
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	45,000	-	646,292	60,401
Between 2 and 5 years	-	-	2,107,721	129,579
After more than 5 years	757,350	-	-	89,562

#### 28. 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.

During the year loans from Kent County Council were advanced amounting to £6,640,034 (2013: £200,000). No interest is charged on the loans outstanding at the year end and the amounts are disclosed in other creditors due after 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>	<u>2014</u>	<u>2013</u>
	£	£
Sales	55,212,338	32,259,979
Trade Debtors	8,660,761	5,799,754
Purchases	2,690,736	3,367,489
Trade Creditors	(263,417)	(2,148,382)
Other Debtors	2,376,003	205,873
Other Creditors	(556,710)	-
Loan Interest paid @ 5.5%	8,250	13,645

#### 29. POST BALANCE SHEET EVENTS

From 18 August 2014 the facilities management trade carried out by Commercial Services Kent Limited is to be transferred to the ultimate parent undertaking. During the year ended 31 March 2014 the results of the business were turnover of £6,177,046 and profit of £1,119,556 before central overheads.

#### 30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is Kent County Council.

---

**KENT COUNTY TRADING LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**31. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Commercial Services Trading Limited	England and Wales	100	Facility Management and Vehicle rental
Kent Top Temps Limited	England and Wales	100	Bus services operator
Commercial Services Kent Limited	England and Wales	100	Employment agency



Kent PFI Holdings Company 1 Limited  
Annual report and financial statements  
for the year ended 31 March 2014

Registration Number 06523286

THURSDAY



\*A3FOK70Y\*

A09

04/09/2014

#123

COMPANIES HOUSE

# **Kent PFI Holdings Company 1 Limited**

## **Annual report and financial statements for the year ended 31 March 2014**

	<b>Page</b>
Directors and advisors.....	1
Directors' report .....	2
Independent auditor's report to the members of Kent PFI Holdings Company 1 Limited	4
Profit and loss account .....	6
Balance sheet .....	7
Notes to the financial statements .....	8

# **Kent PFI Holdings Company 1 Limited**

## **Directors and advisors**

### **Directors**

A J Gordon-Stewart

S R Shah

P J W Prongue

(Resigned 31 January 2014)

C Head

(Appointed 30 September 2013)

P Andrews

(Appointed 31 January 2014)

### **Secretary**

I G Chapman

(Resigned 31 January 2014)

### **Registered office**

Two London Bridge

London

SE1 9RA

### **Auditor**

KPMG LLP

Chartered Accountants

One Snowhill

Snowhill Queensway

B4 6GH

# **Kent PFI Holdings Company 1 Limited**

## **Directors' report for the year ended 31 March 2014**

The directors present their report and audited financial statements for the year ended 31 March 2014.

### **Results, principal activities and review of the business**

The principal activity of the company is that of a holding company for Kent PFI Company 1 Limited, a company whose activities include the provision of construction and maintenance services for three secondary schools for pupils across Kent. The schools are Thamesview School, Northfleet Technical College and St Johns Catholic Comprehensive School.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

### **Dividends and transfers to reserves**

The profit and loss account for the year is set out on page 6. The directors consider that progress to date is satisfactory and expect similar results going forward.

### **Principal risks and uncertainties, financial risk management and key performance indicators ('KPIs')**

As described above Kent PFI Holdings Company 1 Limited acts as a holding company for its subsidiary, Kent PFI Company 1 Limited. As such the principal risks, financial risk management and key performance indicators adopted by Kent PFI Company 1 Limited are applicable to the management of its investment in its subsidiary and are detailed in the director's report of the financial statements for Kent PFI Company 1 Limited for the year ended 31 March 2014.

In addition, the holding company also takes the risk of impairment of its investment in the subsidiary, Kent PFI Company 1 Limited. This risk is directly related to the performance of the subsidiary.

### **Directors**

The directors of the company during the year and subsequently, are set out below:

A J Gordon-Stewart

S R Shah

P J W Prongue

(Resigned 31 January 2014)

C Head

(Appointed 30 September 2013)

P Andrews

(Appointed 31 January 2014)

## **Kent PFI Holdings Company 1 Limited**

### **Directors' report for the year ended 31 March 2014 (continued)**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statement in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Auditor**

Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

#### **By order of the board**

  
P Andrews  
Director

13 August 2014

Two London Bridge  
London  
SE1 9RA

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT PFI HOLDINGS COMPANY 1 LIMITED**

We have audited the financial statements of Kent PFI Holdings Company 1 Limited for the year ended 31 March 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 set out on page 3 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2014 and of its result for the year then ended;
- have been properly prepared in accordance with UK 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.

### **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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT PFI HOLDINGS  
COMPANY 1 LIMITED (continued)**

- 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 in not preparing a strategic report.



Robert Pound, (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snowhill Queensway  
B4 6GH

17/8/2014

# Kent PFI Holdings Company 1 Limited

Co. Registration No. 06523286

## **Profit and loss account for the year ended 31 March 2014**

	Note	Year to 31 March 2014 £	Year to 31 March 2013 £
Interest receivable	3	<b>913,934</b>	917,981
Interest payable and similar charges	4	<b>(913,934)</b>	(917,981)
<b>Profit on ordinary activities before taxation</b>		-	-
Tax on profit on ordinary activities	5	-	-
<b>Profit for the year</b>	11	-	-

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

There is no difference between the profit as shown in the profit and loss account and its historical cost equivalent. Notes on page 8 to 12 form part of the financial statements.

The company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.



# Kent PFI Holdings Company 1 Limited

Co. Registration No. 06523286

## Balance sheet as at 31 March 2014

	Note	31 March 2014 £	31 March 2013 £
<b>Fixed assets</b>			
Investment in subsidiary undertaking	6	<b>7,455,912</b>	7,634,375
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	<b>944,821</b>	457,064
<b>Creditors: amounts falling due within one year</b>	8	<b>(944,821)</b>	(457,064)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		<b>7,455,912</b>	7,634,375
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(7,445,912)</b>	(7,624,375)
<b>Net assets</b>		<b>10,000</b>	10,000
<b>Capital and reserves</b>			
Share capital	10	<b>10,000</b>	10,000
Profit and loss account	11	-	-
<b>Shareholders' funds</b>	11	<b>10,000</b>	10,000

The financial statements on pages 6 to 12 were approved by the board on 25 July 2014 and signed on its behalf by:

  
P Andrews  
Director

13 August 2014

# **Kent PFI Holdings Company 1 Limited**

## **Notes to the financial statements the year ended 31 March 2014**

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

The financial statements contain information about Kent PFI Holdings Company 1 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt by virtue of being subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements.

#### ***Going concern***

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed the cash flow forecast of the company which demonstrates the company expects to meet its liabilities as they fall due. The directors therefore believe it is appropriate for the financial statements to be prepared on the going concern basis.

#### ***Cash flow statement***

The company is exempt from the requirements of FRS 1 (revised) to prepare a cashflow statement as it qualifies as a small company.

#### ***Investments***

Fixed asset investments are stated at cost less provision for any permanent diminution in the carrying value of the investment.

#### ***Interest receivable and similar income***

Interest receivable is credited to the profit and loss account as it is earned.

#### ***Interest payable and similar charges***

Interest payable is charged to the profit and loss account as it is incurred.

## Kent PFI Holdings Company 1 Limited

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 2 Operating result

The company had no employees during the year, other than the directors. The remuneration of the directors is paid by the controlling parties and their services to the company are of a non-executive nature. The controlling parties charged £nil to the company in respect of these services (2013: £nil). The audit fee charged is £200 (2013: £nil).

#### 3 Interest receivable

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest receivable from group undertaking	913,934	917,981

#### 4 Interest payable and similar charges

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Interest payable on shareholders loan	913,934	917,981

#### 5 Tax on profit on ordinary activities

##### Analysis of tax for the year

	Year ended 31 March 2014 £	Year ended 31 March 2013 £
Current tax on profit for the year	-	-
<b>Tax on profit on ordinary activities</b>	<b>-</b>	<b>-</b>

## Kent PFI Holdings Company 1 Limited

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 6 Investments

	Shares	Loan notes	Total
	£	£	£
<b>Investment in subsidiary undertaking</b>			
At 31 March 2013	10,000	7,624,375	7,634,375
Repayment of Loan Notes	-	(22,596)	(22,596)
At 31 March 2014	10,000	7,601,779	7,611,779

The investment is in Kent PFI Company 1 Limited, a company incorporated in England and Wales and in which 100% of the Ordinary share capital is held. The acquisition was funded by the issue of 10,000 £1 shares at par and £7,700,200 of cash provided by way of a loan from the shareholders. The loan notes are due to be repaid in 6 monthly instalments from 30 September 2011 with the final repayment being on the 30 September 2035. The interest rate on the loan notes is 12% per annum.

Kent PFI Holdings Company 1 Limited is the holding company for Kent PFI Company 1 Limited, a company whose activities include the provision of construction and maintenance services for three secondary schools for pupils across Kent. The schools are Thamesview School, Northfleet Technical College and St Johns Catholic Comprehensive School.

#### 7 Debtors: amounts falling due within one year

	31 March 2014	31 March 2013
	£	£
Amounts receivable from Kent PFI Company 1 Limited	944,821	457,064

#### 8 Creditors: amounts falling due within one year

	31 March 2014	31 March 2013
	£	£
Interest and capital on shareholder loans	944,821	457,064

## Kent PFI Holdings Company 1 Limited

### Notes to the financial statements for the year ended 31 March 2014 (continued)

#### 9 Creditors: amounts falling due after more than one year

	31 March 2014	31 March 2013
	£	£
Loan Notes	7,445,912	7,624,375
Subordinated debt due to shareholders is repayable as follows:		
Between 1 and 2 years	80,480	-
Between 2 and 5 years	329,579	676,034
In more than 5 years	7,035,853	6,948,341
	7,445,912	7,624,375

The unsecured loan notes are due to be repaid in 6 monthly instalments from 30 September 2011 with the final repayment being on the 30 September 2035. The interest rate on the loan notes is 12% per annum.

#### 10 Share capital

	31 March 2014	31 March 2013
	£	£
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary Shares of £1 each	10,000	10,000
	10,000	10,000

The company was incorporated as Kent PFI Holdings Company 1 Limited on 4 March 2008 and issued 1 Ordinary D share, of £1 at par. A further 490 Ordinary A shares of £1 each, 490 Ordinary B shares of £1 each, 3,920 Ordinary C shares of £1 each and 5,099 Ordinary D shares of £1 each were all issued on 23 October 2008 at par. All shares rank pari passu.

In accordance with the Articles of Association on the step down date (15<sup>th</sup> July 2011) the A, B and C Classes of Ordinary Shares (collectively "the Commercial Shares") were sub divided into Ordinary Shares without class. Ordinary Shares were issued in the proportion 90 shares in exchange for every 49 Commercial Ordinary Shares.

On the step down date D Class Ordinary Shares were consolidated into Ordinary Shares in the proportion 10 Ordinary Shares for every 51 D Class Ordinary Shares.

# Kent PFI Holdings Company 1 Limited

## Notes to the financial statements for the year ended 31 March 2014 (continued)

### 11 Reconciliation of movements on shareholders' funds and on reserves

	Share capital	Profit & loss account	Total shareholders' funds
	£	£	£
Opening balance	10,000	-	10,000
Shares issued in year	-	-	-
Result for the year	-	-	-
<b>At 31 March 2013</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

### 12 Related party disclosures

Name of related party	Relationship	Type of transaction	Income/ (charges) for year	Balance due (to)/from
			£	£
Kent PFI Company 1 Limited	Group undertaking	Subordinated loan	913,924	788,955
Kent County Council	Shareholder	Subordinated loan	(374,815)	(315,582)
Building Schools for the Future Investments LLP	Shareholder	Subordinated loan	(539,109)	(473,373)

### 13 Ultimate parent undertaking and controlling party

The Company's shares are owned in the following proportions; Kent LEP 1 Limited, which is registered in England and Wales, 10% (2013: 10%); Kier Project Investment Limited, which is registered in England and Wales 0% (2013: 72%), Kent County Council 38% (2013: 9%) and Building Schools for the Future Investments LLP holding 52% (2013: 9%).

With regard to the Shareholders' Agreements the Directors of the Company do not believe that any one of the Shareholders exerts sole control over the Company.

### 14 Guarantee

Kent PFI Holding Company 1 Limited entered into a Security Agreement relating to the Term Loan of its subsidiary, Kent PFI Company 1 Limited. The agreement grants a fixed charge over the Company's 100% shareholding in its Subsidiary

RECEIVED

- 8 AUG 2014

**LOCATE IN KENT LIMITED**  
**UNAUDITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**HEDLEY DUNK LIMITED**

Chartered Accountants

Trinity House  
3 Bullace Lane  
Dartford  
Kent  
DA1 1BB

TUESDAY



\*A3G1CMOI\*

A29

09/09/2014

#195

COMPANIES HOUSE

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

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>CURRENT ASSETS</b>					
Debtors		25,679		53,957	
Cash at bank and in hand		497,784		459,028	
		<u>523,463</u>		<u>512,985</u>	
<b>CREDITORS:</b> amounts falling due within one year		(98,595)		(129,088)	
<b>NET CURRENT ASSETS</b>			424,868		383,897
<b>NET ASSETS</b>			<u>424,868</u>		<u>383,897</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account			424,868		383,897
			<u>424,868</u>		<u>383,897</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2014 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act 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, 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 16 July 2014.



**P Wookey**  
Director



**M Dance**  
Director

The notes on page 2 form part of these financial statements.



**LOCATE IN KENT LIMITED**  
**(A company limited by guarantee)**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, 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 in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**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:

Office equipment	- 50% straight line
------------------	---------------------

**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.

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.

This page is intentionally left blank

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
**Trading as Design South East**  
**(A company limited by guarantee)**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**



---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**COMPANY INFORMATION**

---

**DIRECTORS**

K D Burbidge  
C C Delage  
S C Gaimster  
R M Holdsworth  
B M Shaw  
J Armitt (appointed 24 June 2014)  
R Ellard (appointed 24 June 2014)  
P Murray (appointed 24 June 2014)  
J Letherland (appointed 24 June 2014)

**COMPANY SECRETARY**

C A Lamb

**REGISTERED NUMBER**

03284438

**REGISTERED OFFICE**

The North Kent Architecture Centre  
Main Gate Road  
The Historic Dockyard  
Chatham  
Kent  
ME4 4TZ

**INDEPENDENT AUDITORS**

McCabe Ford Williams  
Statutory Auditors & Chartered Accountants  
Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent  
ME10 4AE

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
**(A company limited by guarantee)**

---

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Balance sheet</b>	6
<b>Notes to the financial statements</b>	7 - 10
 The following pages do not form part of the statutory financial statements:	
<b>Detailed profit and loss account and summaries</b>	11 - 13

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

---

The directors present their report and the financial statements for the year ended 31 March 2014.

**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 principal activity of the company in the year under review was that of continuing to deliver design support, including design advice on high profile projects throughout the region, training for key decision makers, including planning authority members and officers and housing association staff, assisting with the selection and appointment of designers, writing good practice guidance and working with schools - all to develop an understanding of the importance of good design within the community.

**DIRECTORS**

The directors who served during the year were:

K D Burbidge  
C C Delage  
S C Gaimster  
R M Holdsworth  
B M Shaw  
J Armitt  
R Ellard  
P Murray  
J Letherland

**GOING CONCERN**

During the year the Board and the management team continued to focus on core services and these activities contributed to the overall surplus for the year.

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

---

The Board's assessment continues to support the view that it is appropriate 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.

**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, McCabe Ford Williams, 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

and signed on its behalf.

**C A Lamb**  
Secretary

 25.11.14

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NORTH KENT ARCHITECTURE CENTRE LIMITED**

---

We have audited the financial statements of The North Kent Architecture Centre Limited for the year ended 31 March 2014, 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, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.



---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NORTH KENT ARCHITECTURE  
CENTRE 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 to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Clair Rayner ACA DChA (Senior statutory auditor)

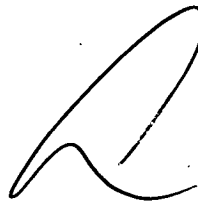
for and on behalf of  
**McCabe Ford Williams**

Statutory Auditors  
Chartered Accountants

Bank Chambers  
1 Central Avenue  
Sittingbourne  
Kent

ME10 4AE

Date: 25 November 2014 .



**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1	<b>312,150</b>	<b>331,701</b>
Cost of sales		<b>(89,826)</b>	<b>(79,291)</b>
<b>GROSS PROFIT</b>		<b>222,324</b>	<b>252,410</b>
Administrative expenses		<b>(202,100)</b>	<b>(232,245)</b>
<b>OPERATING PROFIT</b>	2	<b>20,224</b>	<b>20,165</b>
Interest receivable and similar income		<b>20</b>	<b>33</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>20,244</b>	<b>20,198</b>
Tax on profit on ordinary activities	3	<b>(4)</b>	<b>(7)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	9	<b>20,240</b>	<b>20,191</b>

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

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**

(A company limited by guarantee)

REGISTERED NUMBER: 03284438

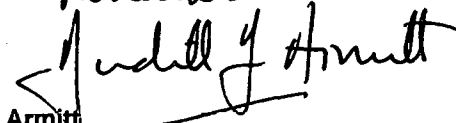
**BALANCE SHEET  
AS AT 31 MARCH 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	4		896		-
<b>CURRENT ASSETS</b>					
Debtors	5	76,880		81,883	
Cash at bank		65,125		35,584	
		<u>142,005</u>		<u>117,467</u>	
<b>CREDITORS:</b> amounts falling due within one year	6	(41,470)		(36,276)	
<b>NET CURRENT ASSETS</b>			<u>100,535</u>		<u>81,191</u>
<b>NET ASSETS</b>			<u>101,431</u>		<u>81,191</u>
<b>CAPITAL AND RESERVES</b>					
Other reserves	9		41,785		41,785
Profit and loss account	9		59,646		39,406
			<u>101,431</u>		<u>81,191</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

25<sup>th</sup> November 2014

  
J Armit  
Director

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

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**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**

During the year the Board and the management team continued to focus on core services and these activities contributed to the overall surplus for the year.

The Board's assessment continues to support the view that it is appropriate 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.

**1.3 Turnover**

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

Grants are received from Kent County Council and Medway Council and are accounted for on 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.

**1.4 Tangible fixed assets and depreciation**

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

Office equipment	-	33% straight line
Computer equipment	-	33% straight line

**1.5 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 the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**2. OPERATING PROFIT**

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	295	-
Auditors' remuneration	3,588	2,500
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2013 - £NIL).

**3. TAXATION**

	2014 £	2013 £
UK corporation tax charge on profit for the year	4	7
	<u>          </u>	<u>          </u>

**Factors affecting tax charge for the year**

The company has brought forward losses which have affected the tax charge for the year.

**Factors that may affect future tax charges**

The company has losses carried forward that will affect the future tax charges.

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**4. TANGIBLE FIXED ASSETS**

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 April 2013	3,291	17,250	20,541
Additions	-	1,191	1,191
At 31 March 2014	3,291	18,441	21,732
<b>Depreciation</b>			
At 1 April 2013	3,291	17,250	20,541
Charge for the year	-	295	295
At 31 March 2014	3,291	17,545	20,836
<b>Net book value</b>			
At 31 March 2014	-	896	896
At 31 March 2013	-	-	-

**5. DEBTORS**

	2014 £	2013 £
Trade debtors	66,735	56,918
Other debtors	10,145	24,965
	76,880	81,883

**6. CREDITORS:  
Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	9,382	12,170
Corporation tax	4	7
Other taxation and social security	11,789	9,964
Other creditors	20,295	14,135
	41,470	36,276

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**7. DEFERRED TAXATION**

	2014 £	2013 £
At beginning and end of year	-	-

**8. COMPANY STATUS**

The company is limited by guarantee. The guarantors for the company are:

Chatham Historic Dockyard Trust  
Gravesham Borough Council  
Medway Council  
University of Greenwich  
Kent County Council

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 ceased to be a member, for payment of the debts and liabilities of the company contracted before he ceases to be a member and of 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.

**9. RESERVES**

	Other reserves £	Profit and loss account £
At 1 April 2013	41,785	39,406
Profit for the financial year		20,240
At 31 March 2014	41,785	59,646

Other reserves are those which have been set aside by the Board of Directors to cover the estimated liabilities which would result from the company voluntarily ceasing to trade. It has always been the view of the Directors that these reserves should be maintained in order to meet the company's obligations to its employees and its landlord.

**10. CONTROLLING PARTY**

During the year under review, there was no ultimate controlling party. The board of directors and the management team are responsible for the strategic and operational decisions of the company.

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

**DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

	Page	2014 £	2013 £
<b>TURNOVER</b>	12	<b>312,150</b>	<b>331,701</b>
Cost of sales	12	<b>(89,826)</b>	<b>(79,291)</b>
<b>GROSS PROFIT</b>		<b>222,324</b>	<b>252,410</b>
Gross profit %		<b>71.2 %</b>	<b>76.1 %</b>
<b>LESS: OVERHEADS</b>			
Administration expenses	12	<b>(202,100)</b>	<b>(232,245)</b>
<b>OPERATING PROFIT</b>		<b>20,224</b>	<b>20,165</b>
Interest receivable	13	<b>20</b>	<b>33</b>
<b>PROFIT FOR THE YEAR</b>		<b>20,244</b>	<b>20,198</b>



**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
<b>TURNOVER</b>		
Project income	297,135	316,992
Grant income	15,015	14,709
	<u>312,150</u>	<u>331,701</u>

	2014 £	2013 £
<b>COST OF SALES</b>		
Materials	1,086	342
Consultancy fees	88,740	78,949
	<u>89,826</u>	<u>79,291</u>

	2014 £	2013 £
<b>ADMINISTRATION EXPENSES</b>		
Rent and rates	10,082	11,409
Insurances	3,668	5,220
Wages	131,417	183,727
Telephone and fax	4,034	2,679
Post, printing and stationery	1,107	1,711
Advertising and promotion	12,018	1,646
Motor, travel and subsistence	6,773	4,197
Computer costs	5,064	3,753
Repairs and maintenance	-	21
Cleaning and laundry	1,030	1,705
Sundry expenses	487	4,130
Trade subscriptions	1,235	898
Disallowed VAT	-	1,813
Legal and professional	2,929	3,598
Auditors' remuneration	3,588	2,500
Accountancy fees	8,953	-
Conferences	3,524	1,095
Catering	2,160	1,903
Venue hire	1,612	-
Equipment hire	20	-
Bank charges	288	240
Bad debts	1,816	-
Depreciation - computer equipment	295	-
	<u>202,100</u>	<u>232,245</u>

---

**THE NORTH KENT ARCHITECTURE CENTRE LIMITED**  
(A company limited by guarantee)

---

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014**

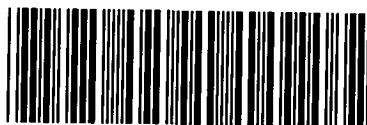
---

	2014 £	2013 £
<b>INTEREST RECEIVABLE</b>		
Bank interest receivable	<u>20</u>	<u>33</u>

Company Registration No. 05505567 (England and Wales)

**PRODUCED IN KENT LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

FRIDAY



\*A3DU6J9E\*

A35

08/08/2014

#33

COMPANIES HOUSE

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

---

**Directors**

P Hannan  
W Opie  
Mr S Clarke  
Mrs M Regan  
Professor P Gregory  
Mr R Phillips  
Ms A Church  
Mr J Barnes  
Mr S Holden (Appointed 30 May 2013)

**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  
TN23 1PP

**Business address**

Charcott Holm Farmhouse  
Tonbridge Road  
Hadlow  
Tonbridge  
Kent  
TN11 0AH

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

---

	<b>Page</b>
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 2014***

---

The directors present their report and financial statements for the year ended 31 March 2014.

**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 2013:

P Hannan

W Opie

Mr S Clarke

Mr A Wickham

(Resigned 30 May 2013)

Mrs M Regan

Professor P Gregory

Mr R Phillips

Ms A Church

Mr J Barnes

Mr S Holden

(Appointed 30 May 2013)

**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 2014**

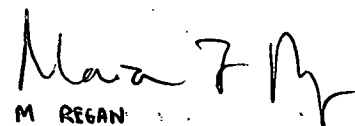
---

**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



M. REGAN

17 July 2014

**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 2014 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.



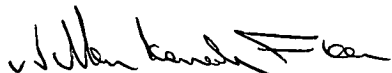
**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
INDEPENDENT AUDITORS' REPORT (CONTINUED)  
TO THE MEMBERS OF PRODUCED IN KENT LIMITED**

---

**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 and from preparing a strategic report.



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

**31 JULY 2014**

**Chartered Accountants  
Statutory Auditor**

**Stourside Place  
Station Road  
Ashford  
Kent  
TN23 1PP**

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
Turnover		249,280	242,934
Cost of sales		(51,513)	(47,794)
<b>Gross profit</b>		197,767	195,140
Administrative expenses		(189,193)	(173,909)
<b>Operating profit</b>	<b>2</b>	8,574	21,231
Other interest receivable and similar income	<b>3</b>	204	145
<b>Profit on ordinary activities before taxation</b>		8,778	21,376
Tax on profit on ordinary activities	<b>4</b>	(983)	(2,330)
<b>Profit for the year</b>	<b>10</b>	7,795	19,046

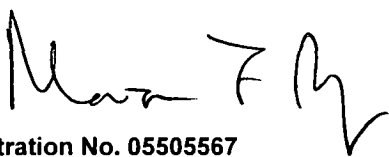
**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
BALANCE SHEET  
AS AT 31 MARCH 2014**

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	5		1,274		549
<b>Current assets</b>					
Debtors	6	77,623		73,897	
Cash at bank and in hand		71,646		71,276	
		<u>149,269</u>		<u>145,173</u>	
<b>Creditors: amounts falling due within one year</b>	7	(104,723)		(107,697)	
<b>Net current assets</b>			44,546		37,476
<b>Total assets less current liabilities</b>			45,820		38,025
			<u>45,820</u>		<u>38,025</u>
<b>Capital and reserves</b>					
Profit and loss account	10		45,820		38,025
<b>Shareholders' funds</b>			45,820		38,025
			<u>45,820</u>		<u>38,025</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 for issue on 17 July 2014

**M. REGAN**  
Director



Company Registration No. 05505567

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

---

**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

<b>2 Operating profit</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	775	590
Auditors' remuneration	2,950	2,850
	<u>          </u>	<u>          </u>

<b>3 Investment income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest	204	142
Other interest	-	3
	<u>          </u>	<u>          </u>
	<u>204</u>	<u>145</u>

**PRODUCED IN KENT LIMITED**  
**COMPANY LIMITED BY GUARANTEE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

<b>4</b>	<b>Taxation</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	1,454	2,999
	Adjustment for prior years	-	(669)
	<b>Total current tax</b>	<b>1,454</b>	<b>2,330</b>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(471)	-
		<b>983</b>	<b>2,330</b>
<b>5</b>	<b>Tangible fixed assets</b>		
			<b>Fixtures, fittings &amp; equipment £</b>
	<b>Cost</b>		
	At 1 April 2013		20,668
	Additions		1,500
	Disposals		(1,473)
	At 31 March 2014		<b>20,695</b>
	<b>Depreciation</b>		
	At 1 April 2013		20,119
	On disposals		(1,473)
	Charge for the year		775
	At 31 March 2014		<b>19,421</b>
	<b>Net book value</b>		
	At 31 March 2014		<b>1,274</b>
	At 31 March 2013		<b>549</b>

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

<b>6 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	72,044	63,980
Other debtors	5,108	9,917
Deferred tax asset (see note 8)	471	-
	<u>77,623</u>	<u>73,897</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	9,435	26,201
Taxation and social security	10,984	10,326
Other creditors	84,304	71,170
	<u>104,723</u>	<u>107,697</u>

**8 Provisions for liabilities**

The deferred tax asset (included in debtors, note 6) is made up as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit and loss account	<u>(471)</u>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(Decelerated)/accelerated capital allowances	<u>(471)</u>	<u>-</u>

**9 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.

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2014**

**10 Statement of movements on profit and loss account**

	Profit and loss account £
Balance at 1 April 2013	38,025
Profit for the year	7,795
Balance at 31 March 2014	<u>45,820</u>

**11 Financial commitments**

At 31 March 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2015:

	2014 £	2013 £
Operating leases which expire:		
Between two and five years	10,000	-
In over five years	-	10,000
	<u>10,000</u>	<u>10,000</u>

**12 Related party relationships and transactions**

During the year ended 31 March 2014 the company received funding from Kent County Council, a member of the company, in respect of operational costs amounting to £120,000 (2013: £120,000). As at 31 March 2014, £66,416 (2013: £55,767) was due from Kent County Council. Staff costs payable to Kent County Council for the year amounted to £126,354 (2013: £125,061) of which £61,700 (2013: £51,531) 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 (2013: £40,000). Staff costs of £22,357 (2013: £2,262) were paid to Hadlow College during the year. The premises occupied by the company during the year to 31 March 2014 were rented from Hadlow College for which rent and service charge expenses were incurred totalling £10,000 (2013: £10,419). As at 31 March 2014, £2,027 (2013: £1,000) was due to Hadlow College.

This page is intentionally left blank



COMPANY REGISTRATION NUMBER 08353777

REGISTRAR OF  
COMPANIES

**SHEARWATER SYSTEMS LIMITED**

**ABBREVIATED ACCOUNTS**

**31 MARCH 2014**



**BURGESS HODGSON**

Chartered Accountants & Statutory Auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

**SHEARWATER SYSTEMS LIMITED**

**ABBREVIATED ACCOUNTS**

**PERIOD FROM 9 JANUARY 2013 TO 31 MARCH 2014**

<b>CONTENTS</b>	<b>PAGE</b>
Independent auditor's report to the company	<b>1</b>
Abbreviated balance sheet	<b>2</b>
Notes to the abbreviated accounts	<b>3</b>

**SHEARWATER SYSTEMS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO SHEARWATER SYSTEMS**  
**LIMITED**

**UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of Shearwater Systems Limited for the period from 9 January 2013 to 31 March 2014 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 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 for our work, for this report, or for the opinions we have formed.

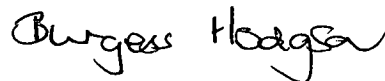
**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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**

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.



MR COLIN S REID (Senior  
Statutory Auditor)  
For and on behalf of  
BURGESS HODGSON  
Chartered Accountants  
& Statutory Auditor

Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

27/6/14.....

# SHEARWATER SYSTEMS LIMITED

## ABBREVIATED BALANCE SHEET

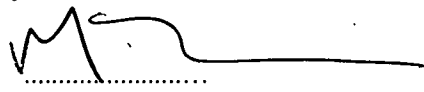
31 MARCH 2014

	Note	£	31 Mar 14 £
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets			53,553
<b>CURRENT ASSETS</b>			
Debtors		111,382	
Cash at bank and in hand		649,178	
		<u>760,560</u>	
<b>CREDITORS: Amounts falling due within one year</b>		<u>82,977</u>	
<b>NET CURRENT ASSETS</b>			677,583
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			731,136
<b>CREDITORS: Amounts falling due after more than one year</b>			200,000
			<u>531,136</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	<b>5</b>		32,333
Share premium account			1,421,099
Profit and loss account			<u>(922,296)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>531,136</u>

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved by the directors and authorised for issue on 4.6.2014 and are signed on their behalf by:

  
DR I S DENLEY

  
MR M S BOLTON

  
MISS J M CONNER

Company Registration Number: 08353777

The notes on pages 3 to 5 form part of these abbreviated accounts.

**SHEARWATER SYSTEMS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**PERIOD FROM 9 JANUARY 2013 TO 31 MARCH 2014**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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**

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

**Research and development**

Research and development expenditure is written off in the year in which it is incurred.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 5 year straight line
Fixtures & Fittings	- 5 year straight line
Equipment	- 3 year straight line

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**SHEARWATER SYSTEMS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**PERIOD FROM 9 JANUARY 2013 TO 31 MARCH 2014**

**2. FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST</b>	
Additions	74,626
<b>At 31 March 2014</b>	<u>74,626</u>
<b>DEPRECIATION</b>	
Charge for period	21,073
<b>At 31 March 2014</b>	<u>21,073</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2014</b>	<u>53,553</u>
At 8 January 2013	<u>—</u>

**3. OPERATING LEASE COMMITMENTS**

Shearwater Systems Limited is committed to paying the following amounts in relation to rent for the next two years at which point there is an opportunity to break:

	<b>£</b>
Between one and five years	18,000

**4. RELATED PARTY TRANSACTIONS**

During the period the company was under the control of the directors. At the balance sheet date the directors owed the company £2,363. The maximum amount owed during the period was £2,556.

The following transactions took place with the detailed related parties of which the directors have an interest through directorship and/ or shareholdings:

	<b>Purchases £</b>	<b>Sales £</b>
Shearwater Healthcare Investments Limited	90,667	3,038
Graphnet Health Limited	13,192	85,155
In Touch HR Limited	15,577	—

**SHEARWATER SYSTEMS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**

**PERIOD FROM 9 JANUARY 2013 TO 31 MARCH 2014**

**4. RELATED PARTY TRANSACTIONS** *(continued)*

The following trade balances were outstanding at the year end:

	Creditor £	Debtor £
Shearwater Healthcare Investments Limited	90,667	3,038
Graphnet Health Limited	13,192	85,155

**5. SHARE CAPITAL**

**Allotted and called up:**

	No	£
A Ordinary shares of £0.01 each	2,100,000	21,000
A Ordinary shares of £0.01 each	233,333	2,333
B Ordinary shares of £0.01 each	900,000	9,000
	<u>3,233,333</u>	<u>32,333</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	<b>31 Mar 14</b> £
B Ordinary shares	<u>2,999</u>

During the year 2,333,333 ordinary A shares were issued at a premium for cash and 900,000 ordinary B shares were issued at par.

This page is intentionally left blank



ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2014

FOR

TRADING STANDARDS SOUTH EAST LIMITED



**TRADING STANDARDS SOUTH EAST LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2014**

**DIRECTORS:**

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

**SECRETARY:**

G Jackson

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

05259365

**SENIOR STATUTORY AUDITOR:**

A J Brain

**AUDITORS:**

CG LEE Limited  
Chartered Certified Accountants  
Statutory Auditors  
Ingram House  
Meridian 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 2014 prepared under Section 396 of the Companies Act 2006.

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

**Respective responsibilities of directors and auditors**

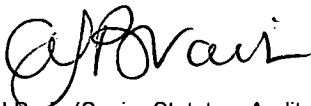
The directors are responsible for preparing the abbreviated accounts in accordance with Section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated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

**Basis of opinion**

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

**Opinion**

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



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

Date: 11/12/14

ABBREVIATED BALANCE SHEET  
31 MARCH 2014

	Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>			
Debtors		344,055	217,001
Cash at bank		1,380,551	962,941
		<u>1,724,606</u>	<u>1,179,942</u>
<b>CREDITORS</b>			
Amounts falling due within one year		1,684,570	1,147,679
		<u>1,684,570</u>	<u>1,147,679</u>
<b>NET CURRENT ASSETS</b>		<u>40,036</u>	<u>32,263</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>40,036</u>	<u>32,263</u>
<b>RESERVES</b>			
Income and expenditure account		40,036	32,263
		<u>40,036</u>	<u>32,263</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 24/11/2014 and were signed on its behalf by:



R J Sexton - Director

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2014

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 £
<b>COST</b>	
At 1 April 2013	
and 31 March 2014	1,963
<b>DEPRECIATION</b>	
At 1 April 2013	
and 31 March 2014	1,963
<b>NET BOOK VALUE</b>	
At 31 March 2014	-
At 31 March 2013	-

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.

This page is intentionally left blank

**Registered number: 07592520**

**TRN - The Research Network Ltd**

**Unaudited**

**Abbreviated accounts**

**For the year ended 30 April 2014**



**TRN - The Research Network Ltd**

The following reproduces the text of the Chartered accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 4) have been prepared.

**Chartered accountants' report to the director on the preparation of the unaudited statutory financial statements of TRN - The Research Network Ltd for the year ended 30 April 2014**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of TRN - The Research Network Ltd for the year ended 30 April 2014 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

This report is made solely to the director of TRN - The Research Network Ltd in accordance with the terms of our engagement letter dated 13 May 2013. Our work has been undertaken solely to prepare for your approval the financial statements of TRN - The Research Network Ltd and state those matters that we have agreed to state to the director of TRN - The Research Network Ltd in this report in accordance with AAF 2/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than TRN - The Research Network Ltd and its director for our work or for this report.

It is your duty to ensure that TRN - The Research Network Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the company's assets, liabilities, financial position and loss. You consider that TRN - The Research Network Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of TRN - The Research Network Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



**Reeves & Co LLP**

Chartered Accountants

37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

25 September 2014



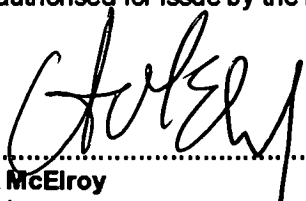
**Abbreviated balance sheet**  
**As at 30 April 2014**

	Note	£	2014 £	2013 £
<b>Fixed assets</b>				
Tangible assets	2		734	566
<b>Current assets</b>				
Debtors		194,330	136,921	
Cash at bank		99,520	155,566	
		<u>293,850</u>	<u>292,487</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(201,166)</u>	<u>(268,038)</u>	
<b>Net current assets</b>			<u>92,684</u>	<u>24,449</u>
<b>Total assets less current liabilities</b>			<u>93,418</u>	<u>25,015</u>
<b>Creditors: amounts falling due after more than one year</b>			<u>(48,000)</u>	<u>-</u>
<b>Net assets</b>			<u><u>45,418</u></u>	<u><u>25,015</u></u>
<b>Capital and reserves</b>				
Called up share capital	3		23,325	21,925
Share premium account			50,275	23,675
Profit and loss account			<u>(28,182)</u>	<u>(20,585)</u>
<b>Shareholders' funds</b>			<u><u>45,418</u></u>	<u><u>25,015</u></u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 30 April 2014 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act 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, 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 by:

  
.....  
Dr A McElroy  
Director

Date: 25 September 2014

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

**Notes to the abbreviated accounts  
For the year ended 30 April 2014**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, 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 continues to be able to meet its day to day working capital requirements and the director has absolute confidence that the company has more than adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director has adopted the going concern basis in preparing the accounts.

**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:

Office equipment	- 33% straight line
------------------	---------------------

**1.5 Operating leases**

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

**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 the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**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.

**Notes to the abbreviated accounts  
For the year ended 30 April 2014**

**2 Tangible fixed assets**

	£
<b>Cost</b>	
At 1 May 2013	744
Additions	615
At 30 April 2014	<u>1,359</u>
<b>Depreciation</b>	
At 1 May 2013	178
Charge for the year	447
At 30 April 2014	<u>625</u>
<b>Net book value</b>	
At 30 April 2014	<u>734</u>
At 30 April 2013	<u>566</u>

**3. Share capital**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
20,000 Ordinary shares of £1 each	20,000	20,000
3,325 (2013 - 1,925) Ordinary B shares of £1 each	3,325	1,925
	<u>23,325</u>	<u>21,925</u>

During the year the company issued the following share capital of 1,400 Ordinary B shares of £1 nominal value each, all of which were fully paid up.

This page is intentionally left blank

Registered number 04400592

**Visit Kent Limited**  
(A company limited by guarantee)

**Directors' report and financial statements**  
**for the year ended 31 March 2014**



\*A3M648K2\*

A21

06/12/2014

#219

COMPANIES HOUSE

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Company Information**

<b>Directors</b>	N Bunting C Carmichael W Ferris A Cottrell R Cooper J Delaney S Matthews-Marsh B Cooper Brigadier M J Meardon RM M Dance J Bunnett S R Wood
<b>Registered number</b>	04400592
<b>Registered office</b>	28-30 St Peter's Street Canterbury Kent CT1 2BQ
<b>Independent auditors</b>	Reeves & Co LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Bankers</b>	National Westminster Bank Plc 11 The Parade Canterbury Kent CT1 2SG

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Directors' report</b>	1 - 2
<b>Directors' responsibilities statement</b>	3
<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 11

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Directors' report**  
**for the year ended 31 March 2014**

The directors present their report and the financial statements for the year ended 31 March 2014

**Principal activities**

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

**Directors**

The directors who served during the year were

N Bunting  
C Carmichael  
W Ferris  
A Cottrell  
P J Colling (resigned 1 April 2013)  
R Cooper  
J Delaney  
S Matthews-Marsh  
B Cooper (appointed 23 January 2014)  
Brigadier M J Meardon RM  
M Dance  
J Bunnett  
S R Wood

**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 £137,600 during the year to 31 March 2014 (2013 £159,104) In addition services valued at £615k (2013 £1,300k) 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



**Visit Kent Limited**  
**(A company limited by guarantee)**

**Directors' report**  
**for the year ended 31 March 2014**

**Auditors**

Under section 487 of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditor(s) 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 **7 NOVEMBER 2014**

and signed on its behalf



**Brigadier M J Meardon RM**  
Director

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Directors' responsibilities statement**  
**for the year ended 31 March 2014**

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 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.

**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 2014, set out on pages 6 to 11. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

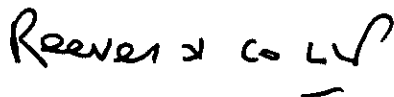
**Visit Kent Limited**  
**(A company limited by guarantee)**

**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 to take advantage of the small companies' exemption from the requirement to prepare a strategic report or 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

10 November 2014

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Profit and loss account**  
**for the year ended 31 March 2014**

	<b>Note</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Turnover</b>	<b>1</b>	<b>1,215,043</b>	1,445,993
Cost of sales		<u>(1,007,734)</u>	<u>(1,326,709)</u>
<b>Gross profit</b>		<b>207,309</b>	119,284
Administrative expenses		<u>(200,740)</u>	<u>(118,541)</u>
<b>Operating profit</b>	<b>2</b>	<b>6,569</b>	743
Interest receivable and similar income		497	372
Interest payable and similar charges		<u>(1,430)</u>	<u>-</u>
<b>Profit on ordinary activities before taxation</b>		<b>5,636</b>	1,115
Tax on profit on ordinary activities	<b>4</b>	<u>(99)</u>	<u>(74)</u>
<b>Profit for the financial year</b>	<b>9</b>	<b><u>5,537</u></b>	<b><u>1,041</u></b>

The notes on pages 8 to 11 form part of these financial statements

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

**Balance sheet**  
**as at 31 March 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	5		9,430		6,725
<b>Current assets</b>					
Debtors	6	250,014		385,577	
Cash at bank and in hand		243,896		327,439	
		<u>493,910</u>		<u>713,016</u>	
<b>Creditors</b> amounts falling due within one year	7	(332,609)		(554,547)	
<b>Net current assets</b>			<u>161,301</u>		<u>158,469</u>
<b>Net assets</b>			<u>170,731</u>		<u>165,194</u>
<b>Capital and reserves</b>					
Profit and loss account	9		<u>170,731</u>		<u>165,194</u>
			<u>170,731</u>		<u>165,194</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 7 NOVEMBER 2014



**Brigadier M J Meardon RM**  
Director

The notes on pages 8 to 11 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 2014**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

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

**1.2 Cash flow**

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

**1.3 Turnover**

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

**Interreg income**

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

**1.4 Tangible fixed assets and depreciation**

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

Motor vehicles	-	25% straight line
Office equipment	-	20% straight line
Computer equipment	-	33% straight line
Furniture and fittings	-	20% straight line

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

**1.5 Operating leases**

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

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

**1.6 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

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**2 Operating profit**

The operating profit is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets - owned by the company	5,752	6,167
Auditors' remuneration	4,000	3,900
	<u>          </u>	<u>          </u>

**3 Directors' remuneration**

	2014 £	2013 £
Aggregate remuneration	101,596	99,779
	<u>          </u>	<u>          </u>

**4 Taxation**

	2014 £	2013 £
UK corporation tax charge on profit for the year	99	74
	<u>          </u>	<u>          </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 2014**

**5 Tangible fixed assets**

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2013	-	12,091	49,257	61,348
Additions	6,896	149	1,412	8,457
At 31 March 2014	6,896	12,240	50,669	69,805
<b>Depreciation</b>				
At 1 April 2013	-	8,315	46,308	54,623
Charge for the year	1,724	1,519	2,509	5,752
At 31 March 2014	1,724	9,834	48,817	60,375
<b>Net book value</b>				
At 31 March 2014	5,172	2,406	1,852	9,430
At 31 March 2013	-	3,776	2,949	6,725

**6 Debtors**

	2014 £	2013 £
Trade debtors	48,273	81,776
Interreg debtors	131,014	219,504
Other debtors	70,727	84,297
	<u>250,014</u>	<u>385,577</u>

**7 Creditors**  
**Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	52,884	110,772
Corporation tax	99	74
Other taxation and social security	10,040	8,844
Accruals and deferred income	269,586	434,857
	<u>332,609</u>	<u>554,547</u>

**8 Company status**

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

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2014**

**9 Reserves**

	<b>Profit and loss account £</b>
At 1 April 2013	165,194
Profit for the financial year	5,537
	<hr/>
At 31 March 2014	<b>170,731</b>
	<hr/>

**10 Contingent liabilities**

*Grant funding*

The company's entitlement to Interreg grant funding (see note 1.3) 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.

*VAT*

The financial statements for the year to 31 March 2013 disclosed details of a contingent liability in relation to a dispute with HM Revenue & Customs over the VAT treatment of certain matters. This issue was resolved during the year at a cost to the company of £39,789 which has been recognised within administrative expenses.

It has been agreed with HM Revenue & Customs that VAT on Interreg/grant related expenditure is non-recoverable and returns will be reconciled at each year end, in accordance with HMRC's recommended method of apportionment.

**11 Operating lease commitments**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date</b>				
Within 1 year	-	-	1,790	-
Between 2 and 5 years	25,000	25,000	-	3,580
	<hr/>	<hr/>	<hr/>	<hr/>

**12 Controlling party**

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

---

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

To: Governance and Audit Committee Trading Activities Sub Group – 9 March 2015

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 Group.

## **FOR ASSURANCE**

---

### **INTRODUCTION**

1. This report is the annual review of East Kent Opportunities LLP.
2. This report provides an update on East Kent Opportunities LLP. Its Annual Report and Financial Statements for 2013/14 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 having achieved a number of milestones in 2013 and significant ones in 2014:

- i. EKO LLP and Rosefarm Estates Ltd (the adjacent owners of the northern component part of Eurokent) submitted a joint mixed use outline planning application in Autumn 2011. This application was refused permission on the 16th October 2013, by Thanet District Council's Planning Committee. EKO LLP in the Spring of 2014 lodged an Appeal against the refusal following encouraging advice from Queen's Counsel and the application was subsequently recovered by the Secretary of State. Following a Public Inquiry in August 2014, EKO was advised on 29<sup>th</sup> October 2014, that the Appeal was upheld and the Eurokent site now benefits from an outline planning consent, subject to a Section 106 for a large scale mixed use development. The Eurokent Masterplan is now currently being reviewed and worked up in more detail to define more precisely how the site will be brought forward for sale and ultimate development. This will inform future reserved matters/detailed planning applications, and is imperative for the successful marketing and sale of the site.
- ii. In the meantime, development of the new Laleham Gap (Special Educational Needs) School on (Area 1) EKO land at Eurokent, off Ozengell Place adjacent to the Marlowe Academy, has begun with the school due to open in September 2015. This initiative has been pursued in conjunction with KCC Property Group and Department for Education with Government funding. It was triggered by a land swap agreement between KCC and EKO which means that EKO will ultimately acquire the existing school site in Cliftonville and is accordingly in the process of securing detailed planning permission for redevelopment for some 70 family dwellings. The site has been marketed and a sale agreed with a developer purchaser.
- iii. The loan agreement for the Eurokent Link Road has been reviewed with agreement that 50% of the cost to now being shared with Thanet District Council and the remaining being re-profiled for repayment by March 2017. This will allow EKO to realise an income stream from the Eurokent site now that outline planning approval has been achieved.
- iv. Manston Business Park has continued to see increasing activity. The sale of land early last year facilitated expansion plans for an existing major occupier. Plot 5 was recently sold and is under development with TCS Ltd and two sister companies that moved into Kent from the West Country. Its first phase of easy in/out for rent workspace has already completed and is almost fully occupied and creating local jobs. A second phase which includes a company HQ and operational facilities as well as additional speculative incubator / light industrial units for flexible rent by other businesses is near completion. This particular company has benefited from support from KCC's Regeneration Fund under the Kent Workspace Programme.
- v. More recently, further plots have been sold and developed (Plot 4a) for SME workspace for freehold sale, providing a good range of opportunities and flexible and adaptable units for SME companies is almost complete, again with a high percentage of occupiers. Further land sales to the same developer will allow potentially up to three more phases (Plots 3 and 4b) of similar accommodation, but

with a variety of tenure options. Several other live enquiries are being dealt with from other occupiers.

Due to the growing demand further provision of roadways and services is under consideration.

- vi. Next steps for the company will include:
  - i. a new entire property asset valuation to be undertaken now that outline planning approval has been granted for Eurokent;
  - ii. a revised Masterplan be prepared for the Eurokent site as EKO explores its wider market potential; and
  - iii. a detailed planning application has been submitted and is soon to be determined for the existing Laleham Gap School site in Cliftonville, negotiations are underway regarding its residential development from September.
- 5. East Kent Opportunities LLP's Annual Report and Financial Statements for 2013/14 are attached at Appendix 1, and the key points can be summarised as follows:
  - i. In 2013-14, 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 £0.34m.
  - 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 2013/14, attached at **Appendix 1**.

**Theresa Bruton, GET, Economic Development**  
**Bev Gibbs, ST, Finance & Procurement**  
**9 March 2015**

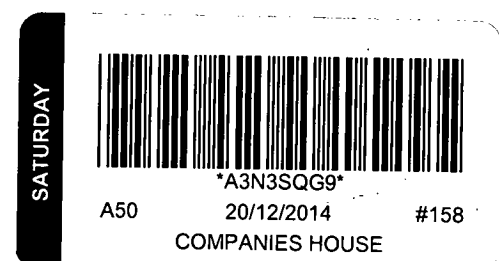
This page is intentionally left blank

**Registered number: OC335231**

## **East Kent Opportunities LLP**

**Annual report and financial statements**

**For the year ended 31 March 2014**



## **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 2014**

The members present their annual report together with the audited financial statements of East Kent Opportunities LLP (the LLP) for the ended 31 March 2014.

### **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 2014 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.

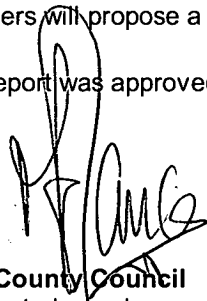
**East Kent Opportunities LLP**

**Members' report (continued)  
For the year ended 31 March 2014**

**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 8/12/14 and signed on their behalf by:



**Kent County Council**  
Designated member



**Thanet District Council**  
Designated member

# East Kent Opportunities LLP

## Profit and loss account For the year ended 31 March 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1	26,265	96,754
Administrative expenses		<u>(365,758)</u>	<u>(301,395)</u>
<b>Operating loss</b>	2	<b>(339,493)</b>	<b>(204,641)</b>
Interest receivable and similar income		358	132
Interest payable and similar charges		<u>(26)</u>	<u>(32)</u>
<b>Loss for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b><u>(339,161)</u></b>	<b><u>(204,541)</u></b>

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

## **East Kent Opportunities LLP**

### **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 2014, 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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

10 December 2014

**East Kent Opportunities LLP**  
Registered number: OC335231

**Balance sheet**  
**As at 31 March 2014**

	Note	£	2014 £	2013 £
<b>Fixed assets</b>				
Tangible assets	3		9,801,378	9,801,378
<b>Current assets</b>				
Debtors	4	6,181,606	5,821,658	
Cash at bank		261,711	503,286	
		<u>6,443,317</u>	<u>6,324,944</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(733,451)</u>	<u>(768,700)</u>	
<b>Net current assets</b>			<u>5,709,866</u>	<u>5,556,244</u>
<b>Total assets less current liabilities</b>			<u>15,511,244</u>	<u>15,357,622</u>
<b>Creditors: amounts falling due after more than one year</b>	6		<u>(5,550,244)</u>	<u>(5,396,622)</u>
<b>Net assets attributable to members</b>			<u><u>9,961,000</u></u>	<u><u>9,961,000</u></u>
<b>Represented by:</b>				
<b>Members' other interests</b>				
Members' capital classified as equity			<u>9,961,000</u>	<u>9,961,000</u>
			<u><u>9,961,000</u></u>	<u><u>9,961,000</u></u>
<b>Total members' interests</b>				
Amounts due from members (included in debtors)			<u>(6,160,819)</u>	<u>(5,821,658)</u>
Members' other interests			<u>9,961,000</u>	<u>9,961,000</u>
	7		<u><u>3,800,181</u></u>	<u><u>4,139,342</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small LLPs 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 3 December 2014

  
**Kent County Council**  
Designated member

  
**Thanet District Council**  
Designated member

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

## **East Kent Opportunities LLP**

### **Notes to the financial statements For the year ended 31 March 2014**

#### **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 £261,771 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 it's 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.

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2014

#### 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 FRSSSE (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:

	2014 £	2013 £
Auditors' remuneration	<u>4,500</u>	<u>4,400</u>



# East Kent Opportunities LLP

## Notes to the financial statements For the year ended 31 March 2014

### 3. Tangible fixed assets

	Freehold land £
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	<u>9,801,378</u>
<b>Depreciation</b>	
At 1 April 2013 and 31 March 2014	<u>-</u>
<b>Net book value</b>	
At 31 March 2014	<u>9,801,378</u>
At 31 March 2013	<u>9,801,378</u>

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

	2014 £	2013 £
Other debtors	20,787	-
Amounts due from members	6,160,819	5,821,658
	<u>6,181,606</u>	<u>5,821,658</u>

### 5. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	96,430	54,833
Amounts owed to members	619,297	619,297
Other taxation and social security	-	50,680
Other creditors	17,724	43,890
	<u>733,451</u>	<u>768,700</u>

### 6. Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Other loans	<u>5,550,244</u>	<u>5,396,622</u>

Included within other loans is £5,550,244 (2013: £5,396,622) due to Kent County Council for reimbursement of costs associated with a building project.

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2014

#### 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 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: balance at 1 April 2013	9,961,000	-	9,961,000	(5,821,658)	4,139,342
Loss for the year available for discretionary division among members	-	(339,161)	(339,161)	-	(339,161)
Members' interests after loss for the year	9,961,000	(339,161)	9,621,839	(5,821,658)	3,800,181
Allocated profit for period	-	339,161	339,161	(339,161)	-
Members' interests at 31 March 2014	9,961,000	-	9,961,000	(6,160,819)	3,800,181

#### 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 £147,000 (2013: £160,000). 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.

## **East Kent Opportunities LLP**

### **Notes to the financial statements For the year ended 31 March 2014**

#### **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 2014 is £49,278 (2013: £12,153) 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 (2013: £619,297) due to Kent County Council and Thanet District Council in respect of short term financing made available to East Kent Opportunities LLP.

This page is intentionally left blank