

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

**Monday, 29th February, 2016**

**2.00 pm**

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







## **AGENDA**

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

**Monday, 29 February 2016 at 2.00 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 C P D Hoare

#### **UNRESTRICTED ITEMS**

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

#### **Webcasting Notice**

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#### **Item**

- 1 Substitutes
- 2 Minutes - 23 November 2015 (Pages 5 - 8)
- 3 Declarations of Interest by Members for items on the agenda
- 4 Statutory Accounts for companies in which KCC has an interest (Pages 9 - 192)
- 5 Consolidated Commercial Services 2014/15 (Pages 193 - 286)

- 6 East Kent LLP (Pages 287 - 304)
- 7 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, 19 February 2016**

*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 Council Chamber, Sessions House, County Hall, Maidstone on Monday, 23 November 2015.

PRESENT: Mr R L H Long, TD (Chairman), Mr D L Brazier (Substitute for Mr R J Parry) and Mr C P D Hoare

ALSO PRESENT: Mr R H Bird, Mr B Neaves and Mr D Smyth

IN ATTENDANCE: Mrs R Spore (Director of Infrastructure), Mr P Mawson (Property Programme Lead Officer), Mr G Singh (Barrister), Ms L MacKenzie-Ingle (Senior Solicitor), Mr R Patterson (Head of Internal Audit), Mr G Record (Finance and Procurement Officer), Ms J Hansen (Finance Business Partner (Strategic & Corporate Services) and Mr A Tait (Democratic Services Officer)

### UNRESTRICTED ITEMS

#### 4. **Membership** (Item 1)

The Sub-Committee noted the appointment of Mr C P D Hoare in place of Mr H Birkby.

#### 5. **Minutes - 9 March 2015** (Item 4)

RESOLVED that subject to the correction of Minute 1 to read "2014", the Minutes of the meeting held on 9 March 2015 are correctly recorded and that they be signed by the Chairman.

#### 6. **Facing the Challenge - Property Future Service Delivery Model** (Item 5)

(1) The Sub-Committee considered whether to treat this item as Open or Exempt business in the light of the Exempt Appendix. Following advice from Legal Services that discussion of certain sections of the Exempt Appendix would place the Local Authority Trading Company (LATC) at a competitive disadvantage, the Sub-Committee voted to exclude the public.

## **EXEMPT ITEMS**

### **(Open Access to Minutes)**

*(Members resolved under Section 100A of the Local government Act 1972 that the public be excluded from the meeting for the following business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.)*

(2) The draft Articles of Association were tabled.

(3) The Director of Infrastructure introduced the report by saying that the decision to externalise and establish a LATC to be fully owned by KCC had been taken as part of the *Facing the Challenge* process. The property and Infrastructure Group had commissioned *Cornerstone* as its external advisers to support the process and to offer external challenge. The Facing the Challenge Team had undertaken market engagement to provide an independent market review.

(4) The rationale for the establishment of the LATC had been considered by the Commissioning Advisory Board, the Policy and Resources Cabinet Committee and by Cabinet.

(5) The Director of Infrastructure set out the four key components to governance and commissioning for the LATC. These were Commissioning Governance for KCC, Corporate Governance for KCC, Corporate Governance for the LATC, and Corporate Governance for new clients. Assurance that the appropriate checks and balances were in place for each of these components would be provided by Legal Services, the Section 151 Officer and Internal Audit. She added that the lessons of the Council's other companies had been taken fully into account in the process of developing these governance arrangements.

(6) Mr Singh, on behalf of Legal Services confirmed that in his opinion the governance arrangements were appropriate.

(7) In response to questions from Mr Smyth, the Director of Infrastructure confirmed that there would be no formal KCC Board to monitor compliance with the 2015 regulations by the company. This function would be carried out by herself and the Cabinet Member for Corporate and Democratic Services, reporting to the Policy and Resources Cabinet Committee and the Governance and Audit Trading Activities Sub-Committee as appropriate. It was proposed that an Audit Committee would be established in the LATC and that KCC would provide audit services.

(8) The Board of the LATC itself would consist of 6 to 8 members. If a 6 member Board were set up, it was intended that it would consist of 2 Executive Directors from the LATCO management team, 2 independently appointed non-executive directors and 2 KCC non-executive directors who would be KCC employees with relevant experience. In the event that an 8 member Board were set up, the number of independent and KCC representatives would be increased to 3 each.

(9) Mr Singh agreed with Mr Bird that the Articles of Association did not specify the objectives of the LATC other than as they were set out in the draft to enter into contracts with KCC and third parties. This was because the company's activities

were restricted and also controlled by a wider governance framework, as had been described by the Director of Infrastructure.

(10) Mr Bird asked for assurance over client selection. He said that it might be appropriate to set out a process which ensured that the LATC did not select clients that it would be unwise for KCC to associate with.

(11) The Director of Infrastructure replied to Mr Bird by saying that KCC would be the main customer. Managing client selection would take a similar form to that in use by Legal Services. Also, professional conduct rules would prevent the LATC from undertaking any activities outside of its ethical code. She added that the LATC would have to put forward a professional business plan to the County Council on an annual basis. This would include the business partners that the LATC was seeking to attract. The Policy and Resources Cabinet Committee would provide formal oversight. The LATC would therefore be unable to undertake any activity without the approval of the County Council as the shareholder. Any change to this principle would only take place with the approval of the County Council.

(12) Mr C P D Hoare proposed and it was formally seconded that any contractual agreements should be scrutinised by a professional outside organisation.

*Lost 1 vote to 2.*

(13) The Director of Infrastructure replied to a question from Mr Hoare by saying that the business case assumed partnerships between the LATC and other third parties. These were expected to be other Local Authorities in Kent.

(14) RESOLVED that approval be given to the governance arrangements detailed in the report and the exempt annex.

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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 - 29 February 2016

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 As 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 Copies of the latest Statutory Accounts for these companies (for 2014-15) are included as appendices to the report should the Members' wish to review and consider them.
- 1.3 This report also includes 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.

### **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 2014-15.

<b>1. 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>	None
<b>Profit or Surplus / (Deficit)</b>	£667
<b>Payment during 2014-15</b>	Nil
<b>2. 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 objective of improving the conditions of life 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 – KCC Member
<b>Profit or Surplus / (Deficit)</b>	£1,763
<b>Payment during 2014-15</b>	£7,740.20 (excluding VAT) – Room hire for courses
<b>3. Visit Kent Ltd</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 – KCC Member  Mrs T Bruton – KCC Officer – appointed 9 October

	2014
<b>Profit or Surplus / (Deficit)</b>	£4,998
<b>Payment during 2014-15</b>	£386,356.76 (excluding VAT) – Payment for Tourism Services and grant for Big Weekend
<b>4. Locate in Kent Ltd</b>	
<b>Purpose of entity</b>	Locate in Kent offers confidential and free business investment and relocation services to international, UK and Kent-based companies looking to expand. .  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 – KCC Member  Mr A King – KCC Member  Mr B Sweetland – KCC Member
<b>Profit or Surplus / (Deficit)</b>	£(58,164)
<b>Payment during 2014-15</b>	£792,346.80 (excluding VAT) – Payment of a monthly contribution
<b>5. 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 – KCC Officer
<b>Profit or Surplus / (Deficit)</b>	£60,653
<b>Payment during 2014-15</b>	£ 37,303.16 (excluding VAT) – Membership fees and various products
<b>6. East Kent Spatial Development Company</b>	
<b>Purpose of entity</b>	A regeneration company specialising in the provision of utilities infrastructure to the business parks in East

	Kent.  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 – KCC Member
<b>Profit or Surplus / (Deficit)</b>	£199,366
<b>Payment during 2014-15</b>	Nil
<b>7. 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 – KCC Officer – resigned 27 March 2015  Ms C Hursell – KCC Officer – appointed 1 July 2015
<b>Profit or Surplus / (Deficit)</b>	£(20,887)
<b>Payment during 2014-15</b>	£90,317.03 (excluding VAT) – Membership fees and equipment rental

<b>8. Produced in Kent</b>	
<b>Purpose of entity</b>	To increase the public's 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 – KCC Member
<b>Profit or Surplus / (Deficit)</b>	£21,875
<b>Payment during 2014-15</b>	£120,635.64 (excluding VAT) – contribution towards salary costs
<b>9. TRICS Consortium Ltd</b>	
<b>Purpose of entity</b>	Consortium of six County Councils owning and operating a transport trip rate database known as TRICS.  Company Limited by Shares
<b>Level and Nature of Interest</b>	37,500 shares of total share capital of 225,000 (16.7% holding).  One of six member with equal voting rights (one vote per member)
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	First accounts are due 14 July 2016
<b>Payment during 2014-15</b>	£3,520.00 (excluding VAT) – Licence and joining fee

- 2.2 Business Support Kent Community Interest Company went into administration on 27 April 2015. The company continued trading during the administration period. There is no risk to KCC. KCC made payments of £74,857.40 in 2014-15 and £31,962.19 in 2015-16. The payments were in respect of contribution and grant funding.
- 2.3 KCC is no longer a member of the North Kent Architecture Centre.

### 3. **INVESTMENT COMPANIES**

- 3.1 Detailed in the table below are investments KCC has made through the purchase of shares.

<b>10. Shearwater Systems Ltd</b>	
<b>Purpose of entity</b>	To design and develop 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>Level and Nature of Interest</b>	<p>233,333 £0.01 Ordinary A Shares were purchased in 2013-14 as part of Expansion East Kent through the Regional Growth Fund. The shares were purchased for £144,433.12. KCC has a 7.22% holding in the company</p> <p>The return on equity can be recycled back into the Regional Growth Fund (RGF) for reinvestment in other businesses.</p>
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	£(29,461) – accounts as at 31 March 2015
<b>Payment during 2014-15</b>	£400,000 – loan through RGF
<b>11. TRN – The Research Network Ltd</b>	
<b>Purpose of entity</b>	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.
<b>Level and Nature of Interest</b>	<p>1,400 £0.01 Ordinary Shares were purchased in 2013-14 as part of Expansion East Kent through the Regional Growth Fund. The shares were purchased for £28,000. KCC has a 6% holding in the company.</p> <p>The return on equity can be recycled back into the</p>

	Regional Growth Fund (RGF) for reinvestment in other businesses.
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	£1,851 – accounts as at 30 April 2015
<b>Payment during 2014-15</b>	Nil
<b>12. Michelson Diagnostics Ltd</b>	
<b>Purpose of entity</b>	Development, manufacture and supply of patented Optical Coherence Tomography (OCT) instrumentation (the Vivosight Scanner) to the dermatology markets and the supply of associated support systems.
<b>Level and Nature of Interest</b>	26,986 £1 B Ordinary Shares were purchased in 2014-15 through Escalate. The shares were purchased for £249,998.30.  Company Checker indicates that B Ordinary Shares have no ownership in the company.
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	£(1,812,685) – accounts as at 30 September 2014
<b>Payment during 2014-15</b>	£350,000 – loan through Escalate
<b>13. Digital Contact Ltd</b>	
<b>Purpose of entity</b>	A big data products company, helping businesses and consumers make faster and better decisions from the data that surrounds them.
<b>Level and Nature of Interest</b>	Shares were purchased in February 2015 through the TIGER fund for £1,174,072. The accounts for year ended 30 April 2015 show the increase in share capital however the latest Statement of Capital and Annual Return lodged with Companies House does not show KCC as a shareholder.
<b>Directors on the Board</b>	
<b>Profit or Surplus / (Deficit)</b>	£(783,427) – accounts as at 30 April 2015
<b>Payment during 2014-15</b>	£457,418 – loan through TIGER

<b>14. Venomtech Ltd</b>	
<b>Purpose of entity</b>	To produce unique venom derived tools for drug discovery.
<b>Level and Nature of Interest</b>	<p>Shares were purchased in March 2015 through the Regional Growth Fund for £29,996.21.</p> <p>The latest Statement of Capital and Annual Return lodged with Companies House does not show KCC as a shareholder.</p>
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	£(146,178) – accounts as at 31 August 2014
<b>Payment during 2014-15</b>	Nil
<b>15. Vortex Exhaust Technology Ltd</b>	
<b>Purpose of entity</b>	Manufacturing of other parts and accessories for motor vehicles.
<b>Level and Nature of Interest</b>	<p>Shares were purchased in March 2015 through the TIGER Fund for £29,996.21.</p> <p>The latest Statement of Capital and Annual Return lodged with Companies House does not show KCC as a shareholder.</p>
<b>Directors on the Board</b>	None
<b>Profit or Surplus / (Deficit)</b>	Accounts are overdue
<b>Payment during 2014-15</b>	£45,000 – loan through TIGER
<b>16. Kent PFI Holding Company 1 Ltd</b>	
<b>Purpose of entity</b>	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).



<b>Level and Nature of Interest</b>	<p>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 2014-15 KCC has 42% holding in the company. The investment structure is as follows:</p> <ul style="list-style-type: none"> <li>• £2,681,260.21 in loan notes</li> <li>• £2,113,808.91 in shares</li> </ul> <p>During 2014-15 we received £207,206.25 relating to interest and repayment of loan notes.</p>
<b>Directors on the Board</b>	<p>Mrs C Head – KCC Officer</p> <p>Ms J Hansen – KCC Officer</p>
<b>Profit or Surplus / (Deficit)</b>	£400,000
<b>Payment during 2014-15</b>	£10,541,393.57 (excluding VAT) – PFI costs

#### **4      RECOMMENDATION**

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

**Emma Feakins**  
**Chief Accountant**  
**Ext: 416082**

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**Abbreviated Unaudited Accounts for the Year Ended 31 August 2015**

**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 2015**

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**Association of  
Tourist Attractions  
in Kent Limited**

**Company Information  
for the Year Ended 31 August 2015**

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**DIRECTORS:**

J Gardner  
G Hukins  
Mrs S Hirsch  
Mrs B Cranfield  
Miss S Belsom  
N Barric  
Ms L Dickson  
S Bromley

**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 2015**

	31.8.15 £	31.8.14 £
<b>CURRENT ASSETS</b>		
Debtors	4,866	2,987
Cash at bank	<u>11,582</u>	<u>12,899</u>
	<b>16,448</b>	<b>15,886</b>
<b>CREDITORS</b>		
Amounts falling due within one year	<u>747</u>	<u>852</u>
<b>NET CURRENT ASSETS</b>	<u><b>15,701</b></u>	<u><b>15,034</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><b>15,701</b></u>	<u><b>15,034</b></u>
<b>RESERVES</b>		
Capital reserve	<b>10,154</b>	10,154
Income and expenditure account	<u><b>5,547</b></u>	<u>4,880</u>
	<u><b>15,701</b></u>	<u><b>15,034</b></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2015 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 10 December 2015 and were signed on its behalf by:

Mrs B Cranfield - Director

**Notes to the Abbreviated Accounts  
for the Year Ended 31 August 2015**

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**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.

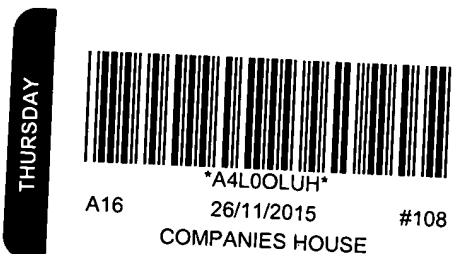


Company registration number: 03114198  
Charity registration number: 1050794

# Aylesham & District Community Workshop Trust

(A company limited by guarantee)

Annual Report and Financial Statements  
for the Year Ended 31 March 2015



**BATCHELOR COOP chartered accountants**

Page 25  
THE NEW BARN MILL LANE EASTRY SANDWICH KENT CT13 0JW

## Aylesham & District Community Workshop Trust

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

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# Aylesham & District Community Workshop Trust

## Reference and Administrative Details

**Charity name** Aylesham & District Community Workshop Trust

**Charity registration number** 1050794

**Company registration number** 03114198

**Principal office** Ackholt Road  
Aylesham  
Kent  
CT3 3AJ

**Registered office** Ackholt Road  
Aylesham  
Kent  
CT3 3AJ

**Trustees** L J Brazier  
W Field  
A Hockley  
L Jeavons  
S Manion  
K Rogers  
R Thompson  
Rev L C Moncaster  
W R Cornelius

**Secretary** D Garrity M.B.E.

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

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

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

**Patron** G Prosser

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

### **Trustees' Report**

The Trustees, who are all Directors 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 2015. 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 Aylesham & District Community Trust has delivered all of its aims and objectives.

We continue to work with developers and the local authority with the expansion of Aylesham and look forward to the appointment of the Aylesham Community Development officer.

All of the plans and objectives were decided some time ago and there is a disconnection between what the local people thought the plan was and the project delivery. We hope that the Aylesham Community Development Officer will help the integration of people locating in the village.

We also working with Debbie Spalding of East Spatial Development Company on the business development of the Aylesham Rural Area and we have seen the need for office accommodation and workshop space grow. We are coming to the conclusion that a new development for industrial use of the bottom site is not far away and we are now looking for partners to develop that site. In the expansion plans for Aylesham we are the preferred site for employment and business expansion. We are at the stage that we need more workshops and offices to stimulate business activity if the area but the challenge is how to fund it .

This time last year we were worried that empty property rate demands would have an adverse effect on the trust and allocated £5,000 in last year's accounts against this cost. Good work with East Kent Shared Services allowed us to come to an agreement with Dover District Council however which meant that there was no need to use that allocation.

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

### **Trustees' Report**

Our work with the Aylesham community and voluntary groups continues we still work with Aylesham carnival who still manage the community minibus and use it for all of the visits to other towns carnivals. It is also available for other voluntary groups .

The grant fund is a valuable source of income to village organisations. We grant £10,000 per year and have probably given in grants an estimated £160,000 since we started in 1996. This year Aylesham twinning, Snowdown Rugby club, Junior Footbal, The Welfare, the Bowls Club and the Green Howards were all beneficiaries.

The finances of the trust are in good shape and I would like to thank our treasurer Lonnie Brazier and chairman Len Jevons for their support and work throughout the year, supported by Lisa Harkett.

The grounds have been in first class condition this year and Keith Garrity has worked with contractors to keep the grounds and buildings well maintained. This year we have upgraded external lights on the main building to LED's, remarked car park lines and completed work on the veranda as part of a continuous maintenance programme. Plans for this coming year is to bring LED lighting to miners way street lighting and a car park .

I would also like to thank Kelly Kirkham and Kenny Devine for their work the cleaning in the building which is first class and we continue to get compliments from our clients customer service work.

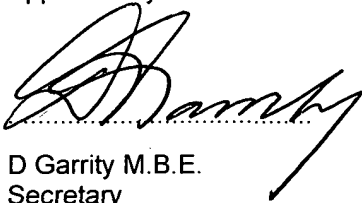
This year we have the following community activities in the centre Aylesham Boxing Club, Fitness Frenzi keep fit, Caroline's yoga and the slimming club.

We have established ourselves as an important part of the regeneration and expansion of Aylesham and it is now nearly 20 years since the closure of Snowdown Colliery. We need to honour and remember our heritage but now need to put our community talents to the front and face the future with optimism and confidence. Aylesham has a bright future.

#### **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 14 October 2015 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 2015, 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.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

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**

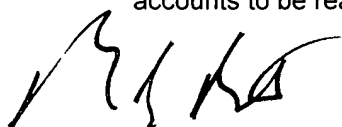
The accounting policy for the investment property is that it is shown at market value. The trustees consider that obtaining a professional valuation every year would not be an appropriate use of charitable funds and they therefore apply a depreciation rate of 2.5% on cost to reflect the wear and tear 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

26 October 2015

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 2015

		Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	Note	£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Activities for generating funds	3	78,702	-	78,702	71,828
Investment income	4	1,499	-	1,499	1,887
Incoming resources from charitable activities	5	170,752	-	170,752	146,160
Total incoming resources		<u>250,953</u>	<u>-</u>	<u>250,953</u>	<u>219,875</u>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	6	14,948	17,000	31,948	33,031
Charitable activities	7	181,354	24,601	205,955	195,819
Governance costs	10	11,287	-	11,287	14,051
Total resources expended		<u>207,589</u>	<u>41,601</u>	<u>249,190</u>	<u>242,901</u>
Net income/(expenditure) before transfers		43,364	(41,601)	1,763	(23,026)
<b>Transfers</b>					
Gross transfers between funds		<u>(11,464)</u>	<u>11,464</u>	<u>-</u>	<u>-</u>
Net movements in funds		31,900	(30,137)	1,763	(23,026)
<b>Reconciliation of funds</b>					
Total funds brought forward		405,948	1,415,324	1,821,272	1,844,298
Total funds carried forward		<u>437,848</u>	<u>1,385,187</u>	<u>1,823,035</u>	<u>1,821,272</u>

# Aylesham & District Community Workshop Trust

## Balance Sheet as at 31 March 2015

Registration number: 03114198

		2015		2014	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14	1,306,424		1,341,453	
Investments	15	544,000		561,000	
		<u>1,850,424</u>		<u>1,902,453</u>	
<b>Current assets</b>					
Debtors	16	42,248	43,142		
Cash at bank and in hand		<u>171,890</u>	<u>140,027</u>		
		214,138	183,169		
<b>Creditors: Amounts falling due within one year</b>	17	<u>(37,286)</u>	<u>(47,850)</u>		
<b>Net current assets</b>		<u>176,852</u>		<u>135,319</u>	
<b>Total assets less current liabilities</b>		2,027,276		2,037,772	
<b>Creditors: Amounts falling due after more than one year</b>	18	<u>(204,241)</u>		<u>(216,500)</u>	
<b>Net assets</b>		<u>1,823,035</u>		<u>1,821,272</u>	
<b>The funds of the charity:</b>					
<b>Restricted funds</b>		1,385,187		1,415,325	
<b>Unrestricted funds</b>					
Unrestricted income funds		<u>437,848</u>		<u>405,947</u>	
<b>Total charity funds</b>		<u>1,823,035</u>		<u>1,821,272</u>	

For the financial year ended 31 March 2015, 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 14 October 2015 and signed on its behalf by:



L Jeavons  
Trustee

The notes on pages 7 to 14 form an integral part of these financial statements.



# **Aylesham & District Community Workshop Trust**

## **Notes to the Financial Statements for the Year Ended 31 March 2015**

### **2 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.

## Aylesham & District Community Workshop Trust

### Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

#### Support costs

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

#### Irrecoverable VAT

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

#### Fixed assets

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

#### Depreciation

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

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

#### Investments

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

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

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

#### Pensions

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

### 3 Activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Operating activities - "Miners Way"</b>				
Rental income	78,702	-	78,702	71,828

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

### 4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Interest on cash deposits	1,499	-	1,499	1,887

### 5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Rental income	170,752	-	170,752	146,160

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
<b>Operating activities - "Miners Way"</b>				
Depreciation of tangible fixed assets	-	17,000	17,000	17,000
Support costs allocated	14,948	-	14,948	16,031
	14,948	17,000	31,948	33,031

### 7 Details of charitable activities

Activities undertaken directly £	Grant funding of activities £	2015 £	2014 £
196,716	9,239	205,955	195,819

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

### 8 Support costs

	Operating activities - "Miners Way"	Governance costs	Total
	£	£	£
Establishment costs	-	4,915	4,915
Telephone	-	2,665	2,665
Printing, posting and stationery	-	485	485
Sundry and other costs	-	13	13
Motor expenses	-	260	260
Payroll administration	-	540	540
Independent examiner's fee	-	1,550	1,550
Legal and professional costs	-	350	350
Bank charges and interest payable	14,948	359	15,307
	<u>14,948</u>	<u>11,137</u>	<u>26,085</u>

### 9 Grantmaking

Grants to institutions
£
<u>9,239</u>

The support costs associated with grant making are £0.

### 10 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £	Total Funds 2014 £
Subscriptions and donations	150	-	150	-
Support costs allocated	<u>11,137</u>	<u>-</u>	<u>11,137</u>	<u>14,051</u>
	<u>11,287</u>	<u>-</u>	<u>11,287</u>	<u>14,051</u>

### 11 Trustees' remuneration and expenses

No trustees received any remuneration during the year.

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

### 12 Net income/(expenditure)

Net income/(expenditure) is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	<u>52,910</u>	<u>53,810</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.

### 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 2014	426,790	1,297,713	31,714	216,496	1,972,713
Additions	-	-	880	-	880
As at 31 March 2015	<u>426,790</u>	<u>1,297,713</u>	<u>32,594</u>	<u>216,496</u>	<u>1,973,593</u>
<b>Depreciation</b>					
As at 1 April 2014	-	428,222	26,115	176,922	631,259
Charge for the year	-	27,171	2,802	5,937	35,910
As at 31 March 2015	-	<u>455,393</u>	<u>28,917</u>	<u>182,859</u>	<u>667,169</u>
<b>Net book value</b>					
As at 31 March 2015	<u>426,790</u>	<u>842,320</u>	<u>3,677</u>	<u>33,637</u>	<u>1,306,424</u>
As at 31 March 2014	<u>426,790</u>	<u>869,491</u>	<u>5,599</u>	<u>39,574</u>	<u>1,341,454</u>

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

### 15 Investments held as fixed assets

	Investment properties £
<b>Market value</b>	
As at 1 April 2014 and 31 March 2015	<u>680,000</u>
<b>Depreciation</b>	
As at 1 April 2014	119,000
Charge for the year	<u>17,000</u>
As at 31 March 2015	<u>136,000</u>
<b>Net book value</b>	
As at 31 March 2015	<u>544,000</u>
As at 31 March 2014	<u>561,000</u>
All investment assets were held in the UK.	

### 16 Debtors

	2015 £	2014 £
Trade debtors	36,592	39,863
Other debtors	1,461	1,461
Prepayments and accrued income	<u>4,195</u>	<u>1,818</u>
	<u>42,248</u>	<u>43,142</u>

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

	2015 £	2014 £
Bank loans and overdrafts	12,242	11,448
Trade creditors	-	3,578
Taxation and social security	13,968	16,573
Other creditors	4,881	5,627
Accruals and deferred income	<u>6,195</u>	<u>10,624</u>
	<u>37,286</u>	<u>47,850</u>

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

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

	2015 £	2014 £
Bank loans and overdrafts	<u>204,241</u>	<u>216,500</u>

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

	2015 £	2014 £
After more than five years by instalments	<u>146,132</u>	<u>162,284</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 (2014 - £756).

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

### 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 and utilities charges of £2,304 (2014 £320) 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 £2,400 (2014 £1,000) 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 £6,549 (2014 £7,052) 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.

# Aylesham & District Community Workshop Trust

## Notes to the Financial Statements for the Year Ended 31 March 2015

..... continued

### 22 Analysis of funds

	At 1 April 2014	Incoming resources	Resources expended	Transfers	At 31 March 2015
	£	£	£	£	£
<b>General Funds</b>					
Unrestricted income fund	405,948	250,953	(207,589)	(11,464)	437,848
<b>Restricted Funds</b>					
Land and buildings	673,746	-	(8,656)	-	665,090
Workshop	515,769	-	(22,710)	11,464	504,523
Verandah	211,691	-	(6,616)	-	205,075
Telecentre	5,878	-	(727)	-	5,151
Minibus	4,730	-	(2,365)	-	2,365
Windows	3,510	-	(527)	-	2,983
	<u>1,415,324</u>	<u>-</u>	<u>(41,601)</u>	<u>11,464</u>	<u>1,385,187</u>
	<u>1,821,272</u>	<u>250,953</u>	<u>(249,190)</u>	<u>-</u>	<u>1,823,035</u>

### 23 Net assets by fund

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£	£	£	£
Tangible assets	248,753	1,057,671	1,306,424	1,341,453
Investments	-	544,000	544,000	561,000
Current assets	214,138	-	214,138	183,169
Creditors: Amounts falling due within one year	(25,044)	(12,242)	(37,286)	(47,850)
Creditors: Amounts falling due after more than one year	-	(204,241)	(204,241)	(216,500)
Net assets	<u>437,847</u>	<u>1,385,188</u>	<u>1,823,035</u>	<u>1,821,272</u>



# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

	Unrestricted income fund 2015 £	Unrestricted income fund 2014 £
<b>Incoming resources</b>		
Incoming resources from generated funds		
Activities for generating funds	78,702	71,828
Investment income	1,499	1,887
Incoming resources from charitable activities	170,752	146,160
Total incoming resources	<u>250,953</u>	<u>219,875</u>
<b>Resources expended</b>		
Costs of generating funds		
Fundraising trading: cost of goods sold and other costs	14,948	16,031
Charitable activities	181,354	171,004
Governance costs	11,287	14,051
Total resources expended	<u>207,589</u>	<u>201,086</u>
Net income/(expenditure) before transfers	43,364	18,789
<b>Transfers</b>		
Gross transfers between funds	<u>(11,464)</u>	<u>(10,568)</u>
Net movements in funds	31,900	8,221
<b>Reconciliation of funds</b>		
Total funds brought forward	405,948	397,726
Total funds carried forward	<u><u>437,848</u></u>	<u><u>405,947</u></u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Land and buildings 2015	Land and buildings 2014
	£	£
<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	673,746	682,402
Total funds carried forward	<u><u>665,090</u></u>	<u><u>673,746</u></u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Workshop 2015	Workshop 2014
	£	£
<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 income/(expenditure) before transfers	(22,710)	(22,710)
<b>Transfers</b>		
Gross transfers between funds	<u>11,464</u>	<u>10,568</u>
Net movements in funds	(11,246)	(12,142)
<b>Reconciliation of funds</b>		
Total funds brought forward	515,769	527,912
Total funds carried forward	<u>504,523</u>	<u>515,770</u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Verandah 2015	Verandah 2014
	£	£
<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	211,691	218,307
Total funds carried forward	<u><u>205,075</u></u>	<u><u>211,691</u></u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Telecentre 2015	Telecentre 2014
	£	£
<b>Resources expended</b>		
Charitable activities	727	848
Total resources expended	<u>727</u>	<u>848</u>
 Net movements in funds	 (727)	 (848)
<b>Reconciliation of funds</b>		
Total funds brought forward	5,878	6,726
Total funds carried forward	<u><u>5,151</u></u>	<u><u>5,878</u></u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Minibus 2015	Minibus 2014
	£	£
<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	4,730	7,095
Total funds carried forward	<u><u>2,365</u></u>	<u><u>4,730</u></u>

# Aylesham & District Community Workshop Trust

## Statement of financial activities by fund Year Ended 31 March 2015

..... continued

	Windows 2015	Windows 2014
	£	£
<b>Resources expended</b>		
Charitable activities	527	620
Total resources expended	<u>527</u>	<u>620</u>
 Net movements in funds	 (527)	 (620)
<b>Reconciliation of funds</b>		
Total funds brought forward	3,510	4,130
Total funds carried forward	<u><u>2,983</u></u>	<u><u>3,510</u></u>

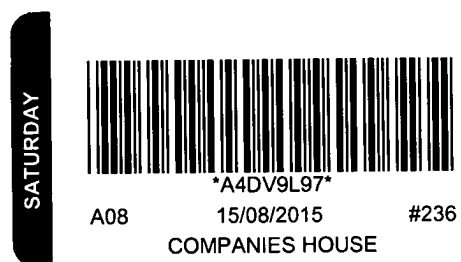
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Registered number: 04400592

**Visit Kent Limited**  
(A company limited by guarantee)

**Directors' report and financial statements**  
**for the year ended 31 March 2015**



**Visit Kent Limited**  
**(A company limited by guarantee)**

**Company Information**

<b>Directors</b>	T Bruton (appointed 9 October 2014) J Bunnet C Carmichael A Cottrell M Dance W Ferris J Keefe (appointed 8 April 2015) S Matthews-Marsh Brigadier M J Meardon RM D Statham (appointed 8 April 2015) 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>	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 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)**

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**Visit Kent Limited**  
**(A company limited by guarantee)**

**Directors' report**  
**for the year ended 31 March 2015**

The directors present their report and the financial statements for the year ended 31 March 2015.

**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:

T Bruton (appointed 9 October 2014)  
J Bunnet  
N Bunting (resigned 8 April 2015)  
C Carmichael  
B Cooper (resigned 9 October 2014)  
R Cooper (resigned 12 June 2015)  
A Cottrell  
M Dance  
J Delaney (resigned 9 October 2014)  
W Ferris  
S Matthews-Marsh  
Brigadier M J Meardon RM  
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 £115,171 during the year to 31 March 2015 (2014: £137,600). In addition services valued at £615k (2014: £615k) 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 2015**

**Auditors**

Under section 487 of the Companies Act 2006, Kreston Reeves 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

22 July 2015 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 2015**

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 2015, 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 2015 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.

*Kreston Reeves LLP*

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Canterbury

Date: *3 August 2015*



**Visit Kent Limited**  
**(A company limited by guarantee)**

**Profit and loss account**  
**for the year ended 31 March 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	1	<b>1,295,492</b>	1,215,043
Cost of sales		<b>(1,153,890)</b>	(1,007,734)
<b>Gross profit</b>		<b>141,602</b>	207,309
Administrative expenses		<b>(136,927)</b>	(200,740)
<b>Operating profit</b>	2	<b>4,675</b>	6,569
Interest receivable and similar income		<b>404</b>	497
Interest payable and similar charges		<b>-</b>	(1,430)
<b>Profit on ordinary activities before taxation</b>		<b>5,079</b>	5,636
Tax on profit on ordinary activities	4	<b>(81)</b>	(99)
<b>Profit for the financial year</b>	9	<b>4,998</b>	5,537

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 2015**

	Note	£	2015 £	2014 £
<b>Fixed assets</b>				
Tangible assets	5		5,691	9,430
<b>Current assets</b>				
Debtors	6	278,457	250,014	
Cash at bank and in hand		316,886	243,896	
		<u>595,343</u>	<u>493,910</u>	
<b>Creditors:</b> amounts falling due within one year	7	<u>(425,305)</u>	<u>(332,609)</u>	
<b>Net current assets</b>			<u>170,038</u>	<u>161,301</u>
<b>Net assets</b>			<u><u>175,729</u></u>	<u><u>170,731</u></u>
<b>Capital and reserves</b>				
Profit and loss account	9		<u>175,729</u>	<u>170,731</u>
			<u><u>175,729</u></u>	<u><u>170,731</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

22 July 2015.



**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 2015**

**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 2015**

**2. Operating profit**

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the company	3,212	5,752
Auditors' remuneration	4,100	4,000
	<u>7,312</u>	<u>9,752</u>

**3. Directors' remuneration**

	2015 £	2014 £
Aggregate remuneration	97,521	101,596
	<u>97,521</u>	<u>101,596</u>

**4. Taxation**

	2015 £	2014 £
UK corporation tax charge on profit for the year	81	99
	<u>81</u>	<u>99</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 2015**

**5. Tangible fixed assets**

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2014	6,896	12,240	50,669	69,805
Additions	-	-	1,940	1,940
Disposals	-	(10,350)	(49,277)	(59,627)
At 31 March 2015	6,896	1,890	3,332	12,118
<b>Depreciation</b>				
At 1 April 2014	1,724	9,834	48,817	60,375
Charge for the year	1,724	378	1,110	3,212
On disposals	-	(8,802)	(48,358)	(57,160)
At 31 March 2015	3,448	1,410	1,569	6,427
<b>Net book value</b>				
At 31 March 2015	3,448	480	1,763	5,691
At 31 March 2014	5,172	2,406	1,852	9,430

**6. Debtors**

	2015 £	2014 £
Trade debtors	67,398	48,273
Interreg debtors	198,942	131,014
Other debtors	12,117	70,727
	278,457	250,014

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

	2015 £	2014 £
Trade creditors	18,429	52,884
Corporation tax	81	99
Other taxation and social security	47,245	10,040
Accruals and deferred income	359,550	269,586
	425,305	332,609

**Visit Kent Limited**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**8. Company status**

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

**9. Reserves**

	<b>Profit and loss account £</b>
At 1 April 2014	<b>170,731</b>
Profit for the financial year	<b>4,998</b>
	<hr/>
At 31 March 2015	<b>175,729</b>
	<hr/> <hr/>

**10. Contingent liabilities**

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.

**11. Operating lease commitments**

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>			<b>Other</b>
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Within 1 year	<b>25,000</b>	-	-	1,790
Between 2 and 5 years	-	25,000	<b>4,224</b>	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**12. Controlling party**

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

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**LOCATE IN KENT LIMITED**  
**UNAUDITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**HEDLEY DUNK LIMITED**

Chartered Accountants  
Trinity House  
3 Bullace Lane  
Dartford  
Kent  
DA1 1BB

SATURDAY



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15/08/2015

#78

COMPANIES HOUSE

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

**ABBREVIATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>CURRENT ASSETS</b>					
Debtors		75,231		25,680	
Cash at bank and in hand		350,438		497,784	
		<u>425,669</u>		<u>523,464</u>	
<b>CREDITORS:</b> amounts falling due within one year		(58,966)		(98,597)	
<b>NET CURRENT ASSETS</b>			366,703		424,867
<b>NET ASSETS</b>			<u>366,703</u>		<u>424,867</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account			366,703		424,867
			<u>366,703</u>		<u>424,867</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.

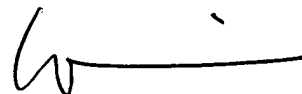
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2015 and of its loss for the year 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 on 05-08-15

**P Wookey**  
Director



**W Morris**  
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 2015**

**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.

**1.5 Pensions**

The company contributes to personal pension plans on behalf of employees.

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ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

FOR

TRADING STANDARDS SOUTH EAST LIMITED



**CONTENTS OF THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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<b>Company Information</b>	<b>1</b>
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<b>Abbreviated Balance Sheet</b>	<b>3</b>
<b>Notes to the Abbreviated Accounts</b>	<b>4</b>

**TRADING STANDARDS SOUTH EAST LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2015**

**DIRECTORS:**

P J Dart  
S M F Murphy  
R J Sexton  
P J Emmett  
A L Poole  
C D Robinson  
S J Ruddy  
M Golledge  
J S Woodhouse  
I K Treacher  
R I Webb  
G Jackson  
J Player  
J Kernan  
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  
A J Clooney  
J Crosbie

**SECRETARY:**

G Jackson

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

05259365

**SENIOR STATUTORY AUDITOR:**

Anthony Brain

**AUDITORS:**

CG LEE Limited  
Chartered Certified Accountants  
Statutory Auditors  
Ingram House  
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 2015 prepared under Section 396 of the Companies Act 2006.

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

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

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

**Opinion**

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



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

Date: 21/12/15

ABBREVIATED BALANCE SHEET  
31 MARCH 2015

	Notes	2015 £	2014 as restated £
<b>CURRENT ASSETS</b>			
Debtors		511,104	344,055
Cash at bank		1,602,310	1,380,551
		<u>2,113,414</u>	<u>1,724,606</u>
<b>CREDITORS</b>			
Amounts falling due within one year		1,613,986	1,285,831
		<u>1,613,986</u>	<u>1,285,831</u>
<b>NET CURRENT ASSETS</b>		<u>499,428</u>	<u>438,775</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>499,428</u>	<u>438,775</u>
<b>RESERVES</b>			
Income and expenditure account		499,428	438,775
		<u>499,428</u>	<u>438,775</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 28 APRIL 2015 and were signed on its behalf by:



R J Sexton - Director

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2015

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 reserves.

**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 reserves.

2. TANGIBLE FIXED ASSETS

	Total £
<b>COST</b>	
At 1 April 2014	
and 31 March 2015	1,963
<b>DEPRECIATION</b>	
At 1 April 2014	
and 31 March 2015	1,963
<b>NET BOOK VALUE</b>	
At 31 March 2015	-
At 31 March 2014	-

3. LIMITED LIABILITY AND CONTROLLING INTEREST

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



Registered number: 04410176

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

**Directors' report and financial statements**  
**for the year ended 31 March 2015**

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COMPANIES HOUSE

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

**Company Information**

<b>Member Organisations</b>	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)
<b>Directors</b>	P Wookey (LiK) M Dance (KCC) C Barron (UoK) P Watkins (DDC) P Czarnomski (UoK) (appointed 18 July 2014) D Monk (SDC) (appointed 22 May 2015)
<b>Company secretary &amp; Chief executive officer</b>	D Spalding
<b>Company number</b>	04410176
<b>Registered office</b>	Canterbury Innovation Centre University Road Canterbury Kent CT2 7FG
<b>Auditors</b>	Kreston Reeves LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
<b>Bankers</b>	NatWest Bank Plc 11 The Parade Canterbury Kent CT1 2SQ

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

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

**Directors' report**  
**for the year ended 31 March 2015**

The Directors present their report and the financial statements for the year ended 31 March 2015.

**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) (resigned 12 December 2014)  
J Gilbey (CCC) (resigned 7 May 2015)  
C Barron (UoK)  
P Watkins (DDC)  
D Everitt (UoK) (resigned 14 July 2014)  
S Carey (SDC) (appointed 12 December 2014, resigned 22 May 2015)  
C Hart (TDC) (resigned 5 June 2014)  
P Czarnomski (UoK) (appointed 18 July 2014)  
D Monk (SDC) (appointed 22 May 2015)

**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 2015**

**Auditors**

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

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

This report was approved by the board on 21 July 2015 and signed on its behalf.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke.

**P Watkins (DDC)**  
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 2015, set out on pages 5 to 16. 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 2015 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.

*Kreston Reeves CV*

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury

3 August 2015

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

**Profit and loss account**  
**for the year ended 31 March 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	<b>1</b>	<b>848,291</b>	<b>905,739</b>
Cost of sales		<b>(502,041)</b>	<b>(457,325)</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>346,250</b>	<b>448,414</b>
Administrative expenses		<b>(120,924)</b>	<b>(312,000)</b>
		<hr/>	<hr/>
<b>Operating profit</b>	<b>2</b>	<b>225,326</b>	<b>136,414</b>
Interest receivable and similar income		<b>24,797</b>	<b>24,570</b>
Interest payable and similar charges		<b>-</b>	<b>(481)</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>250,123</b>	<b>160,503</b>
Tax on profit on ordinary activities	<b>3</b>	<b>(50,757)</b>	<b>(44,769)</b>
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<b>12</b>	<b>199,366</b>	<b>115,734</b>
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 16 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 2015**

	2015 £	2014 £
<b>Profit for the financial year</b>	<b>199,366</b>	115,734
Unrealised surplus on revaluation of investment properties	-	875,000
Unrealised movement on valuation of other debtors	-	(178,367)
Associated movement in deferred tax arising from the movement on valuation of other debtors	-	(45,000)
Corporation tax arising on disposal of previously revalued investment property	-	(260,150)
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<b>199,366</b>	507,217
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 16 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 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	4		2,990		2,900
Investment property	5		3,075,000		3,075,000
			<u>3,077,990</u>		<u>3,077,900</u>
<b>Current assets</b>					
Debtors	6	5,291,178		5,390,005	
Cash at bank		4,345,424		4,450,146	
		<u>9,636,602</u>		<u>9,840,151</u>	
<b>Creditors: amounts falling due within one year</b>	7	(330,732)		(733,557)	
<b>Net current assets</b>			<u>9,305,870</u>		<u>9,106,594</u>
<b>Total assets less current liabilities</b>			<u>12,383,860</u>		<u>12,184,494</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(7,586,668)		(7,586,668)
<b>Net assets</b>			<u>4,797,192</u>		<u>4,597,826</u>
<b>Capital and reserves</b>					
Revaluation reserve	12		3,075,000		3,075,000
Other reserves	12		(507,055)		(507,055)
Profit and loss account	12		2,229,247		2,029,881
			<u>4,797,192</u>		<u>4,597,826</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 July 2015.



**P Watkins (DDC)**  
**Director**

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

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**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
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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. The 2015 valuations were made by the Directors, on an open market value for existing use basis, based on valuations undertaken by Caxtons Commercial Limited Chartered Surveyors as at July 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.

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**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 (2014: £8,382,247), 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.

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**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 12.

**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 to received repayments and expects to continue to receive repayments from its other debtors valued as per note 1.8 above.

The company made a profit on ordinary activities after taxation of £199,616 (2014: £115,734). The company has £4,345,424 (2014: £4,450,146) 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 2015**

**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 fixed assets 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/(crediting):

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the company	<b>2,160</b>	1,823
Auditors' remuneration	<b>5,400</b>	5,250
Release of grants towards tangible fixed assets	-	1,687
Impairment of tangible fixed assets	-	(1,687)
	<hr/> <hr/>	<hr/> <hr/>

During the year, no Director received any emoluments (2014 - £NIL).

**3. Taxation**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on profit for the year	<b>51,000</b>	44,850
Adjustments in respect of prior periods	<b>(243)</b>	(81)
	<hr/> <hr/>	<hr/> <hr/>
<b>Tax on profit on ordinary activities</b>	<b>50,757</b>	44,769

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**3. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 23%). The differences are explained below:

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>250,123</b>	160,503
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 23%)	<b>50,025</b>	36,916
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>993</b>	7,812
Capital allowances for year in excess of depreciation	<b>(18)</b>	122
Adjustments to tax charge in respect of prior periods	<b>(243)</b>	(81)
<b>Current tax charge for the year (see note above)</b>	<b>50,757</b>	44,769

There were no factors that may affect future tax charges.

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>2015</b>	2014
	<b>£</b>	<b>£</b>
<b>Charge recognised through the profit and loss account</b>		
Corporation tax	<b>52,257</b>	44,769
<b>Charge recognised through the Statement of Total Recognised Gains and Losses</b>		
Corporation tax	-	260,150
Deferred tax	-	45,000
<b>Total</b>	<b>52,257</b>	349,919

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**4. Tangible fixed assets**

	<b>Furniture, fittings and equipment £</b>
<b>Cost or valuation</b>	
At 1 April 2014	6,710
Additions	2,250
At 31 March 2015	<u>8,960</u>
<b>Depreciation</b>	
At 1 April 2014	3,810
Charge for the year	2,160
At 31 March 2015	<u>5,970</u>
<b>Net book value</b>	
At 31 March 2015	<u>2,990</u>
At 31 March 2014	<u>2,900</u>

**5. Investment property**

	<b>Long term Leasehold investment property £</b>
<b>Valuation</b>	
At 1 April 2014 and 31 March 2015	<u>3,075,000</u>
<b>Comprising</b>	
Revaluation surplus 2010	1,517,250
Annual revaluation surplus/(deficit):	
Revaluation surplus 2011	282,750
Revaluation surplus 2012	400,000
Revaluation surplus 2014	875,000
At 31 March 2015	<u>3,075,000</u>

The 2015 valuations were made by the Directors, on an open market value for existing use basis, based on valuations undertaken by Caxtons Commercial Limited Chartered Surveyors as at July 2014.



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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**6. Debtors**

	2015 £	2014 £
<b>Due after more than one year</b>		
Other debtors	5,260,542	5,253,195
<b>Due within one year</b>		
Trade debtors	10,046	5,671
Grants receivable	-	30,171
Prepayments and accrued income	20,590	100,968
	<u>5,291,178</u>	<u>5,390,005</u>

Other debtors include loans made to a utility service provider to finance the installation of new network infrastructure. The valuation principles of these loans and related uncertainties are described in note 1.8.

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

	2015 £	2014 £
Grants received in advance (see note 9)	-	76,017
Trade creditors	162	21,262
Corporation tax	51,000	305,000
Other taxation and social security	21,358	2,013
Other creditors	258,212	329,265
	<u>330,732</u>	<u>733,557</u>

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

	2015 £	2014 £
Grants received in advance (see note 9)	<u>7,586,668</u>	<u>7,586,668</u>

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**9. Grants received in advance**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Unrestricted grants	<b>1,983,424</b>	1,983,424
Designated grants - other debtors	<b>5,603,244</b>	5,603,244
Designated grants - fixed assets	-	76,017
	<hr/> <b>7,586,668</b> <hr/>	<hr/> <b>7,662,685</b> <hr/>

**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 (2014: £300,430) and converted other debtor grants of £1,682,994 (2014: £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 (2014: £1,412,540), funding from the HCA of £2,229,568 (2014: £2,229,568), and funding from the European Regional Development Fund of £1,961,136 (2014: £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 £Nil (2014: £76,017).

**10. Deferred taxation**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
At beginning of year	-	(45,000)
released for year (STRGL)	-	45,000
	<hr/> -	<hr/> -
At end of year	<hr/> <b>-</b> <hr/>	<hr/> <b>-</b> <hr/>

**11. 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.

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

**Notes to the financial statements**  
**for the year ended 31 March 2015**

**12. Reserves**

	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 April 2014	3,075,000	(507,055)	2,029,881
Profit for the financial year			199,366
At 31 March 2015	<u>3,075,000</u>	<u>(507,055)</u>	<u>2,229,247</u>

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

**13. 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.

**14. Other financial commitments**

As at 31 March 2015, the company had made a commitment to make a loan to an unrelated third party totaling £750,000 (2014: £750,000). Of this £150,000 (2014: £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.

**15. 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 at 31 March 2014 was £42,276 of grant funding which is due back to the HCA. During the prior year the company received grants from the HCA totaling £307,436. Also during the prior year some of the grant funding due back to the HCA was converted into a drawdown facility of £195,436 from which expenditure of the company could be funded. The unutilised balance remaining on grants received (including the drawdown facility) is shown in note 9.

During the year the company paid rates to CCC of £152,481 (2014: £148,377).

**16. Controlling party**

There is no controlling party for the company.

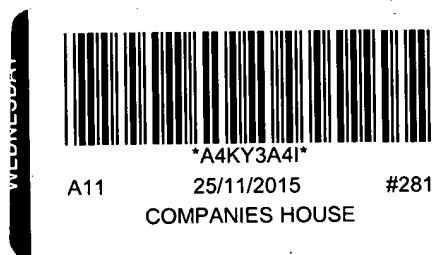
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Goetec Limited

(A company limited by guarantee)  
Annual report and financial statements  
for the year ended 31 July 2015

Registered Number 04416782



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

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

### **Directors and advisors**

#### **Directors**

Mr John Sotillo                      Chair of Board

Mr Andrew Ironside

Mr Paul Butler

#### **Director resigning in year**

Mr Peter Bole                      resigned 27/03/2015

#### **Director appointed in year**

Ms Claire Hursell                  appointed 01/07/2015

#### **Company secretary**

Mrs Alison Grover

#### **Independent auditors**

Kreston Reeves 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 2015**

The directors present their report and the audited financial statements of Goetec Limited for the year ended 31 July 2015.

#### **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**

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. The secondment continued until March 2015 at which point the General Manager left Goetec and KPSN consultancy income ceased. The Interim General Manager continues in position.

Goetec continues to provide a focal point for ICT activity and sharing best practice across its members and the broader community. It works to ensure that members and customers can take full advantage of KPSN provided services.

Investment was committed to completing the development of the GOEsend secure file transfer service by the summer of 2015; and also to replace and enhance Goetec's DNS servers providing dual-stack DNS services for the company and some commercial customers. The new server platform now gives GOETEC the capability to plan for a new service called GOEsix, which is an IPv6 to IPv4 web proxy and translation service. These services will be available to the Goetec community and to external customers by 2016 and have potential to realise modest income streams into 2016 as take-up improves.

Following a strategic review of its activities, the Board agreed at its August 2015 meeting that Goetec would refocus its activities and would cease as a limited company, arranging its business instead through a Memorandum of Understanding. The re-focused business would include the current university members with associate membership from FE Colleges. A prospectus is being worked up.

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

Income received during the year was £229,942 (2014: £289,774); the company's expenditure for the year was £251,561 (2014: £291,654). The loss for the year before taxation was £20,326 (2014: £744 loss). Loss after taxation was £20,887 (2014: £2,257 loss).

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 break up members are asked to contribute to any shortfall in funding through their membership subscriptions.



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

### **Directors' report for the year ended 31 July 2015 (continued)**

#### **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 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.

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

#### **Website**

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

#### **Directors**

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

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

### **Directors' report for the year ended 31 July 2015 (continued)**

#### **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**

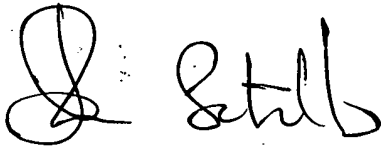
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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**

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

This report was approved by the board on 19 November 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J Sotillo', written in a cursive style.

**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 2015, 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 2015 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 to prepare a Strategic report or in preparing the Directors' report.

*Kreston Reeves LLP*

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

37 St Margaret's Street

Canterbury

Kent

CT1 2TU

Date: 23/11/15

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

### **Profit and loss account for the year ended 31 July 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	<b>229,942</b>	<b>289,774</b>
<b>Administration expenses</b>		<b>(251,561)</b>	<b>(291,804)</b>
<b>Operating loss</b>	<b>3</b>	<b>(21,619)</b>	<b>(2,030)</b>
<b>Interest on bank account maintained by CCCU</b>		<b>1,293</b>	<b>1,286</b>
<b>Loss on ordinary activities before taxation</b>		<b>(20,326)</b>	<b>(744)</b>
<b>Tax on profit on ordinary activities</b>	<b>5</b>	<b>(561)</b>	<b>(1,513)</b>
<b>Loss for the financial year</b>	<b>11</b>	<b>(20,887)</b>	<b>(2,257)</b>

All results relate to continuing activities. The directors have decided to dissolve the company post year end, however the ultimate timing of dissolution is undecided at present.

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)

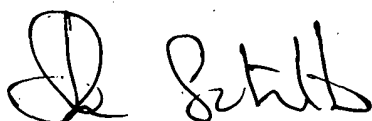
### Balance sheet as at 31 July 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	6	-	-
<b>Current assets</b>			
Debtors	8	299,382	286,010
Creditors: amounts falling due within one year	9	(73,557)	(39,298)
<b>Net current assets/ (liabilities)</b>		<b>225,825</b>	<b>246,712</b>
<b>Net assets</b>		<b>225,825</b>	<b>246,712</b>
<b>Reserves</b>			
Profit and loss account	11	225,825	246,712
<b>Total funds</b>		<b>225,825</b>	<b>246,712</b>

The notes on pages 9 to 13 are integral to the financial statements.

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

The financial statements on pages 7 to 13 were approved by the board of directors on 19 November 2015 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 2015**

### **1 Accounting policies**

These financial statements are prepared on a break-up 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:

	2015 £	2014 £
Amortisation of deferred capital grants	-	8,311
Membership subscriptions	67,500	67,500
Other services	162,442	213,963
	<b>229,942</b>	<b>289,774</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 Loss on ordinary activities before taxation

	2015 £	2014 £
Loss on ordinary activities before taxation is stated after charging		
Depreciation	-	17,824
External auditors' fees	5,300	5,150

### 4 Directors' emoluments

None of the directors received emoluments during the year (2014: £nil).

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

	2015 £	2014 £
(a) Analysis of tax charge/(credit) for the period		
<u>Current tax:</u>		
UK corporation tax at 20%	(2,700)	2,700
<u>Deferred tax:</u>		
Origination and reversal of timing differences	3,261	(1,187)
<b>Tax on profit on ordinary activities</b>	<b>561</b>	<b>1,513</b>



## Goetec Limited (a company limited by guarantee)

### 6 Tangible assets

	Computer equipment £
Costs brought forward 1 August 2014	416,609
Additions during the year	-
Disposals during the year	-
<b>Cost as at 31 July 2015</b>	<b>416,609</b>
Accumulated depreciation as at 31 July 2014	416,609
Charge for year	-
Depreciation for assets disposed of	-
<b>Accumulated depreciation as at 31 July 2015</b>	<b>416,609</b>
<b>Net book value as at 31 July 2015</b>	<b>0</b>
Net book value as at 31 July 2014	0

### 7 Deferred Tax Asset

	2015 Accounts £	2014 Accounts £
Capital allowances in excess of depreciation	-	(3,261)
<b>Deferred tax (asset)/ liability</b>		
Liability at start of period	(3,261)	(2,074)
Deferred tax (credit) in the Profit and loss account for the period	3,261	(1,187)
<b>(Asset)/liability at end of period</b>	<b>-</b>	<b>(3,261)</b>

### 8 Debtors

	2015 £	2014 £
Deferred tax asset	-	3,261
Trade debtors	8,765	13,573
Related party debtors	287,917	260,053
Value Added Tax	-	7,351
Corporation tax repayment	2,700	-
Prepayments and accrued income	-	1,772
	<b>299,382</b>	<b>286,010</b>

## Goetec Limited (a company limited by guarantee)

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

	2015 £	2014 £
Deferred tax liability	-	-
Accruals	62,160	31,531
Value Added Tax	1,788	-
Deferred income	9,609	5,067
Corporation Tax	-	2,700
	<b>73,557</b>	<b>39,298</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 2014	362,809
Additions during the year	-
Disposals during the year	-
<b>Cost as at 31 July 2015</b>	<b>362,809</b>
Accumulated amortisation as at 31 July 2014	362,809
Amount released to income	-
Amount released to income on disposed assets	-
<b>Accumulated amortisation as at 31 July 2015</b>	<b>362,809</b>
<b>Net book value as at 31 July 2015</b>	<b>-</b>
<b>Net book value as at 31 July 2014</b>	<b>-</b>

### 11 Reserves

	Profit and loss account £
As at 1 August 2014	246,712
Loss for the financial year	(20,887)
<b>At 31 July 2015</b>	<b>225,825</b>

### 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

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

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:

	2015 £	2014 £
<b>Canterbury Christ Church University - income receivable</b>	<b>25,516</b>	<b>29,838</b>
<b>Expenditure payable</b>	<b>175,425</b>	<b>167,018</b>
<b>University for the Creative Arts - income receivable</b>	<b>19,428</b>	<b>19,796</b>
<b>University of Greenwich - income receivable</b>	<b>21,372</b>	<b>25,294</b>
<b>University of Kent - income receivable</b>	<b>21,241</b>	<b>22,781</b>
<b>Expenditure payable</b>	<b>2,500</b>	<b>6,600</b>
<b>Kent County Council - income receivable</b>	<b>73,008</b>	<b>96,130</b>
<b>Expenditure payable</b>	<b>61,776</b>	<b>85,562</b>
<b>Janet - income receivable</b>	<b>13,068</b>	<b>25,354</b>

Canterbury Christ Church University is contracted by Goetec Limited to run its Network Operation Centre and to provide technical advice. Amounts totalling £175,425 (2014: £167,018) were made to Canterbury Christ Church University during the year for this service. Included within Goetec Limited debtors balance at 31 July 2015 is £279,879 (2014: £254,114) due from Canterbury Christ Church University. Other related party debtor balances totalled £8,038 (2014: £5,939).

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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 2015**

THURSDAY



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COMPANIES HOUSE

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

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<b>Directors</b>	P Hannan W Opie Mr S Clarke Mr R Phillips Ms A Church Mr J Barnes Mr S Holden
<b>Secretary</b>	S Durling
<b>Company number</b>	05505567
<b>Registered office</b>	Charcott Holm Farmhouse Tonbridge Road Hadlow Tonbridge Kent TN11 0AH
<b>Auditors</b>	Wilkins Kennedy FKC Stourside Place Station Road Ashford Kent TN23 1PP
<b>Business address</b>	Charcott Holm Farmhouse Tonbridge Road Hadlow Tonbridge Kent TN11 0AH

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
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**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

---

The directors present their report and financial statements for the year ended 31 March 2015.

**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 2014:

P Hannan

W Opie

Mr S Clarke

Mrs M Regan

(Resigned 29 April 2015)

Professor P Gregory

(Resigned 29 April 2015)

Mr R Phillips

Ms A Church

Mr J Barnes

Mr S Holden

**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 2015**

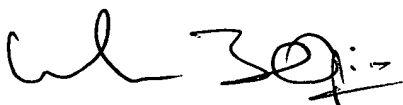
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**Statement of disclosure to auditors**

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

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'W Opie', with a stylized flourish at the end.

W Opie

**Director**

23 July 2015

**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 2015 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 2015 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

**Chartered Accountants  
Statutory Auditor**

  
3 August 2015

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 2015**

	Notes	2015 £	2014 £
Turnover		274,699	249,280
Cost of sales		(62,920)	(51,513)
<b>Gross profit</b>		<u>211,779</u>	<u>197,767</u>
Administrative expenses		(184,707)	(189,193)
<b>Operating profit</b>	<b>2</b>	<u>27,072</u>	<u>8,574</u>
Other interest receivable and similar income	<b>3</b>	<u>312</u>	<u>204</u>
<b>Profit on ordinary activities before taxation</b>		<u>27,384</u>	<u>8,778</u>
Tax on profit on ordinary activities	<b>4</b>	(5,509)	(983)
<b>Profit for the year</b>	<b>10</b>	<u><u>21,875</u></u>	<u><u>7,795</u></u>

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

**AS AT 31 MARCH 2015**

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	5		981		1,274
<b>Current assets</b>					
Debtors	6	76,498		77,623	
Cash at bank and in hand		107,413		71,646	
		<u>183,911</u>		<u>149,269</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(117,197)</u>		<u>(104,723)</u>	
<b>Net current assets</b>			66,714		44,546
<b>Total assets less current liabilities</b>			67,695		45,820
			<u>67,695</u>		<u>45,820</u>
<b>Capital and reserves</b>					
Profit and loss account	10		67,695		45,820
<b>Shareholders' funds</b>			<u>67,695</u>		<u>45,820</u>

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

Approved by the Board and authorised for issue on 23 July 2015

W Opie  
Director



Company Registration No. 05505567

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

---

**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>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	1,015	775
Auditors' remuneration	3,050	2,950
	<u>          </u>	<u>          </u>
<b>3 Investment income</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Bank interest	312	204
	<u>          </u>	<u>          </u>
	<u>312</u>	<u>204</u>

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2015**

<b>4</b>	<b>Taxation</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Domestic current year tax</b>		
	U.K. corporation tax	5,437	1,454
	<b>Total current tax</b>	5,437	1,454
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	72	(471)
		5,509	983
<b>5</b>	<b>Tangible fixed assets</b>		
			<b>Fixtures, fittings &amp; equipment £</b>
	<b>Cost</b>		
	At 1 April 2014		20,695
	Additions		722
	Disposals		(1,392)
	At 31 March 2015		20,025
	<b>Depreciation</b>		
	At 1 April 2014		19,421
	On disposals		(1,392)
	Charge for the year		1,015
	At 31 March 2015		19,044
	<b>Net book value</b>		
	At 31 March 2015		981
	At 31 March 2014		1,274

**PRODUCED IN KENT LIMITED  
COMPANY LIMITED BY GUARANTEE  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2015**

<b>6 Debtors</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,233	72,044
Other debtors	66,866	5,108
Deferred tax asset (see note 8)	399	471
	<u>76,498</u>	<u>77,623</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade creditors	20,375	9,435
Taxation and social security	5,440	10,984
Other creditors	91,382	84,304
	<u>117,197</u>	<u>104,723</u>

**8 Provisions for liabilities**

The deferred tax asset (included in debtors, note 6) is made up as follows:

	<b>2015</b>	
	<b>£</b>	
Balance at 1 April 2014	(471)	
Profit and loss account	72	
Balance at 31 March 2015	<u>(399)</u>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Decelerated capital allowances	<u>(399)</u>	<u>(471)</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 2015**

**10 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 April 2014	45,820
Profit for the year	21,875
	<hr/>
Balance at 31 March 2015	67,695
	<hr/>

**11 Financial commitments**

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	<b>2015 £</b>	<b>2014 £</b>
Operating leases which expire:		
Between two and five years	10,000	10,000
	<hr/>	<hr/>

**12 Related party relationships and transactions**

During the year ended 31 March 2015 the company received funding from Kent County Council, a member of the company, in respect of operational costs amounting to £120,000 (2014: £120,000). As at 31 March 2015, £56,082 (2014: £66,416) was due from Kent County Council. Staff costs payable to Kent County Council for the year amounted to £125,940 (2014: £126,354) of which £62,023 (2014: £61,700) 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 (2014: £40,000). Staff costs of £24,298 (2014: £22,357) were paid to Hadlow College during the year. The premises occupied by the company during the year to 31 March 2015 were rented from Hadlow College for which rent and service charge expenses were incurred totalling £10,000 (2014: £10,400). As at 31 March 2015, £2,025 (2014: £2,027) was due to Hadlow College.

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COMPANY REGISTRATION NUMBER 08353777

REGISTRAR OF  
COMPANIES

**SHEARWATER SYSTEMS LIMITED**

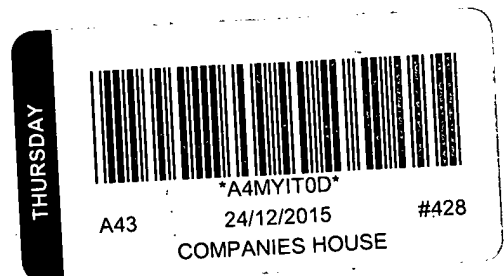
**ABBREVIATED ACCOUNTS**

**31 MARCH 2015**

**BURGESS HODGSON LLP**

Chartered Accountants & Statutory Auditor

Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN



**SHEARWATER SYSTEMS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2015**

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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 year ended 31 March 2015 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.

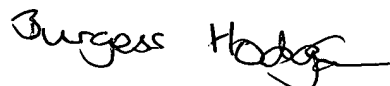
**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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.



COLIN REID (Senior Statutory Auditor)

For and on behalf of  
BURGESS HODGSON LLP  
Chartered Accountants  
& Statutory Auditor

Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

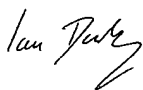
21/12/15.....

**SHEARWATER SYSTEMS LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**31 MARCH 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>	<b>2</b>		
Tangible assets		90,574	53,553
<b>CURRENT ASSETS</b>			
Debtors		459,844	111,382
Cash at bank and in hand		1,357,668	649,178
		1,817,512	760,560
<b>CREDITORS: Amounts falling due within one year</b>		50,295	82,977
<b>NET CURRENT ASSETS</b>		1,767,217	677,583
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,857,791	731,136
<b>CREDITORS: Amounts falling due after more than one year</b>		600,000	200,000
<b>PROVISIONS FOR LIABILITIES</b>		18,115	-
		1,239,676	531,136
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	4	40,417	32,333
Share premium account		2,413,016	1,421,099
Profit and loss account		(1,213,757)	(922,296)
<b>SHAREHOLDERS' FUNDS</b>		1,239,676	531,136

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 .....21.12.2015....., and are signed on their behalf by:



.....  
Dr I S Denley

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**  
**YEAR ENDED 31 MARCH 2015**

**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 year, 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.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

**SHEARWATER SYSTEMS LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 MARCH 2015**

**1. ACCOUNTING POLICIES** *(continued)*

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**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**  
**YEAR ENDED 31 MARCH 2015**

**2. FIXED ASSETS**

	<b>Tangible Assets £</b>
<b>COST</b>	
At 1 April 2014	74,626
Additions	76,338
<b>At 31 March 2015</b>	<u>150,964</u>
<b>DEPRECIATION</b>	
At 1 April 2014	21,073
Charge for year	39,317
<b>At 31 March 2015</b>	<u>60,390</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2015</b>	<u>90,574</u>
At 31 March 2014	<u>53,553</u>

**3. SHARE CAPITAL**

**Allotted, called up and fully paid:**

	<b>2015</b>		<b>2014</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
A Ordinary shares of £0.01 each	2,333,333	23,333	2,333,333	23,333
B Ordinary shares of £0.01 each	900,000	9,000	900,000	9,000
Preferred Ordinary shares of £0.01 each	808,333	8,083	-	-
	<u>4,041,666</u>	<u>40,417</u>	<u>3,233,333</u>	<u>32,333</u>

During the year 808,333 £0.01 preferred ordinary shares were issued at a premium for £1,000,000 cash.

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**ABBREVIATED UNAUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 30 APRIL 2015**  
**FOR**  
**TRN - THE RESEARCH NETWORK LIMITED**

**CONTENTS OF THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2015**

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<b>Report of the Accountants</b>	<b>5</b>

**TRN - THE RESEARCH NETWORK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2015**

**DIRECTOR:** A McElroy

**SECRETARY:** Mrs L J Cleaver

**REGISTERED OFFICE:** IPC 600 Discovery Park Enterprise Zone  
Ramsgate Road  
Sandwich  
Kent  
CT13 9NJ

**REGISTERED NUMBER:** 07592520 (England and Wales)

**ACCOUNTANTS:** Higson APS Limited  
45 Queen Street  
Deal  
Kent  
CT14 6EY

ABBREVIATED BALANCE SHEET  
30 APRIL 2015

	Notes	2015 £	£	2014 £	£
<b>FIXED ASSETS</b>					
Tangible assets	2		291		734
<b>CURRENT ASSETS</b>					
Debtors		166,007		194,330	
Cash at bank		<u>104,534</u>		<u>99,521</u>	
		270,541		293,851	
<b>CREDITORS</b>					
Amounts falling due within one year		<u>199,564</u>		<u>201,168</u>	
<b>NET CURRENT ASSETS</b>			<u>70,977</u>		<u>92,683</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			71,268		93,417
<b>CREDITORS</b>					
Amounts falling due after more than one year			<u>24,000</u>		<u>48,000</u>
<b>NET ASSETS</b>			<u>47,268</u>		<u>45,417</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	3		23,325		23,325
Share premium			50,275		50,275
Profit and loss account			<u>(26,332)</u>		<u>(28,183)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>47,268</u>		<u>45,417</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2015.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2015 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his 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 profit or loss for each financial year in accordance with the requirements of 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.
- (b)

**ABBREVIATED BALANCE SHEET - continued**  
**30 APRIL 2015**

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 director on 8 November 2015 and were signed by:

A McElroy - Director

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2015

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 services, excluding VAT.

**Tangible fixed assets**

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

Computer equipment - 33% on cost

**Deferred tax**

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

**Hire purchase and leasing commitments**

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

2. TANGIBLE FIXED ASSETS

	Total £
<b>COST</b>	
At 1 May 2014	
and 30 April 2015	1,359
<b>DEPRECIATION</b>	
At 1 May 2014	625
Charge for year	443
At 30 April 2015	1,068
<b>NET BOOK VALUE</b>	
At 30 April 2015	291
At 30 April 2014	734

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
20,000	Ordinary	£1	20,000	20,000
1,925	Ordinary B shares	£1	3,325	3,325
			<u>23,325</u>	<u>23,325</u>



**TRN - THE RESEARCH NETWORK LIMITED**

**REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF  
TRN - THE RESEARCH NETWORK LIMITED**

**The following reproduces the text of the report prepared for the director in respect of the company's annual unaudited financial statements, from which the unaudited abbreviated accounts (set out on pages two to four) have been prepared.**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 April 2015 set out on pages nil to nil and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Higson APS Limited  
45 Queen Street  
Deal  
Kent  
CT14 6EY

8 November 2015

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.

# Financial Statements

## Michelson Diagnostics Limited

---

**For the year ended 30 September 2014**

**Registered number: 05732681**

FRIDAY



\*L47X0NWZ\*  
LD8 22/05/2015 #107  
COMPANIES HOUSE

## Company Information

<b>Directors</b>	J Holmes M Johns G McKenzie D Anderson S Andrews B Howlett X Yon
<b>Registered number</b>	05732681
<b>Registered office</b>	Ground Floor Eclipse House Eclipse Park Maidstone Kent ME14 3EN
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor The Explorer Building Fleming Way Crawley RH10 9GT

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<b>Consolidated profit and loss account</b>	6
<b>Consolidated balance sheet</b>	7
<b>Company balance sheet</b>	8
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## **Directors' Report**

**For the year ended 30 September 2014**

The directors present their report and the financial statements for the year ended 30 September 2014.

### **Principal activities and review of the business**

The group's principal activities continue to be the development, manufacture and supply of patented Optical Coherence Tomography (OCT) instrumentation (the Vivosight Scanner) to the dermatology markets and the supply of associated support services.

The incidence of Non-Melanoma Skin Cancer and Actinic Keratosis is growing approximately 4% per annum due to an ageing population and sun exposure habits. The Vivosight scanner displays a live, highly magnified image of sub-surface skin tissue that allows clinicians to immediately see and identify tumors and their size and depth of invasion.

Turnover rose to £1,250,000 in the period, a substantial increase of 103% on the previous period (twelve months to September 2013: turnover £617,000). The group loss after tax was £1,813,000 for the period (twelve months to September 2013: loss £1,279,000).

The group built on the foundations laid in previous period and saw significant growth in the installed base of VivoSight scanners, and there continues to be sales traction in the key market of Germany, with clear clinical benefits, reimbursement and a sound economic business case for customers.

A significant grant was received in the period from Kent County Council's Escalate Regional Growth Fund, which enabled the company to relocate its headquarters to a purpose built facility in Maidstone, providing the platform for further growth.

In order to fund the further development of the business new ordinary shares were issued during the period from December 2014 to February 2015, raising a total of £2,500,000.

### **Finance and Going Concern**

In November 2013 the Company raised funding of £1,978,000 and post year end has raised a further £2,500,000.

The directors have considered, approved and are implementing a strategic plan for the company. They have also prepared a two year financial forecast which assumes significant continued investment and development by the company in its instrumentation product and international sales channels, which will result in continued operating losses in the medium term.

The financial forecasts assume continued revenue growth in addition to continued investment and development cash outflows. Were the revenue forecasts to be achieved, the forecasts project that the Company will have sufficient cash reserves to continue in operational existence for the foreseeable future. However, given that the Company is in its development stage, inherent uncertainty exists over the ability of the Company to generate those forecast revenues. Were those forecast revenues and associated cash inflows not to be fully achieved, or to be delayed, the directors would be required to seek additional funding at an earlier stage than currently anticipated under the strategic plan. While the directors are of the opinion that such future fund raising would be successful, that success could not be considered certain until the fund raising had been finalised. Given the stage of the company's development, in the event that such fund raising was not successful or was delayed, the company could extinguish its cash reserves during 2016, subject to significant curtailment of the strategic plan.

## **Directors' Report**

**For the year ended 30 September 2014**

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements. This matter is further disclosed in note 1.2 to the financial statements.

### **Directors**

The directors who served during the year were:

J Holmes  
M Johns  
G McKenzie  
D Anderson  
S Andrews  
B Howlett  
X Yon

### **Disclosure of information to auditor**

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

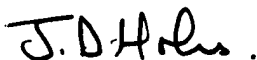
- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the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

### **Auditor**

The auditor, Grant Thornton UK 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 May 2015 and signed on its behalf.



**J Holmes**  
Director

## **Directors' Responsibilities Statement**

**For the year ended 30 September 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 group and 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;
- 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.



## Independent Auditor's Report to the Members of Michelson Diagnostics Limited

We have audited the financial statements of Michelson Diagnostics Limited for the year ended 30 September 2014, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and the related notes. 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 (APB'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 website 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 group's and of the parent company's affairs as at 30 September 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern.

The group and parent company incurred net losses of £1,812,685 and £1,778,217 respectively during the year ended 30 September 2014.

## Independent Auditor's Report to the Members of Michelson Diagnostics Limited

As explained in note 1.2 to the financial statements, the company has prepared a two year financial forecast which assumes continued revenue growth in addition to continued investment and development cash outflows. Were the revenue forecasts to be achieved, the forecasts project that the Company will have sufficient cash reserves to continue in operational existence for the foreseeable future. However, given that the Company is in its development stage, inherent uncertainty exists over the ability of the Company to generate those forecast revenues. Were those forecast revenues and associated cash inflows not to be fully achieved, or to be delayed, the directors would be required to seek additional funding at an earlier stage than currently anticipated under the strategic plan. The success of that fund raising could not be considered certain until finalised.

These conditions along with the other matters explained in Note 1.2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group and Parent Company's ability to continue as a going concern. The financial statements do not include the adjustments which would result if the group and parent company was unable to continue as a going concern.

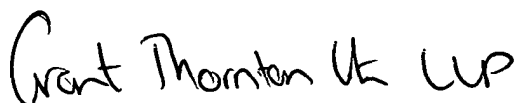
### **Opinion on other matter prescribed by the Companies Act 2006**

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 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; 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.



Jonathan Maile (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
Gatwick

20 May 2015

# Consolidated Profit and Loss Account

For the year ended 30 September 2014

		30 September 2014 £	Period ended 30 September 2013 £
	Note		
<b>Turnover</b>	1,2	<b>1,250,250</b>	662,865
Cost of sales		<b>(212,945)</b>	(128,637)
<b>Gross profit</b>		<b>1,037,305</b>	534,228
Administrative expenses		<b>(3,195,754)</b>	(3,103,291)
Other operating income	3	<b>213,458</b>	120,147
<b>Operating loss</b>	4	<b>(1,944,991)</b>	(2,448,916)
Interest receivable and similar income		<b>1,829</b>	11,299
Interest payable and similar charges		<b>(17,067)</b>	(3,527)
<b>Loss on ordinary activities before taxation</b>		<b>(1,960,229)</b>	(2,441,144)
Tax on loss on ordinary activities	6	<b>147,544</b>	314,765
<b>Loss for the financial year</b>	13	<b>(1,812,685)</b>	(2,126,379)

The notes on pages 10 to 18 form part of these financial statements.

## Consolidated Balance Sheet

As at 30 September 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	7		379,307		558,387
<b>Current assets</b>					
Stocks		488,143		163,954	
Debtors	9	900,205		224,015	
Cash at bank		393,680		254,399	
		<u>1,782,028</u>		<u>642,368</u>	
<b>Creditors:</b> amounts falling due within one year	10	<u>(1,134,388)</u>		<u>(642,193)</u>	
<b>Net current assets</b>			<u>647,640</u>		<u>175</u>
<b>Total assets less current liabilities</b>			<u>1,026,947</u>		<u>558,562</u>
<b>Creditors:</b> amounts falling due after more than one year	11		<u>(479,567)</u>		<u>(136,553)</u>
<b>Net assets</b>			<u><u>547,380</u></u>		<u><u>422,009</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		319,349		319,096
Share premium account	13		8,458,113		6,582,732
Foreign exchange reserve	13		67,646		5,224
Profit and loss account	13		<u>(8,297,728)</u>		<u>(6,485,043)</u>
<b>Shareholders' funds</b>			<u><u>547,380</u></u>		<u><u>422,009</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 20 May 2015.



**J Holmes**  
Director

The notes on pages 10 to 18 form part of these financial statements.

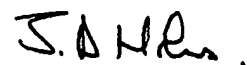
## Company Balance Sheet

As at 30 September 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	7		246,656		396,593
Investments	8		22,001		22,000
			<u>268,657</u>		<u>418,593</u>
<b>Current assets</b>					
Stocks		510,094		163,953	
Debtors	9	870,700		184,506	
Cash at bank		310,075		162,860	
		<u>1,690,869</u>		<u>511,319</u>	
<b>Creditors:</b> amounts falling due within one year	10	<u>(1,172,020)</u>		<u>(589,823)</u>	
<b>Net current assets/(liabilities)</b>			<u>518,849</u>		<u>(78,504)</u>
<b>Total assets less current liabilities</b>			<u>787,506</u>		<u>340,089</u>
<b>Creditors:</b> amounts falling due after more than one year	11		<u>(350,000)</u>		<u>-</u>
<b>Net assets</b>			<u><u>437,506</u></u>		<u><u>340,089</u></u>
<b>Capital and Reserves</b>					
Called up share capital	12		319,349		319,096
Share premium account	13		8,458,113		6,582,732
Profit and loss account	13		<u>(8,339,956)</u>		<u>(6,561,739)</u>
<b>Shareholders' funds</b>			<u><u>437,506</u></u>		<u><u>340,089</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



**J Holmes**  
Director

The notes on pages 10 to 18 form part of these financial statements.

# Consolidated Cash Flow Statement

For the year ended 30 September 2014

	30 September 2014		Period ended 30 September 2013	
	£	£	£	£
<b>Cash generated from operations</b>				
<b>Operating loss</b>	(1,944,991)		(2,448,916)	
Depreciation of tangible fixed assets	158,227		181,058	
(Increase)/decrease in stocks	(324,189)		108,506	
(Increase)/decrease in trade debtors	(174,957)		56,169	
(Increase)/decrease in other debtors	(517,597)		3,748	
Increase/ (decrease) in trade creditors	246,629		(36,206)	
Increase in other creditors, taxation and social security	245,567		368,100	
Foreign exchange on consolidation	41,745		5,224	
Transfer of fixed assets to stock	336,275		81,435	
		(1,933,291)		(1,680,882)
<b>Cash from other sources</b>				
Interest received	1,829		11,299	
Issue of shares	1,875,634		12,288	
New unsecured loans	350,000		-	
R&D tax credits	168,168		168,925	
Loan notes issued	-		136,553	
		2,395,631		329,065
<b>Application of cash</b>				
Interest paid	(17,067)		(3,527)	
Repayment of loan notes	(6,986)		-	
Overseas tax paid	(4,261)		(4,160)	
Purchase of tangible fixed assets	(294,745)		(372,290)	
		(323,059)		(379,977)
<b>Net increase in cash</b>		139,281		(1,731,794)
Cash at bank and in hand less overdrafts at beginning of the year		254,399		1,986,193
<b>Cash at bank and in hand less overdrafts at end of the year</b>		393,680		254,399
Consisting of:				
Cash at bank and in hand		393,680		254,399
		393,680		254,399

The notes on pages 10 to 18 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 30 September 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

The group and parent company's (the 'company') business activities, together with the factors which are likely to affect its future development, performance and position are set out within the Review of Business within the Directors' Report. The company is in its development phase and has the support of its investors during this phase. In November 2013 the Company raised funding of £1,978,000 and post year end has raised a further £2,500,000. The directors have considered, approved and are implementing a strategic plan for the company. They have also prepared a two year financial forecast which assumes significant continued investment and development by the company in its instrumentation product and international sales channels, which will result in continued operating losses in the medium term.

The financial forecasts assume continued revenue growth in addition to continued investment and development cash outflows. Were the revenue forecasts to be achieved, the forecasts project that the Company will have sufficient cash reserves to continue in operational existence for the foreseeable future. However, given that the Company is in its development stage, inherent uncertainty exists over the ability of the Company to generate those forecast revenues. Were those forecast revenues and associated cash inflows not to be fully achieved, or to be delayed, the directors would be required to seek additional funding at an earlier stage than currently anticipated under the strategic plan. While the directors are of the opinion that such future fund raising would be successful, that success could not be considered certain until the fund raising had been finalised. Given the stage of the company's development, in the event that such fund raising was not successful or was delayed, the company could extinguish its cash reserves during 2016, subject to significant curtailment of the strategic plan.

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements.

### 1.3 Basis of consolidation

The financial statements consolidate the accounts of Michelson Diagnostics Limited and all of its subsidiary undertakings ('subsidiaries').

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

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

The loss for the year, recorded by the company was £1,778,217 (2013: loss £2,953,894)

# Notes to the Financial Statements

For the year ended 30 September 2014

## 1. Accounting Policies (continued)

### 1.4 Turnover

Turnover represents the value, net of value added tax and discounts, of our right sales, rental and use of Optical Coherence Tomography instrumentation. Income is recognised on the outright sale of a system when the instrument is delivered to the customers. In the case of rental income, turnover is recognised over the period of the rental. Turnover related to the use of the instrumentation is recognised as that usage occurs.

### 1.5 Tangible fixed assets and depreciation

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

Plant and machinery	-	at variable rates on reducing balance
Fixtures and fittings	-	at variable rates on reducing balance
Prototype demo & rental units	-	20% on cost

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

### 1.9 Deferred taxation

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

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

Deferred tax assets and liabilities are calculated at 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.



# Notes to the Financial Statements

For the year ended 30 September 2014

## 1. Accounting Policies (continued)

### 1.10 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.

### 1.11 Research and development

Expenditure on research and development is written off in the year in which it is incurred.

### 1.12 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.

### 1.13 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

The proportion of turnover that is attributable to geographical markets outside the United Kingdom was 37% (2013 -20.6%)

## 3. Other operating income

	30 September 2014 £	Period ended 30 September 2013 £
Government grants receivable	213,458	119,682
Insurance claims receivable	-	465
	<u>213,458</u>	<u>120,147</u>

# Notes to the Financial Statements

For the year ended 30 September 2014

## 4. Operating loss

The operating loss is stated after charging:

	30 September 2014 £	Period ended 30 September 2013 £
Depreciation of tangible fixed assets:		
- owned by the group	158,227	181,058
Auditor's remuneration	13,000	12,000
Pension costs	10,862	81,899
	<u>182,089</u>	<u>275,957</u>
The auditors fees for the company were £13,000 (2013: £12,000)		

## 5. Directors' remuneration

	30 September 2014 £	Period ended 30 September 2013 £
Aggregate remuneration	<u>351,345</u>	<u>397,988</u>

## 6. Taxation

	30 September 2014 £	Period ended 30 September 2013 £
<b>Analysis of tax charge in the year/period</b>		
UK corporation tax credit on loss for the year/period	(151,805)	(318,925)
	<u>(151,805)</u>	<u>(318,925)</u>
Foreign tax on income for the year/period	4,261	4,160
	<u>4,261</u>	<u>4,160</u>
<b>Tax on loss on ordinary activities</b>	<u>(147,544)</u>	<u>(314,765)</u>

# Notes to the Financial Statements

For the year ended 30 September 2014

## 7. Tangible fixed assets

Group	Plant and machinery £	Fixtures and fittings £	Prototype demo & rental units £	Total £
<b>Cost</b>				
At 1 October 2013	66,698	5,919	789,949	862,566
Additions	2,626	-	292,119	294,745
Transfer to stock	-	-	(548,464)	(548,464)
Foreign exchange movement	(511)	(144)	53,149	52,494
At 30 September 2014	68,813	5,775	586,753	661,341
<b>Depreciation</b>				
At 1 October 2013	57,513	3,995	242,671	304,179
Charge for the year	4,157	93	153,977	158,227
Transfer to stock	-	-	(212,189)	(212,189)
Foreign exchange movement	(87)	(6)	31,910	31,817
At 30 September 2014	61,583	4,082	216,369	282,034
<b>Net book value</b>				
At 30 September 2014	7,230	1,693	370,384	379,307
At 30 September 2013	9,185	1,924	547,278	558,387

Company	Plant and machinery £	Fixtures and fittings £	Prototype demo & rental units £	Total £
<b>Cost</b>				
At 1 October 2013	57,173	3,893	561,701	622,767
Additions	2,626	-	126,810	129,436
Transfer to stock	-	-	(294,922)	(294,922)
At 30 September 2014	59,799	3,893	393,589	457,281
<b>Depreciation</b>				
At 1 October 2013	55,412	3,893	166,869	226,174
Charge for the year	1,753	-	86,412	88,165
On transfer to stock	-	-	(103,714)	(103,714)
At 30 September 2014	57,165	3,893	149,567	210,625
<b>Net book value</b>				
At 30 September 2014	2,634	-	244,022	246,656
At 30 September 2013	1,761	-	394,832	396,593

# Notes to the Financial Statements

For the year ended 30 September 2014

## 8. Fixed asset investments

Company	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 October 2013	22,000
Additions	1
At 30 September 2014	22,001
<b>Net book value</b>	
At 30 September 2014	22,001
At 30 September 2013	22,000

Details of the principal subsidiaries can be found under note number 18.

## 9. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	202,248	27,291	118,724	7,431
Amounts owed by group undertakings	-	-	74,547	-
Other debtors	564,320	46,724	543,792	27,075
Tax recoverable	133,637	150,000	133,637	150,000
	900,205	224,015	870,700	184,506

## 10. Creditors:

Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	329,094	82,465	317,346	64,219
Amounts owed to group undertakings	-	-	79,018	-
Other taxation and social security	29,683	18,120	25,467	13,283
Other creditors	775,611	541,608	750,189	512,321
	1,134,388	642,193	1,172,020	589,823

# Notes to the Financial Statements

For the year ended 30 September 2014

## 11. Creditors:

Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Unsecured Loans	350,000	-	350,000	-
Loan notes	129,567	136,553	-	-
	<u>479,567</u>	<u>136,553</u>	<u>350,000</u>	<u>-</u>

## 12. Share capital

	2014	2013
	£	£
<b>Allotted, called up and fully paid</b>		
189,898 (2013 - 188,868) Ordinary shares of £1 each	189,898	188,868
116,630 (2013 - 117,380) Ordinary A shares of £1 each	116,630	117,380
125,677 (2013 - 128,482) Ordinary A1 shares of £0.10 each	12,568	12,848
253,399 Ordinary A2 shares of £0.001 each	253	-
	<u>319,349</u>	<u>319,096</u>

During the period 280 Ordinary shares were issued in exchange for 2,805 A1 Ordinary shares.

During the period 750 Ordinary shares were issued in exchange for 750 A Ordinary shares.

During the period 253,399 A2 Ordinary shares with a par value of £0.001 were issued for £7.81 each. This generated a Share Premium net of issue costs of £1,875,108.

## 13. Reserves

Group	Share premium account	Foreign exchange reserve	Profit and loss account
	£	£	£
At 1 October 2013	6,582,732	5,224	(6,485,043)
Loss for the financial year	-	-	(1,812,685)
Premium on shares issued during the year	1,875,381	-	-
Movement on foreign exchange	-	62,422	-
At 30 September 2014	<u>8,458,113</u>	<u>67,646</u>	<u>(8,297,728)</u>

# Notes to the Financial Statements

For the year ended 30 September 2014

## 13. Reserves (continued)

Company	Share premium account £	Profit and loss account £
At 1 October 2013	6,582,732	(6,561,739)
Loss for the financial year	-	(1,778,217)
Premium on shares issued during the year	1,875,381	-
At 30 September 2014	<u>8,458,113</u>	<u>(8,339,956)</u>

## 14. 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 £10,862 (2013 - £81,899). No contributions were payable to the fund at the balance sheet date.

## 15. Operating lease commitments

At 30 September 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	2014 £	2013 £
Expiry date:		
Within 1 year	-	3,296

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as follows:

Company		
Expiry date:		
Within 1 year	-	3,296

## 16. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from the requirement to disclose transactions with group companies on the grounds that the companies are wholly owned subsidiaries of the company.

# Notes to the Financial Statements

For the year ended 30 September 2014

## 17. Post balance sheet events

In order to fund the further development of the business new ordinary shares were issued during the period from December 2014 to February 2015, raising a total of £2,500,000.

## 18. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Michelson Diagnostics Inc	USA	100%	Supply and marketing of medical devices
Michelson Diagnostics Finance Limited	Isle of Man	100%	Supply and marketing of medical devices
Michelson Diagnostics GmbH	Germany	100%	Supply and marketing of medical devices
Michelson Diagnostics Finance UK Limited	United Kingdom	100%	Supply and marketing of medical devices

## 19. Share based payments

At 30 September 2014, the company has issued options to 23 directors and staff to acquire ordinary shares in the company as follows:

	Date Granted	Number of Shares	Exercise Price £
Approved options			
	02/05/2008	2,880	6.18
	31/03/2011	3,790	19.61
	20/03/2012	318	19.61
	03/04/2013	21,864	19.61
	14/05/2014	24,995	1.00
Unapproved options			
	24/03/2011	5,234	14.91
	31/03/2011	2,000	19.61
	06/11/2011	670	19.61
	17/05/2012	5,596	19.61
	14/05/2014	21,586	1.00

There are no performance conditions attached to these options.

The options do not expire while an individual remains an employee of the company.

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Digital Contact Limited

Company Registration Number  
08035366

Report of the Directors and  
Abbreviated Unaudited Financial Statements

Period of accounts

Start date 01/05/2014

End date 30/04/2015

Contents of the Financial Statements  
for the Period Ended 30 April 2015

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Report of the Accountants	4
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## Digital Contact Limited

### Company Information

for the Period Ended 30 April 2015

#### Directors

Mr G Mann  
Mr L Harstad  
David Mann  
Adrian Ware

#### Registered office

Unit 42 The Coach House  
St Mary's Business Centre  
Bexley Kent  
DA5 1LU

#### Company Registration Number

08035366

#### Accountants

Name	Pomfrey Computers Limited
Address	Unit 42 The Coach House St Mary's Business Centre Bexley Kent DA5 1LU

Digital Contact Limited

## Accountants' Report

for the Period Ended 30 April 2015

### Independent accountants' report

Report to the directors on the preparation of the unaudited statutory accounts of the company for the period ended 30 April 2015. In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of the company for the period ended 30 April 2015 as set out on pages 3 to 10 which comprise of the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us. This report is made solely to the Board of Directors of the company, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the

accounts of the company and state those matters that we have agreed to state to the Board of Directors of the company, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors as a body for our work or for this report.

It is your duty to ensure the company has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit/(loss) of the company. You consider the company is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit of the financial statements. 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 financial statements.

Pomfrey Computers Limited  
Unit 42 The Coach House  
St Mary's Business Centre  
Bexley Kent  
DA5 1LU

Date

2015-07-17

Page 4

Digital Contact Limited

Balance Sheet

for the Period Ended 30 April 2015

Company registration number 08035366

	Notes	2015 £	2014 £
Fixed assets			
Tangible fixed assets	2	20,959	4,488
Total fixed assets		<u>20,959</u>	<u>4,488</u>
Current assets			
Debtors	3	218,300	71,738
Cash at bank and in hand		1,236,018	792,742
Total current assets		<u>1,454,318</u>	<u>864,480</u>
Creditors			
Creditors - amounts falling due within one year	4	72,886	40,189
Net current assets		<u>1,381,432</u>	<u>824,291</u>
Total assets less current liabilities		<u>1,402,391</u>	<u>828,779</u>
Creditors - amounts falling due after more than one year	5	731,868	548,901
Long term creditors		<u>731,868</u>	<u>548,901</u>
Net assets		<u>670,523</u>	<u>279,878</u>
Capital and reserves			
Called up share capital	6	13,889	11,892
Share premium		1,632,762	460,687
Profit and loss account	7	(976,128)	(192,701)
Total shareholders funds		<u>670,523</u>	<u>279,878</u>

Digital Contact Limited

Balance Sheet

for the Period Ended 30 April 2015

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

For the year ending 30 April 2015 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

The financial statements were approved by the Board of Directors on

2015-08-05

SIGNED ON BEHALF OF THE BOARD BY

Name

Mr G Mann

The notes form part of these financial statements

## Digital Contact Limited

### Notes to the Financial Statements

for the Period Ended 30 April 2015

#### 1. Accounting policies

##### Basis of preparation

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).

##### Going Concern

The company has a deficit on shareholders' funds and relies upon the support of its shareholders and creditors, which has been confirmed for a period of at least twelve months from the approval of the financial statements. Accordingly the directors have prepared the financial statements on the going concern basis.

##### Tangible fixed assets Depreciation

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

##### Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

Digital Contact Limited  
Notes to the Financial Statements  
for the Period Ended 30 April 2015  
2. Tangible fixed assets

	Office equipment	Motor vehicles	Total
Cost	£	£	£
At 1 May 2014	5,984		5,984
Additions	132	19,816	19,948
	<hr/>	<hr/>	<hr/>
At 30 April 2015	6,116	19,816	25,932
Depreciation			
At 1 May 2014	1,496		1,496
Charge for year	1,496	1,981	3,477
	<hr/>	<hr/>	<hr/>
At 30 April 2015	2,992	1,981	4,973
Net book value			
At 30 April 2015	3,124	17,835	20,959
At 30 April 2014	4,488	0	4,488



Digital Contact Limited  
Notes to the Financial Statements  
for the Period Ended 30 April 2015

3. Debtors	2015	2014
Other debtors	180,029	66,341
Prepayments and accrued income	38,271	5,397
	<hr/>	<hr/>
Total	218,300	71,738
4. Creditors amounts falling due within one year	2015	2014
Trade creditors	50,769	22,207
Other taxation and social security	9,118	4,740
Accruals and deferred income	12,999	12,999
Other creditors		243
	<hr/>	<hr/>
Total	72,886	40,189
5. Creditors amounts falling due after more than one year	2015	2014
Other creditors	731,868	548,901
	<hr/>	<hr/>
Total	731,868	548,901

Digital Contact Limited  
Notes to the Financial Statements  
for the Period Ended 30 April 2015

6. Share capital		2015	2014
Authorised type	Par value	£	£
Ordinary	1	13,889	11,892
Total		<u>13,889</u>	<u>11,892</u>
Allotted, called up and paid		£	£
Ordinary		13,889	11,892
Total		<u>13,889</u>	<u>11,892</u>
7. Reserves/Retained profit			
Retained profit reconciliation		£	
Reserves at 1 May 2014		(192,701)	
Profit/(Loss) for year		(783,427)	
Dividends paid			
Retained Profit/(Loss) at 30 April 2015		<u>(976,128)</u>	

Page 10

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.

**Registered number: 07191036**

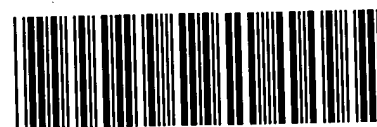
**Venomtech Limited**

**Unaudited**

**Abbreviated accounts**

**For the year ended 31 August 2014**

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COMPANIES HOUSE

## **Venomtech Limited**

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 board of directors on the preparation of the unaudited statutory financial statements of Venomtech Limited for the year ended 31 August 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 Venomtech Limited for the year ended 31 August 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 Board of directors of Venomtech Limited, as a body, in accordance with the terms of our engagement letter dated 23 May 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Venomtech Limited and state those matters that we have agreed to state to the Board of directors of Venomtech Limited, as a body, 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 Venomtech Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Venomtech Limited 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 Venomtech Limited 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 Venomtech Limited. 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.

*Kreston Reeves LLP*

#### **Kreston Reeves LLP**

Chartered Accountants

37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

28 May 2015

**Abbreviated balance sheet**  
**As at 31 August 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	2		12,743		10,274
<b>Current assets</b>					
Stocks		6,360		11,903	
Debtors		14,308		-	
Cash at bank		14,385		-	
		<u>35,053</u>		<u>11,903</u>	
<b>Creditors: amounts falling due within one year</b>	3	<u>(20,476)</u>		<u>(68,258)</u>	
<b>Net current assets/(liabilities)</b>			<u>14,577</u>		<u>(56,355)</u>
<b>Total assets less current liabilities</b>			<u>27,320</u>		<u>(46,081)</u>
<b>Creditors: amounts falling due after more than one year</b>	4		<u>(76,867)</u>		<u>(9,130)</u>
<b>Net liabilities</b>			<u><u>(49,547)</u></u>		<u><u>(55,211)</u></u>
<b>Capital and reserves</b>					
Called up share capital	5		133		112
Share premium account			268,809		116,988
Profit and loss account			<u>(318,489)</u>		<u>(172,311)</u>
<b>Shareholders' deficit</b>			<u><u>(49,547)</u></u>		<u><u>(55,211)</u></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 August 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 on 28 May 2015.



**Mr S A Trim**  
Director

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

**Notes to the abbreviated accounts  
For the year ended 31 August 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:

Plant & machinery	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

**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.

**1.5 Stocks**

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

**1.6 Research and development**

Research and development expenditure is written off in the year in which it is incurred.

**Notes to the abbreviated accounts  
For the year ended 31 August 2014**

**2. Tangible fixed assets**

	£
<b>Cost</b>	
At 1 September 2013	23,655
Additions	6,712
	<hr/>
At 31 August 2014	30,367
	<hr/>
<b>Depreciation</b>	
At 1 September 2013	13,381
Charge for the year	4,243
	<hr/>
At 31 August 2014	17,624
	<hr/>
<b>Net book value</b>	
At 31 August 2014	12,743
	<hr/> <hr/>
At 31 August 2013	10,274
	<hr/> <hr/>

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

The bank overdraft of £136 is secured by way of a debenture.

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

The bank loan of £6,161 is secured by the personal guarantee of S Trim.

**5. Share capital**

	2014 £	2013 £
<b>Allotted, called up and fully paid</b>		
13,241 (2013 - 11,120) Ordinary shares of £0.01 each	132.41	111.20
56 Non-diluting shares of £0.01 each	0.56	0.56
	<hr/>	<hr/>
	133	112
	<hr/> <hr/>	<hr/> <hr/>

During the year, 2,121 Ordinary shares of £0.01 each were allotted with an aggregate nominal value of £21.21. The shares were fully paid up during the period.

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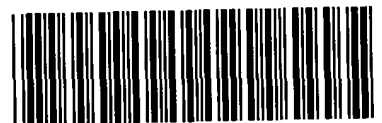


# Kent PFI Holdings Company 1 Limited

Directors' report and financial statements  
for the year ended 31 March 2015

Registration Number 06523286

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**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Directors' report and financial statements  
for the year ended 31 March 2015**

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Statement of Directors' responsibilities	4
Independent auditor's report to the members of Kent PFI Holdings Company 1 Limited	5
Profit and loss account	7
Balance Sheet	8
Notes to the financial statements	9

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Directors and advisors**

**Directors**

J A Hansen  
S R Shah  
C Head  
P Andrews

**Registered office**

Two London Bridge  
London  
SE1 9RA

**Auditor**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
B4 6GH

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Directors' report for the year ended 31 March 2015**

The directors present their report and audited financial statements for the year ended 31 March 2015.

**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 profit and loss account is set out on page 7 and shows a profit for the financial year of £400,000 (2014: £nil). The directors authorised the payment of a dividend of £400,000 (2014: £nil). This equates to £40 per share (2014: £nil per share).

The directors consider the performance of the company during the year, the financial position at the end of the year and its prospects for the future to be satisfactory.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

**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 directors' report of the financial statements for Kent PFI Company 1 Limited for the year ended 31 March 2015.

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	(Resigned 6 June 2014)
S R Shah	
C Head	
P Andrews	
J A Hansen	(Appointed 1 October 2014)

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Directors' report for the year ended 31 March 2015  
(continued)**

**Post balance sheet events**

There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

**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**

6 August 2015

Two London Bridge  
London  
SE1 9RA

# **Kent PFI Holdings Company 1 Limited**

Co. Registration No. 06523286

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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; and
- 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.

## **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 2015 set out on pages 7 to 14. 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 4 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 2015 and of its profit 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 take advantage of the small companies exemption from the requirement to prepare a strategic report



James Tracey, (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
B4 6GH

7 August 2015



**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Profit and loss account  
for the year ended 31 March 2015**

		<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
	Note	£	£
Turnover		-	-
<b>Operating Result</b>	2	-	-
Income from subsidiary undertaking	3	<b>400,000</b>	-
Net interest	4	-	-
<b>Profit on ordinary activities before taxation</b>		<b>400,000</b>	-
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>	11	<b>400,000</b>	-

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 9 to 14 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 2015**

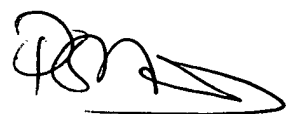
	Note	31 March 2015 £	31 March 2014 £
<b>Fixed assets</b>			
Investment in subsidiary undertaking	6	<b>7,375,432</b>	7,455,912
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	<b>556,547</b>	944,821
<b>Creditors: amounts falling due within one year</b>	8	<b>(556,547)</b>	(944,821)
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		<b>7,375,432</b>	7,455,912
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(7,365,432)</b>	(7,445,912)
<b>Net assets</b>		<b>10,000</b>	10,000

**Capital and reserves**

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 have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to Small Companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the board on 6 Aug 2015 and signed on its behalf by:



P Andrews  
Director

6 August 2015

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Notes to the financial statements**  
**the year ended 31 March 2015**

**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.

***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Notes to the financial statements  
for the year ended 31 March 2015 (continued)**

**2 Operating result**

The company had no employees during the year (2014: none). 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 (2014: £nil). The audit fee charged was £700 (2014: £700) and was borne by Kent PFI Company 1 Limited.

**3 Income from subsidiary undertaking**

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Dividends received from subsidiary undertaking	400,000	-

**4 Net interest**

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Interest receivable from subsidiary undertaking	898,451	913,934
Interest payable on shareholders loan	(898,451)	(913,934)
Net interest	-	-

**5 Tax on profit on ordinary activities**

**a) Analysis of tax charge for the year**

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
UK corporation tax		
Current tax	-	-
	-	-

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Notes to the financial statements  
for the year ended 31 March 2015 (continued)**

**5 Tax on profit on ordinary activities (continued)**

**b) Factors affecting the tax charge for the year**

The UK standard rate of corporation tax for the year is 21% (2014: 23%). The actual tax rate is lower than (2014: same as) the standard rate for the reasons set out below:

	<b>Year ended 31 March 2015</b>	<b>Year ended 31 March 2014</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	400,000	-
Profit for the year multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	84,000	-
Non-taxable income	(84,000)	-
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

**c) Factors affecting the tax charges in future years**

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Notes to the financial statements  
for the year ended 31 March 2015 (continued)**

**6 Investments**

	Shares	Loan notes	Total
	£	£	£
<b>Investment in subsidiary undertaking</b>			
At 31 March 2014	10,000	7,601,779	7,611,779
Repayment of Loan Notes	-	(236,347)	(236,347)
At 31 March 2015	10,000	7,365,432	7,375,432

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 2015	31 March 2014
	£	£
Amounts receivable from subsidiary undertaking	<b>556,547</b>	944,821

**8 Creditors: amounts falling due within one year**

	31 March 2015	31 March 2014
	£	£
Amount owed to group undertaking	<b>322,797</b>	103,930
Amount owed to other shareholders	<b>233,750</b>	840,891
	<b>556,547</b>	944,821

**Kent PFI Holdings Company 1 Limited**  
Co. Registration No. 06523286

**Notes to the financial statements  
for the year ended 31 March 2015 (continued)**

**9 Creditors: amounts falling due after more than one year**

	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertaking	<b>4,271,950</b>	819,050
Amounts owed to other shareholder	<b>3,093,482</b>	6,626,862
Loan Notes	<b>7,365,432</b>	7,445,912
Subordinated debt due to group undertaking shareholder is repayable as follows:		
Between 1 and 2 years	<b>105,010</b>	80,480
Between 2 and 5 years	<b>377,278</b>	329,579
In more than 5 years	<b>6,883,144</b>	7,035,853
	<b>7,365,432</b>	7,445,912

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**

	<b>31 March 2015</b>	<b>31 March 2014</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary Shares of £1 each	<b>10,000</b>	10,000
	<b>10,000</b>	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**  
Co. Registration No. 06523286

**Notes to the financial statements  
for the year ended 31 March 2015 (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
Profit for the financial year	-	400,000	400,000
Dividends paid in the year (£40 per ordinary share)	-	(400,000)	(400,000)
<b>At 31 March 2015</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>

**12 Related party disclosures**

During the year ended 31 March 2015, the company paid interest of £467,195 (2014: £539,109) to Building Schools for the Future Investments LLP, a fellow group company. The company owed Building Schools for the Future Investments LLP £322,797 (2014: £473,373) at the year end.

The company received interest of £898,451 (2014: £913,924) during the year from Kent PFI Project Company 1 Limited, its wholly owned subsidiary. The company was owed £556,547 (2014: £788,955) from Kent PFI Company 1 Limited at the year end.

The company also paid interest of £431,256 (2014: 374,815) during the year to Kent County Council, which has significant influence in the company. The company owed Kent County Council £233,750 (2014: £315,582) at the year end.

**13 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.

**14 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, nil% (2014: 10%); Kent County Council 42% (2014: 38%) and Building Schools for the Future Investments LLP holding 58% (2014: 52%).

The directors regard Building schools for the Future Investments LLP, an entity incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited, a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership, the smallest and largest group of which the company is a member and for which group financial statements are prepared, can be obtained from the registered address at Two London Bridge, London, SE1 9RA.



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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 - 29 February 2016

Subject: Consolidated Commercial Services 2014-15

Classification: Unrestricted

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Summary: To present the consolidated Commercial Services position for 2014-15.

## **FOR ASSURANCE**

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### **1 INTRODUCTION**

- 1.1 As 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 9 March 2015 that the Sub-Committee required a consolidated Commercial Services position that includes the Commercial Services unit which is treated as a trading activity in the Councils financial statements.
- 1.3 Copies of the latest Statutory Accounts for Commercial Services (for 2014-15) are included as an appendix to the report should the Members' wish to review and consider them.

### **2 CONSOLIDATED COMMERCIAL SERVICES POSITION**

- 2.1 The table below shows the key financial highlights for 2014-15 of the Parent Company and the subsidiaries within the parent company and the KCC Commercial Services unit; and 2013-14 for comparator purposes.

<b>Commercial Services</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>2014-15</b>				
Commercial Services Trading Ltd	19,057.5	247.5	1,190.7	2,190.7
Commercial Services Kent Ltd	55,121.8	486.7	547.0	547.0
Kent Top Temps	-	-3.9	1,192.4	1,192.4
<b>Kent County Trading Ltd - Parent Company</b>	<b>65,755.4</b>	<b>730.3</b>	<b>2,930.1</b>	<b>3,930.1</b>
KCC - Commercial Services	315,425.0	-574.8	2,948.5	10,964.5
<b>TOTAL</b>	<b>381,180.4</b>	<b>155.5</b>	<b>5,878.6</b>	<b>14,894.6</b>
<b>2013-14</b>				
<i>Commercial Services Trading Ltd</i>	<i>20,481.3</i>	<i>186.1</i>	<i>954.5</i>	<i>1,954.5</i>
<i>Commercial Services Kent Ltd</i>	<i>58,383.4</i>	<i>201.6</i>	<i>199.9</i>	<i>199.9</i>
<i>Kent Top Temps</i>	<i>-</i>	<i>-291.7</i>	<i>1,209.5</i>	<i>1,209.5</i>
<b><i>Kent County Trading Ltd - Parent Company</i></b>	<b><i>73,183.2</i></b>	<b><i>99.2</i></b>	<b><i>2,363.9</i></b>	<b><i>3,363.9</i></b>
<i>KCC - Commercial Services</i>	<i>329,820.4</i>	<i>2,850.7</i>	<i>3,523.4</i>	<i>11,539.5</i>
<b><i>TOTAL</i></b>	<b><i>403,003.6</i></b>	<b><i>2,949.9</i></b>	<b><i>5,887.3</i></b>	<b><i>14,903.4</i></b>

- 2.2 Kent Top Temps is a dormant company and there are no plans to trade through Kent Top Temps in the foreseeable future. The activities previously traded through Kent Top Temps have transferred to Commercial Services Trading Ltd and Commercial Services Kent Ltd.
- 2.3 It should be noted that the KCC – Commercial Services accounts are accounted for on the same basis as local authority accounts rather than on a commercial accounts basis. However, the total net worth provides a reasonable representation for the consolidated group.
- 2.4 Commercial Services declared a dividend of £6,100k for 2014-15 which was recognised in the Council's accounts as a debtor.
- 2.5 KCC – Commercial Service had a trading surplus of £5,525,2k which was disclosed in the Council's Statement of Accounts in Note 32. The trading surplus is prior to the dividend of £6,100k which when taken into account gives a deficit of £575k as shown in the table above.

### **3 RECOMMENDATION**

- 3.1 Members are recommended to note the contents of this report for assurance, and to review the latest available Statutory Accounts (attached) for Commercial Services.

**Emma Feakins**  
**Chief Accountant**  
**Ext: 416082**

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Registered number: 05858178

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## COMMERCIAL SERVICES TRADING LIMITED

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### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

WEDNESDAY



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23/12/2015

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COMPANIES HOUSE

**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**10 December 2015**

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## COMMERCIAL SERVICES TRADING LIMITED

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### COMPANY INFORMATION

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**DIRECTORS**

C McCoy Esq (appointed 10 June 2014)  
S G Heywood Esq  
R J F Martin Esq  
Mrs K M Short  
G P C Parsons Esq (resigned 28 April 2015)  
J D Burr Esq (appointed 26 February 2015)  
R L Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)  
Mrs E L Mitchell (appointed 22 October 2015)  
J Evans Esq (appointed 22 October 2015)

**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

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**COMMERCIAL SERVICES TRADING LIMITED**

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<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

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## COMMERCIAL SERVICES TRADING LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### INTRODUCTION

The directors present their strategic report accompanying the financial statements for the year ended 31 March 2015.

#### BUSINESS REVIEW

The directors note that the company traded at a satisfactory level during the 2014-15 year.

Trade levels continue to be satisfactory and a similar performance is expected for 2015/16.

#### 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 company's financial results.

Also failure to protect the company'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

17/12/15

and signed on its behalf.

J D Burr Esq.  
Director

*JDB - 11*



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## COMMERCIAL SERVICES TRADING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### 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;
- 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 of the company in the year under review include fleet procurement, landscape services, engineering, recruitment, energy supply, and venue hire.

#### DIRECTORS

The directors who served during the year were:

C McCoy Esq (appointed 10 June 2014)  
S G Heywood Esq  
R J F Martin Esq  
Mrs K M Short  
G P C Parsons Esq (resigned 28 April 2015)  
J D Burr Esq (appointed 26 February 2015)  
R L Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)

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## COMMERCIAL SERVICES TRADING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### FUTURE DEVELOPMENTS

Commercial Services 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 business 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.
- Improving productivity through investment in technology and training.

#### DISCLOSURE OF INFORMATION TO AUDITORS

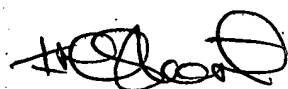
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- 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

17/12/15

and signed on its behalf.



**Mrs K M Short**  
Director

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## COMMERCIAL SERVICES TRADING LIMITED

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

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We have audited the financial statements of Commercial Services Trading Limited for the year ended 31 March 2015, 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 2015 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.

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COMMERCIAL SERVICES TRADING LIMITED

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

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**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: 21 December 2013

**COMMERCIAL SERVICES TRADING LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2		
Continuing operations		<b>19,057,516</b>	1,613,948
Acquisitions		-	18,867,393
		<b>19,057,516</b>	20,481,341
Discontinued operations		-	250,974
		<b>19,057,516</b>	20,732,315
Cost of sales	4	<b>(14,386,447)</b>	(16,625,154)
<b>GROSS PROFIT</b>		<b>4,671,069</b>	4,107,161
Administrative expenses	4	<b>(5,364,282)</b>	(5,169,228)
Other operating income	3	<b>1,035,274</b>	1,242,890
<b>OPERATING PROFIT</b>	5		
Continuing operations		<b>342,061</b>	18,418
Acquisitions		-	658,355
Discontinued operations		-	(495,950)
		<b>342,061</b>	180,823
Interest receivable and similar income		<b>6,369</b>	5,234
Interest payable and similar charges	7	<b>(100,917)</b>	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>247,513</b>	186,057
Tax on profit on ordinary activities	8	<b>(11,295)</b>	(56,175)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<b>236,218</b>	129,882

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

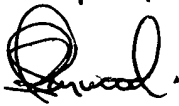
The notes on pages 8 to 16 form part of these financial statements.

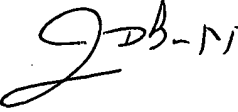
**COMMERCIAL SERVICES TRADING LIMITED**  
**REGISTERED NUMBER: 05858178**

**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	9	4,175,114	4,131,182
<b>CURRENT ASSETS</b>			
Stocks	10	222,882	271,546
Debtors	11	6,510,398	7,908,434
Cash at bank and in hand		1,509,376	418,145
		<u>8,242,656</u>	<u>8,598,125</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(5,581,990)</u>	<u>(4,806,189)</u>
<b>NET CURRENT ASSETS</b>		<u>2,660,666</u>	<u>3,791,936</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,835,780</u>	<u>7,923,118</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13	<u>(4,500,000)</u>	<u>(5,834,851)</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred Tax	14	<u>(145,089)</u>	<u>(133,794)</u>
<b>NET ASSETS</b>		<u>2,190,691</u>	<u>1,954,473</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000,002	1,000,002
Profit and loss account	16	1,190,689	954,471
<b>SHAREHOLDERS' FUNDS</b>	17	<u>2,190,691</u>	<u>1,954,473</u>

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

17/12/15  
  
**S G Heywood Esq**  
 Director

  
**J D Burr Esq**  
 Director

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

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## COMMERCIAL SERVICES TRADING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 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
Plant & Machinery	-	Straight line over 5 years
Fixtures & Fittings	-	Straight line over 10 years
Office Equipment	-	Straight line over 5 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 the current tax rates.

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COMMERCIAL SERVICES TRADING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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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:

	2015 £	2014 £
Landscape services	6,328,815	7,364,840
Vehicle rental	5,339,281	9,133,607
Recruitment services	4,062,095	1,211,626
Engineering	2,352,747	2,503,861
Other	974,578	518,381
	<u>19,057,516</u>	<u>20,732,315</u>

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 company.

3. OTHER OPERATING INCOME

	2015 £	2014 £
Rent received	482,116	515,569
Service charge received	553,158	727,321
	<u>1,035,274</u>	<u>1,242,890</u>



**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**4. ANALYSIS OF OPERATING PROFIT**

	<b>2015</b>		<b>2014</b>	
	<b>Continuing £</b>	<b>Discontinued £</b>	<b>Continuing £</b>	<b>Discontinued £</b>
Turnover	<b>19,057,516</b>	-	<b>20,481,341</b>	<b>250,974</b>
Cost of sales	<b>(14,386,447)</b>	-	<b>(16,377,688)</b>	<b>(247,466)</b>
Gross profit	<b>4,671,069</b>	-	<b>4,103,653</b>	<b>3,508</b>
Administrative expenses	<b>(5,364,282)</b>	-	<b>(4,669,770)</b>	<b>(499,458)</b>
Other operating income	<b>1,035,274</b>	-	<b>1,242,890</b>	-
	<b>342,061</b>	-	<b>676,773</b>	<b>(495,950)</b>

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

	<b>2015 £</b>	<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>2015 £</b>	<b>2014 £</b>
Depreciation of tangible fixed assets:		
- owned by the company	<b>186,327</b>	<b>138,997</b>
Auditors' remuneration	<b>12,500</b>	<b>12,000</b>
Operating lease rentals:		
- other operating leases	<b>858,869</b>	<b>497,891</b>

During the year, no director received any emoluments (2014 - £NIL).

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**COMMERCIAL SERVICES TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**6. STAFF COSTS**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,854,862	2,025,103
Social security costs	167,906	169,016
Other pension costs	71,590	160,405
	<u>2,094,358</u>	<u>2,354,524</u>

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

	2015 No.	2014 No.
Landscape services	41	41
Engineering	5	2
Administration	6	6
Recruitment	15	14
Other	15	15
	<u>82</u>	<u>78</u>

**7. INTEREST PAYABLE**

	2015 £	2014 £
On other loans	<u>100,917</u>	<u>-</u>

**8. TAXATION**

	2015 £	2014 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>DEFERRED TAX</b> (see note 14)		
Origination and reversal of timing differences	<u>11,295</u>	<u>56,175</u>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>11,295</u>	<u>56,175</u>

**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>247,513</u>	<u>186,057</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	49,503	37,211
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(4,372)	25,115
Capital allowances for year in excess of depreciation	(22,763)	(48,881)
Group loss relief	(22,368)	(13,445)
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>-</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**9. TANGIBLE FIXED ASSETS**

	Leasehold property £	Plant & Machinery £	Fixtures & Fittings £	Office Equipment £	Total £
<b>COST</b>					
At 1 April 2014	2,408,097	-	1,843,346	27,632	4,279,075
Additions	98,892	72,398	9,810	52,179	233,279
Disposals	-	-	(3,417)	-	(3,417)
At 31 March 2015	<u>2,506,989</u>	<u>72,398</u>	<u>1,849,739</u>	<u>79,811</u>	<u>4,508,937</u>
<b>DEPRECIATION</b>					
At 1 April 2014	64,132	-	82,051	1,710	147,893
Charge for the year	54,463	2,686	112,552	16,626	186,327
On disposals	-	-	(397)	-	(397)
At 31 March 2015	<u>118,595</u>	<u>2,686</u>	<u>194,206</u>	<u>18,336</u>	<u>333,823</u>
<b>NET BOOK VALUE</b>					
At 31 March 2015	<u>2,388,394</u>	<u>69,712</u>	<u>1,655,533</u>	<u>61,475</u>	<u>4,175,114</u>
At 31 March 2014	<u>2,343,965</u>	<u>-</u>	<u>1,761,295</u>	<u>25,922</u>	<u>4,131,182</u>

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**COMMERCIAL SERVICES TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**9. TANGIBLE FIXED ASSETS (continued)**

Included in leasehold property is land amounting to £592,632 (2014: £592,632) which is not depreciated.

**10. STOCKS**

	2015 £	2014 £
Stock and work-in-progress	<u>222,882</u>	<u>271,546</u>

**11. DEBTORS**

	2015 £	2014 £
Trade debtors	2,316,320	4,322,010
Amounts owed by group undertakings	932,933	978,695
Other debtors, accrued income and prepayments	3,261,145	2,607,729
	<u>6,510,398</u>	<u>7,908,434</u>

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

	2015 £	2014 £
Trade creditors	1,320,688	1,137,173
Amounts owed to group undertakings	925,113	-
Other taxation and social security	40,110	390,457
Other creditors, accruals and deferred income	3,296,079	3,278,559
	<u>5,581,990</u>	<u>4,806,189</u>

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

	2015 £	2014 £
Other creditors	1,500,000	2,834,851
Share capital treated as debt (Note 15)	3,000,000	3,000,000
	<u>4,500,000</u>	<u>5,834,851</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 15.

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**COMMERCIAL SERVICES TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**14. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	133,794	77,619
Charge for year (P&L)	11,295	56,175
	<u>145,089</u>	<u>133,794</u>
At end of year	<u>145,089</u>	<u>133,794</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	159,468	133,794
Short term timing differences	(14,379)	-
	<u>145,089</u>	<u>133,794</u>

**15. SHARE CAPITAL**

	2015 £	2014 £
<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 of £1,000,000 and Redeemable 2017 shares of £2,000,000 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.

**COMMERCIAL SERVICES TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**16. RESERVES**

	Profit and loss account £
At 1 April 2014	954,471
Profit for the financial year	236,218
	<u>1,190,689</u>
At 31 March 2015	<u><u>1,190,689</u></u>

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

	2015 £	2014 £
Opening shareholders' funds	1,954,473	1,824,591
Profit for the financial year	236,218	129,882
	<u>2,190,691</u>	<u>1,954,473</u>
Closing shareholders' funds	<u><u>2,190,691</u></u>	<u><u>1,954,473</u></u>

**18. PENSION COMMITMENTS**

The company operates a defined contributions 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 £71,590 (2014 - £160,405). Contributions totalling £7,380 (2014 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**19. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>EXPIRY DATE:</b>				
Within 1 year	-	-	415,986	641,947
Between 2 and 5 years	-	-	2,049,462	2,100,923
After more than 5 years	757,350	757,350	-	-
	<u><u>757,350</u></u>	<u><u>757,350</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

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## COMMERCIAL SERVICES TRADING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 20. 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 £1,500,000 (2014: £2,834,851). The loan is repayable on demand and is included within creditors due after one year.

Interest payable on the loan from Kent County Council has been charged at £100,917 (2014: £Nil).

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

	2015 £	2014 £
Sales	5,531,484	5,714,166
Purchases	2,697,757	987,730
Trade debtors	825,080	2,086,008
Trade creditors	(683,397)	(90,312)
Other debtors	10,057	34,922
Other creditors	(401,049)	-

#### 21. 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.

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**COMMERCIAL SERVICES KENT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2015**

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23/12/2015

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COMPANIES HOUSE

**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**10 December 2015**

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## COMMERCIAL SERVICES KENT LIMITED

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### COMPANY INFORMATION

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**DIRECTORS**

G P C Parsons Esq (resigned 28 April 2015)  
Mrs K M Short  
R Martin Esq  
C McCoy Esq (appointed 10 June 2014)  
S G Heywood Esq  
R Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)  
J D Burr Esq (appointed 26 February 2015)  
Mrs E L Mitchell (appointed 22 October 2015)  
J Evans Esq (appointed 22 October 2015)

**COMPANY SECRETARY**

Mrs K Short

**REGISTERED NUMBER**

05858177

**REGISTERED OFFICE**

1 Abbey Wood Road  
West Malling  
Kent  
ME19 4YT

**INDEPENDENT AUDITORS**

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

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**COMMERCIAL SERVICES KENT LIMITED**

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<b>Independent auditors' report</b>	4 - 5
<b>Profit and loss account</b>	6
<b>Statement of total recognised gains and losses</b>	7
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## COMMERCIAL SERVICES KENT LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### INTRODUCTION

The directors present their strategic report accompanying the financial statements for the year ended 31 March 2015.

#### BUSINESS REVIEW

The directors note that the company traded at a satisfactory level during the 2014-15 year.

Trade levels continue to be satisfactory a similar performance is expected for 2015/16.

#### 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 company's financial results.

Also failure to protect the company'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

17/12/15

and signed on its behalf.

  
**JD Burr Esq**  
Director

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## COMMERCIAL SERVICES KENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### 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 of the company in the year under review included recruitment services, waste disposal services and facilities management services.

#### DIRECTORS

The directors who served during the year were:

G P C Parsons Esq (resigned 28 April 2015)  
Mrs K M Short  
R Martin Esq  
C McCoy Esq (appointed 10 June 2014)  
S G Heywood Esq  
R Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)  
J D Burr Esq (appointed 26 February 2015)

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## COMMERCIAL SERVICES KENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### 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 business 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.
- Improving productivity through investment in technology and training.

The business has also undertaken development of a new computer operating system during the year for one of its key activities and this development programme will continue into the following financial year. 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

17/12/15

and signed on its behalf.



**Mrs K Short**  
Secretary

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## COMMERCIAL SERVICES KENT LIMITED

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

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We have audited the financial statements of Commercial Services Kent Limited for the year ended 31 March 2015, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 2015 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.

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**COMMERCIAL SERVICES KENT LIMITED**

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

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**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  
DA2 6QA

Date: 11 December 2013.



**COMMERCIAL SERVICES KENT LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	As restated 2014 £
<b>TURNOVER</b>	1,2		
Continuing operations		55,121,831	-
Acquisitions		-	58,383,424
		<u>55,121,831</u>	<u>58,383,424</u>
Discontinued operations		-	935,283
		<u>55,121,831</u>	<u>59,318,707</u>
Cost of sales	3	<u>(44,226,300)</u>	<u>(46,955,032)</u>
<b>GROSS PROFIT</b>		<b>10,895,531</b>	<b>12,363,675</b>
Administrative expenses	3	<u>(10,209,956)</u>	<u>(12,174,830)</u>
<b>OPERATING PROFIT</b>			
Continuing operations		685,575	-
Acquisitions		-	553,933
Discontinued operations		-	(365,088)
		<u>685,575</u>	<u>188,845</u>
Interest receivable and similar income		10,409	12,745
Interest payable and similar charges	8	<u>(209,285)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>486,699</b>	<b>201,590</b>
Tax on profit on ordinary activities	9	<u>(139,545)</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	18	<u><u>347,154</u></u>	<u><u>201,590</u></u>

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

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COMMERCIAL SERVICES KENT LIMITED

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015

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	Note	2015 £	As restated 2014 £
PROFIT FOR THE FINANCIAL YEAR		<u>347,154</u>	<u>201,590</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		347,154	<u>201,590</u>
Prior year adjustment	19	<u>1,275,000</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		<u>1,622,154</u>	

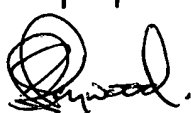
The notes on pages 9 to 18 form part of these financial statements.

**COMMERCIAL SERVICES KENT LIMITED**  
**REGISTERED NUMBER: 05858177**

**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	As restated 2014 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		1,893,928		703,559
Tangible assets	11		869,805		1,015,329
			<u>2,763,733</u>		<u>1,718,888</u>
<b>CURRENT ASSETS</b>					
Stocks	12	412		2,618	
Debtors	13	9,710,264		10,417,990	
Cash at bank and in hand		1,010,818		101,550	
			<u>10,721,494</u>	<u>10,522,158</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(8,398,658)		(8,235,993)	
<b>NET CURRENT ASSETS</b>			<u>2,322,836</u>		<u>2,286,165</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,086,569</u>		<u>4,005,053</u>
<b>CREDITORS:</b> amounts falling due after more than one year	15		(4,400,000)		(3,805,183)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	16		(139,545)		-
<b>NET ASSETS</b>			<u>547,024</u>		<u>199,870</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		2		2
Profit and loss account	18		547,022		199,868
<b>SHAREHOLDERS' FUNDS</b>	20		<u>547,024</u>		<u>199,870</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/15

  
**S G Heywood Esq**  
 Director

  
**J D Burr Esq**  
 Director

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

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## COMMERCIAL SERVICES KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 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	-	Straight line over 3 - 7 years
Office equipment	-	Straight line over 5 years

##### 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.

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## COMMERCIAL SERVICES KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 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 for staff employed on Commercial Services terms, and the pension charged to the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

The company also makes defined contributions for employees transferred from Kent County Council on 1 April 2013 under a TUPE arrangement. These staff participate in the Kent County Council Pension Fund, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The company's obligations to this scheme have been agreed at a fixed rate. The company accounts for the scheme as a defined contribution scheme. The pension charged to the profit and loss account 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:

	2015 £	As restated 2014 £
Temporary staff	39,693,568	44,247,545
Facilities management	4,542,685	6,177,046
Other	231,133	1,289,158
Recharges	6,211,959	5,721,897
Waste	4,442,486	1,883,061
	<u>55,121,831</u>	<u>59,318,707</u>

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 company.

**COMMERCIAL SERVICES KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**3. ANALYSIS OF OPERATING PROFIT**

	<b>2015</b>		<i>As restated</i> <b>2014</b>	
	<b>Continuing £</b>	<b>Discontinued £</b>	<i>Continuing £</i>	<i>Discontinued £</i>
Turnover	<b>55,121,831</b>	-	58,383,424	935,283
Cost of sales	<b>(44,226,300)</b>	-	(46,208,071)	(746,961)
Gross profit	<b>10,895,531</b>	-	12,175,353	188,322
Administrative expenses	<b>(10,209,956)</b>	-	(11,621,420)	(553,410)
	<b>685,575</b>	-	553,933	(365,088)

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

	<b>2015 £</b>	<i>As restated</i> <b>2014 £</b>
Turnover	-	58,383,424
Cost of sales	-	(46,208,071)
Gross profit	-	12,175,353
Administrative expenses	-	(11,621,420)
Operating profit	-	553,933

**4. OPERATING PROFIT/(LOSS)**

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

	<b>2015 £</b>	<b>2014 £</b>
Amortisation - intangible fixed assets	<b>13,986</b>	3,221
Depreciation of tangible fixed assets: - owned by the company	<b>258,009</b>	162,455
Total	<b>271,995</b>	165,676

**5. AUDITORS' REMUNERATION**

	<b>2015 £</b>	<b>2014 £</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>12,500</b>	12,000

**COMMERCIAL SERVICES KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**6. STAFF COSTS**

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

	2015 £	As restated 2014 £
Wages and salaries	21,699,582	24,107,724
Social security costs	1,655,335	1,954,533
Other pension costs	1,770,983	1,810,387
	<u>25,125,900</u>	<u>27,872,644</u>

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

	2015 No.	2014 No.
Temporary staff	464	532
Administration staff	82	95
Facilities management	38	63
Direct staff	377	418
Recruitment	32	34
Other	80	58
	<u>1,073</u>	<u>1,200</u>

**7. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>384,165</u>	<u>529,656</u>
Company pension contributions to defined contribution pension schemes	<u>35,629</u>	<u>62,645</u>

During the year retirement benefits were accruing to 4 directors (2014 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £153,015 (2014 - £203,261).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,302 (2014 - £20,634).

**COMMERCIAL SERVICES KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**8. INTEREST PAYABLE**

	2015 £	2014 £
On other loans	209,285	-

**9. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see below)		
UK corporation tax charge on profit for the year	-	-
<b>Deferred tax</b> (see note 16)		
Origination and reversal of timing differences	139,545	-
<b>Tax on profit on ordinary activities</b>	139,545	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - *lower than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	486,699	201,590
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	97,340	40,318
<b>Effects of:</b>		
Expenses not deductible for tax purposes	53,428	85,759
Capital allowances for year in excess of depreciation	(15,093)	(9,909)
Adjustment in research and development tax credit leading to a decrease in the tax charge	(287,533)	(161,131)
Unrelieved tax losses carried forward	129,490	31,518
Group relief	22,368	13,445
<b>Current tax charge for the year</b> (see above)	-	-

**Factors that may affect future tax charges**

The company has a tax loss carried forward of £805,037 (2014: £157,588) to offset against future taxable profits.



COMMERCIAL SERVICES KENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

10. INTANGIBLE FIXED ASSETS

	Computer software £	Software development £	Total £
<b>Cost</b>			
At 1 April 2014	96,854	636,851	733,705
Additions	-	1,204,355	1,204,355
At 31 March 2015	96,854	1,841,206	1,938,060
<b>Amortisation</b>			
At 1 April 2014	30,146	-	30,146
Charge for the year	13,986	-	13,986
At 31 March 2015	44,132	-	44,132
<b>Net book value</b>			
At 31 March 2015	52,722	1,841,206	1,893,928
At 31 March 2014	66,708	636,851	703,559

11. TANGIBLE FIXED ASSETS

	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>			
At 1 April 2014	100,859	1,076,925	1,177,784
Additions	-	182,858	182,858
Disposals	(100,859)	-	(100,859)
At 31 March 2015	-	1,259,783	1,259,783
<b>Depreciation</b>			
At 1 April 2014	17,797	144,658	162,455
Charge for the year	12,689	245,320	258,009
On disposals	(30,486)	-	(30,486)
At 31 March 2015	-	389,978	389,978
<b>Net book value</b>			
At 31 March 2015	-	869,805	869,805
At 31 March 2014	83,062	932,267	1,015,329

**COMMERCIAL SERVICES KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**12. STOCKS**

	2015 £	2014 £
Finished goods and goods for resale	412	2,618

**13. DEBTORS**

	2015 £	2014 £
Trade debtors	6,780,749	7,626,674
Other debtors	15,882	90,239
Prepayments and accrued income	2,913,633	2,701,077
	<u>9,710,264</u>	<u>10,417,990</u>

**14. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	1,215,204	2,625,160
Amounts owed to group undertakings	933,089	622,695
Other taxation and social security	1,508,429	1,703,940
Accruals and deferred income	4,741,936	3,284,198
	<u>8,398,658</u>	<u>8,235,993</u>

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

	2015 £	2014 £
Other creditors	4,400,000	3,805,183

**16. DEFERRED TAXATION**

	2015 £	2014 £
At beginning of year	-	-
Charge for year (P&L)	139,545	-
At end of year	<u>139,545</u>	<u>-</u>

**COMMERCIAL SERVICES KENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**16. DEFERRED TAXATION (continued)**

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	25,003	-
Development software R&D allowance	362,791	-
Unused corporation tax losses	(160,264)	-
Short term timing differences	(87,985)	-
	<u>139,545</u>	<u>-</u>

**17. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**18. RESERVES**

	Profit and loss account £
At 1 April 2014 (as previously stated)	(1,075,132)
Prior year adjustment (note 19)	1,275,000
	<u>199,868</u>
At 1 April 2014 (as restated)	347,154
Profit for the year	<u>547,022</u>
At 31 March 2015	<u>547,022</u>

**19. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has arisen due to a change in accounting policy following a reassessment of the company's accounting for its participation in the Local Government Pension Scheme.

Previously the company has accounted for its pension contributions as a defined benefit scheme, however it has been agreed by Kent County Council for the employer contributions to be set at a fixed rate for the duration of the contract. Accordingly the accounting policy has been amended to account for the scheme as a defined contribution scheme.

The net effect is to increase profit and loss reserves brought forward at 1 April 2014 by £1,275,000. As the adjustments relate to periods prior to the year ended 31 March 2015 there has been no adjustment to the profit and loss account for this period.

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**COMMERCIAL SERVICES KENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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

	2015 £	2014 £
Opening shareholders' deficit	(1,075,130)	(1,720)
Prior year adjustments (note 19)	1,275,000	
	<hr/>	
Opening shareholders' funds/(deficit) (as restated)	199,870	
Profit for the financial year	347,154	201,590
	<hr/>	<hr/>
Closing shareholders' funds	547,024	199,870
	<hr/>	<hr/>

**21. 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 £1,770,983 (2014: £1,810,387). Contributions totalling £190,370 (2014: £141,500) were payable to the funds at the balance sheet date and are included in creditors.

**22. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<b>Expiry date:</b>		
Within 1 year	-	4,345
Between 2 and 5 years	-	6,798
	<hr/>	<hr/>

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## COMMERCIAL SERVICES KENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 23. RELATED PARTY TRANSACTIONS

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

The company has a loan from Kent County Council of £4,400,000 (2014: £3,805,183). The loan is repayable on demand and is included within creditors due after one year.

Interest payable on the loan from Kent County Council has been charged at £209,285.

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

	2015 £	2014 £
Sales	47,347,866	49,213,246
Purchases	1,730,629	1,281,731
Trade debtors	6,385,423	6,569,383
Trade creditors	(662)	(173,105)
Other debtors	1,331,996	1,288,344
Other creditors	(2,665,307)	(556,710)

#### 24. 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.

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**KENT TOP TEMPS LTD**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**



**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**10 December 2015**

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## KENT TOP TEMPS LTD

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### COMPANY INFORMATION

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**DIRECTORS**

S G Heywood Esq  
Mrs K Short  
R L Pimenta Esq (appointed 26 February 2015)  
N Major Esq (appointed 26 February 2015)  
J D Burr (appointed 26 February 2015)

**COMPANY SECRETARY**

Mrs K Short

**REGISTERED NUMBER**

05242900

**REGISTERED OFFICE**

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

**INDEPENDENT AUDITORS**

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



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## KENT TOP TEMPS LTD

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<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 - 14

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## KENT TOP TEMPS LTD

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### INTRODUCTION

The directors present their strategic report for the year ended 31 March 2015.

#### BUSINESS REVIEW

The business ceased trading in December 2013 and was dormant throughout the current financial year.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The directors expect the Company to remain dormant for the foreseeable future. There are currently no principal risks and uncertainties facing the Company.

This report was approved by the board on

17/12/15

and signed on its behalf.



**Mrs K Short**  
Director

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## KENT TOP TEMPS LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and the financial statements for the year ended 31 March 2015.

#### 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 company is dormant and has not traded during the year or subsequent to the year end.

#### DIRECTORS

The directors who served during the year were:

S G Heywood Esq  
Mrs K Short  
R L Pimenta Esq (appointed 26 February 2015)  
N Major Esq (appointed 26 February 2015)  
J D Burr (appointed 26 February 2015)

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

#### FUTURE DEVELOPMENTS

Kent Top Temps 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 business 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.

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**KENT TOP TEMPS LTD**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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The group currently has no plans to trade through Kent Top Temps Limited, which will remain dormant 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.

This report was approved by the board on

17/12/15

and signed on its behalf.



**Mrs K Short**  
Director

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## KENT TOP TEMPS LTD

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

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We have audited the financial statements of Kent Top Temps Ltd for the year ended 31 March 2015, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

#### OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

#### 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.

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KENT TOP TEMPS LTD

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

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**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: 21. September 2013.

**KENT TOP TEMPS LTD**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>TURNOVER</b>	1,2		
Discontinued operations		-	999,263
		-	999,263
Cost of sales	3	-	(997,679)
<b>GROSS PROFIT</b>		-	1,584
Administrative expenses	3	(7,166)	(285,997)
<b>OPERATING LOSS</b>	4		
Continuing operations		-	-
Discontinued operations		(7,166)	(284,413)
		(7,166)	(284,413)
Interest receivable and similar income		3,231	994
Interest payable and similar charges	7	-	(8,250)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(3,935)	(291,669)
Tax on loss on ordinary activities	8	(13,200)	51,131
<b>LOSS FOR THE FINANCIAL YEAR</b>	13	(17,135)	(240,538)

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

**KENT TOP TEMPS LTD**  
**REGISTERED NUMBER: 05242900**

**BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	2015 £	2014 £
<b>CURRENT ASSETS</b>			
Debtors	10	1,089,070	1,268,062
Cash at bank		300,260	764,130
		<u>1,389,330</u>	<u>2,032,192</u>
<b>CREDITORS:</b> amounts falling due within one year	11	<u>(196,883)</u>	<u>(822,610)</u>
<b>NET CURRENT ASSETS</b>		<u>1,192,447</u>	<u>1,209,582</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,192,447</u>	<u>1,209,582</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	2	2
Profit and loss account	13	1,192,445	1,209,580
<b>SHAREHOLDERS' FUNDS</b>	14	<u>1,192,447</u>	<u>1,209,582</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/15



**S G Heywood Esq**  
 Director

The notes on pages 8 to 14 form part of these financial statements.



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## KENT TOP TEMPS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Going concern

As described in the strategic report on page 1 and the directors' report on page 2, the ultimate parent undertaking carried out a review of the group's trading activities which resulted in a cessation of the company's trading activities during year ended 31 March 2014.

After making enquiries the directors have a reasonable expectation that the company has adequate resources to meet its residual liabilities as they fall due. For this reason they continue to adopt the going concern basis of accounting in preparing the annual 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:

Motor Vehicles	- 4 - 8 years 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 current tax rates.

##### 1.7 Pensions

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

# KENT TOP TEMPS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 2. TURNOVER

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

	2015 £	2014 £
Staff	-	42,461
Travel	-	956,802
	<u>-</u>	<u>999,263</u>

All turnover arose within the United Kingdom.

The whole of the turnover and profit before taxation from discontinuing activities is attributable to the provision of travel services and care.

### 3. ANALYSIS OF OPERATING LOSS

	2015		2014	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	-	-	-	999,263
Cost of sales	-	-	-	(997,679)
Gross profit	-	-	-	1,584
Administrative expenses	-	(7,166)	-	(285,997)
Operating profit/(loss)	<u>-</u>	<u>(7,166)</u>	<u>-</u>	<u>(284,413)</u>

### 4. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	-	13,372
Operating lease rentals:		
- plant and machinery	-	149,831
	<u>-</u>	<u>149,831</u>

### 5. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>2,500</u>	<u>4,000</u>

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KENT TOP TEMPS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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6. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Other pension costs	(48,000)	48,221

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

	2015 No.	2014 No.
	0	0

7. INTEREST PAYABLE

	2015 £	2014 £
On bank loans and overdrafts	-	8,250

8. TAXATION

	2015 £	2014 £
Adjustments in respect of prior periods	13,200	(51,131)
Tax on loss on ordinary activities	13,200	(51,131)

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**KENT TOP TEMPS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**8. TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(3,935)</u>	<u>(291,669)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	(787)	(58,334)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(9,600)	-
Depreciation for the year in excess of capital allowances	-	16,069
Utilisation of tax losses	10,387	42,265
Adjustments to tax charge in respect of prior periods	13,200	(51,131)
<b>Current tax charge/(credit) for the year (see note above)</b>	<u><u>13,200</u></u>	<u><u>(51,131)</u></u>

**Factors that may affect future tax charges**

The company has a tax loss carried forward of £51,935 to offset against future taxable profits.

**9. TANGIBLE FIXED ASSETS**

	Motor Vehicles £
<b>Cost</b>	
At 1 April 2014	6,544
Disposals	(6,544)
At 31 March 2015	-
<b>Depreciation</b>	
At 1 April 2014	6,544
On disposals	(6,544)
At 31 March 2015	-
<b>Net book value</b>	
At 31 March 2015	-
At 31 March 2014	-

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**KENT TOP TEMPS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**10. DEBTORS**

	2015 £	2014 £
Trade debtors	-	46,877
Amounts owed by group undertakings	925,113	-
Corporation tax repayable	-	51,131
Other debtors, prepayments and accrued income	163,957	1,170,054
	<u>1,089,070</u>	<u>1,268,062</u>

**11. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	182,925	415,562
Amounts owed to group undertakings	-	354,290
Corporation tax	13,200	-
Other creditors and accruals	758	52,758
	<u>196,883</u>	<u>822,610</u>

**12. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**13. RESERVES**

	Profit and loss account £
At 1 April 2014	1,209,580
Loss for the financial year	(17,135)
At 31 March 2015	<u>1,192,445</u>

# KENT TOP TEMPS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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

	2015 £	2014 £
Opening shareholders' funds	1,209,582	1,450,120
Loss for the financial year	(17,135)	(240,538)
Closing shareholders' funds	1,192,447	1,209,582

### 15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme and participates in a defined benefit pension scheme. The assets of both schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to these funds and amounted to £48,000 credit (2014: £48,221). Contributions totalling £Nil (2014: £48,000) were payable to the fund at the balance sheet date and are included in creditors.

### 16. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
After more than 5 years	-	45,000	-	-

### 17. 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 following transactions occurred during the financial period with Kent County Council, the ultimate controlling party:

<u>Kent County Council</u>	2015 £	2014 £
Sales	0	284,926
Trade Debtors	0	5,370
Purchases	0	421,275
Other Debtors	149,538	1,122,581

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**KENT TOP TEMPS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

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Registered number: 05242899

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## KENT COUNTY TRADING LIMITED

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### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015



**Barnes Roffe LLP, Chartered Accountants**  
**Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA**  
**15 December 2015**

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**KENT COUNTY TRADING LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

C McCoy Esq (appointed 10 June 2014)  
R Martin Esq  
Mrs K Short  
S Heywood Esq  
G Parsons Esq (resigned 28 April 2015)  
R Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)  
J D Burr Esq (appointed 26 February 2015)  
Mrs E L Mitchell (appointed 22 October 2015)  
J Evans Esq (appointed 22 October 2015)

**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

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**KENT COUNTY TRADING LIMITED**

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<b>Group strategic report</b>	<b>1</b>
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<b>Consolidated profit and loss account</b>	<b>6</b>
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<b>Consolidated cash flow statement</b>	<b>10</b>
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## KENT COUNTY TRADING LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### INTRODUCTION

The directors present the Group strategic report accompanying the financial statements for the year ended 31 March 2015.

#### BUSINESS REVIEW

The directors note that the Group traded at a satisfactory level during the 2014-15 year.

Trade levels continue to be satisfactory and a similar performance is expected for 2015/16.

#### 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.

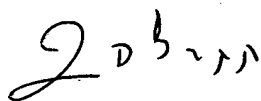
#### FINANCIAL KEY PERFORMANCE INDICATORS

The Group tracks financial performance using a range of financial performance indicators to assess the business, including standard accounting ratios and budget variance analysis. The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development or performance of the business.

This report was approved by the board on

17/12/15

and signed on its behalf.



**J D Burr Esq**  
Director

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## KENT COUNTY TRADING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

---

The directors present their report and the audited financial statements for the year ended 31 March 2015.

#### 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 in the year under review continued to be that of recruitment services, waste disposal services, facilities management, fleet procurement, landscape services, engineering, energy supply and venue hire.

#### DIRECTORS

The directors who served during the year were:

C McCoy Esq (appointed 10 June 2014)  
R Martin Esq  
Mrs K Short  
S Heywood Esq  
G Parsons Esq (resigned 28 April 2015)  
R Pimenta Esq (appointed 26 February 2015)  
Ms N Major (appointed 26 February 2015)  
J D Burr Esq (appointed 26 February 2015)

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## KENT COUNTY TRADING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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#### FUTURE DEVELOPMENTS

Kent County Trading Limited heads 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.

The business has also continued development of a new computer operating system during the year for one of its key activities and this development programme will continue into late 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.

#### 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

17/12/15

and signed on its behalf.



Mrs K Short  
Director

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## **KENT COUNTY TRADING LIMITED**

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### **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 2015, set out on pages 6 to 26. 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.

#### **UNQUALIFIED 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 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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KENT COUNTY TRADING LIMITED

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

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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: 11.06.2015.



**KENT COUNTY TRADING LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	As restated 2014 £
<b>TURNOVER</b>	1,2		
Continuing operations		65,755,393	37,204,115
Acquisitions		-	35,979,065
		<u>65,755,393</u>	<u>73,183,180</u>
Discontinued operations		-	2,185,520
		<u>65,755,393</u>	<u>75,368,700</u>
Cost of sales	4	(51,080,904)	(60,739,682)
<b>GROSS PROFIT</b>		<b>14,674,489</b>	<b>14,629,018</b>
Administrative expenses	4	(14,249,351)	(15,302,033)
Other operating income	3	595,332	761,527
<b>OPERATING PROFIT</b>	5		
Continuing operations		1,020,470	1,543,892
Acquisitions		-	(309,929)
Discontinued operations		-	(1,145,451)
		<u>1,020,470</u>	<u>88,512</u>
Interest receivable and similar income		20,009	18,973
Interest payable and similar charges	9	(310,202)	(8,250)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>730,277</b>	<b>99,235</b>
Tax on profit on ordinary activities	10	(164,040)	(5,044)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	20	<b>566,237</b>	<b>94,191</b>

The notes on pages 11 to 26 form part of these financial statements.

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KENT COUNTY TRADING LIMITED

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CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2015

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	Note	2015 £	As restated 2014 £
PROFIT FOR THE FINANCIAL YEAR		566,237	94,191
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		566,237	94,191
Prior year adjustment	21	1,275,000	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS		1,841,237	

The notes on pages 11 to 26 form part of these financial statements.

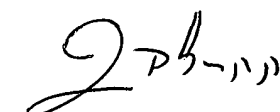
**KENT COUNTY TRADING LIMITED**  
**REGISTERED NUMBER: 05242899**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	As restated 2014 £
<b>FIXED ASSETS</b>				
Intangible assets	11		1,893,928	703,559
Tangible assets	12		5,044,919	5,146,511
			<u>6,938,847</u>	<u>5,850,070</u>
<b>CURRENT ASSETS</b>				
Stocks	14	223,294		274,164
Debtors	15	14,521,167		17,297,079
Cash at bank and in hand		2,820,456		1,283,827
			<u>17,564,917</u>	<u>18,855,070</u>
<b>CREDITORS: amounts falling due within one year</b>	16	(11,388,972)		(11,567,391)
<b>NET CURRENT ASSETS</b>			<u>6,175,945</u>	<u>7,287,679</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>13,114,792</u>	<u>13,137,749</u>
<b>CREDITORS: amounts falling due after more than one year</b>	17		(8,900,000)	(9,640,034)
<b>PROVISIONS FOR LIABILITIES</b>				
Deferred tax	18		(284,634)	(133,794)
<b>NET ASSETS</b>			<u>3,930,158</u>	<u>3,363,921</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	19		1,000,002	1,000,002
Profit and loss account	20		2,930,156	2,363,919
<b>SHAREHOLDERS' FUNDS</b>	22		<u>3,930,158</u>	<u>3,363,921</u>

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

17/12/15  
  
**S Heywood Esq**  
 Director

  
**J D Burr Esq**  
 Director


The notes on pages 11 to 26 form part of these financial statements.

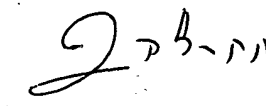
**KENT COUNTY TRADING LIMITED**  
**REGISTERED NUMBER: 05242899**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Investments	13		4,000,006		4,000,006
<b>CURRENT ASSETS</b>					
Cash at bank		2		2	
<b>CREDITORS: amounts falling due within one year</b>	16	(6)		(6)	
<b>NET CURRENT LIABILITIES</b>			(4)		(4)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,000,002		4,000,002
<b>CREDITORS: amounts falling due after more than one year</b>	17	(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	19		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 17/12/15

  
**S Heywood Esq**  
Director

  
**J D Burr Esq**  
Director

The notes on pages 11 to 26 form part of these financial statements.

**KENT COUNTY TRADING LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	3,768,515	(2,608,642)
Returns on investments and servicing of finance	24	20,009	10,723
Taxation		51,131	(38,582)
Capital expenditure and financial investment	24	(1,562,992)	(2,392,995)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>2,276,663</b>	<b>(5,029,496)</b>
Financing	24	(740,034)	4,800,000
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>1,536,629</b>	<b>(229,496)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT  
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £	2014 £
Increase/(Decrease) in cash in the year	1,536,629	(229,496)
Cash outflow from decrease in debt and lease financing	740,034	(4,800,000)
<b>CHANGE IN NET DEBT RESULTING FROM CASH FLOWS</b>	<b>2,276,663</b>	<b>(5,029,496)</b>
Other non-cash changes	-	(1,640,034)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>2,276,663</b>	<b>(6,669,530)</b>
Net debt at 1 April 2014	(8,356,207)	(1,686,677)
<b>NET DEBT AT 31 MARCH 2015</b>	<b>(6,079,544)</b>	<b>(8,356,207)</b>

The notes on pages 11 to 26 form part of these financial statements.

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## KENT COUNTY TRADING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### 1.2 Going concern

The Group 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.

##### 1.3 Basis of consolidation

The financial statements consolidate the accounts of Kent County Trading Limited and all of its subsidiary undertakings ('subsidiaries').

##### 1.4 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.

##### 1.5 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 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	-	3 - 7 years straight line
Fixtures & fittings	-	10 years straight line
Office equipment	-	5 years straight line

##### 1.7 Investments

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

##### 1.8 Operating leases

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

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## KENT COUNTY TRADING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.9 Stocks and work in progress

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

##### 1.10 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. 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.

##### 1.11 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.

##### 1.12 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.

##### 1.13 Pensions

The Group operates defined contribution pension schemes for staff employed on Commercial Services terms, and the pension charged to the profit and loss account represents the amounts payable by the Group to the funds in respect of the year.

The Group also makes defined contributions for employees transferred from Kent County Council on 1 April 2013 under a TUPE arrangement. These staff participate in the Kent County Council Pension Fund, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The Group's obligations to this scheme have been agreed at a fixed rate. The Group accounts for the scheme as a defined contribution scheme. The pension charged to the profit and loss account represents the amounts payable by the Group to the fund in respect of the year.

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KENT COUNTY TRADING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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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.

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

	2015 £	As restated 2014 £
Temporary staff	37,128,696	39,956,726
Facilities management	4,536,071	7,428,257
Vehicle rental	5,313,045	9,929,386
Landscape services	6,025,269	6,113,629
Engineering	2,330,330	2,503,861
Recharges	4,959,437	5,721,897
Waste	4,442,486	1,883,061
Other	1,020,059	1,831,883
Total	<u>65,755,393</u>	<u>75,368,700</u>

3. OTHER OPERATING INCOME

	2015 £	2014 £
Rent received	162,714	196,167
Service charge receivable	432,618	565,360
	<u>595,332</u>	<u>761,527</u>



# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 4. ANALYSIS OF OPERATING PROFIT

	2015		As restated 2014	
	Continuing £	Discontinued £	Continuing £	Discontinued £
Turnover	65,755,393	-	73,183,180	2,185,520
Cost of sales	(51,080,904)	-	(58,747,576)	(1,992,106)
Gross profit	14,674,489	-	14,435,604	193,414
Administrative expenses	(14,249,351)	-	(13,963,168)	(1,338,865)
Other operating income	595,332	-	761,527	-
	1,020,470	-	1,233,963	(1,145,451)

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

	2015 £	As restated 2014 £
Turnover	-	35,979,065
Cost of sales	-	(26,350,687)
Gross profit	-	9,628,378
Administrative expenses	-	(10,699,834)
Other operating income	-	761,527
Operating profit/(loss)	-	(309,929)

### 5. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Amortisation - intangible fixed assets	13,986	3,221
Depreciation of tangible fixed assets:		
- owned by the group	444,336	314,824
Operating lease rentals:		
- plant and machinery	97,487	282,632
- other operating leases	286,110	497,891

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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**6. AUDITORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor for the audit of the annual accounts	<b>27,000</b>	28,000
Fees payable to the Group's auditor and its associates in respect of:		
All other non-audit services not included above	<b>30,000</b>	33,145
	<u><b>27,000</b></u>	<u>33,145</u>

**7. STAFF COSTS**

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

	<b>2015</b>	<i>As restated</i> <b>2014</b>
	<b>£</b>	<b>£</b>
Wages, salaries and social security costs	<b>23,554,444</b>	26,132,827
Social security costs	<b>1,823,241</b>	2,123,549
Other pension costs	<b>1,794,573</b>	1,970,792
	<u><b>27,172,258</b></u>	<u>30,227,168</u>

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

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Temporary staff	<b>464</b>	532
Administration staff	<b>88</b>	101
Facilities management	<b>38</b>	67
Direct services	<b>236</b>	272
Landscape services	<b>145</b>	152
Engineering	<b>42</b>	40
Recruitment	<b>47</b>	48
Other	<b>95</b>	66
	<u><b>1,155</b></u>	<u>1,278</u>

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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**8. DIRECTORS' REMUNERATION**

	2015 £	2014 £
Remuneration	<u>384,165</u>	<u>529,656</u>
Pension contributions to defined contribution pension schemes	<u>35,629</u>	<u>62,645</u>

During the year retirement benefits were accruing to 4 directors (2014 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £153,015 (2014 - £203,261).

The value of the contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £15,302 (2014 - £20,634).

**9. INTEREST PAYABLE**

	2015 £	2014 £
On other loans	<u>310,202</u>	<u>8,250</u>

**10. TAXATION**

	2015 £	2014 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
Adjustments in respect of prior periods	<u>13,200</u>	<u>(51,131)</u>
<b>Deferred tax</b> (see note 18)		
Origination and reversal of timing differences	<u>150,840</u>	<u>56,175</u>
<b>Tax on profit on ordinary activities</b>	<u>164,040</u>	<u>5,044</u>

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KENT COUNTY TRADING LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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10. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20% (2014 - 20%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	730,277	99,235
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 20%)	146,055	19,847
Effects of:		
Expenses not deductible for tax purposes	38,939	111,762
Capital allowances for the year in excess of depreciation	(37,857)	(43,372)
Adjustments to tax charge in respect of prior periods	13,200	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(287,533)	(161,131)
Unrelieved tax losses carried forward	129,490	31,518
Change in tax rates re losses carried back	10,906	(9,755)
Current tax charge/(credit) for the year (see note above)	13,200	(51,131)

Factors that may affect future tax charges

Tax losses amounting to £856,972 (2014: £157,588) have been carried forward to offset against future taxable profits of the Group.

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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**11. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Computer software £</b>	<b>Software development £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2014	96,854	636,851	733,705
Additions	-	1,204,355	1,204,355
At 31 March 2015	<u>96,854</u>	<u>1,841,206</u>	<u>1,938,060</u>
<b>Amortisation</b>			
At 1 April 2014	30,146	-	30,146
Charge for the year	13,986	-	13,986
At 31 March 2015	<u>44,132</u>	<u>-</u>	<u>44,132</u>
<b>Net book value</b>			
At 31 March 2015	<u>52,722</u>	<u>1,841,206</u>	<u>1,893,928</u>
<i>At 31 March 2014</i>	<u>66,708</u>	<u>636,851</u>	<u>703,559</u>

**KENT COUNTY TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**12. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>L/term Leasehold property £</b>	<b>Plant &amp; machinery £</b>	<b>Motor vehicles £</b>	<b>Fixtures fittings and office equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2014	2,408,097	-	136,789	2,947,903	5,492,789
Additions	98,892	72,398	-	244,847	416,137
Disposals	-	-	(136,789)	(3,417)	(140,206)
At 31 March 2015	<u>2,506,989</u>	<u>72,398</u>	<u>-</u>	<u>3,189,333</u>	<u>5,768,720</u>
<b>Depreciation</b>					
At 1 April 2014	64,132	-	53,727	228,419	346,278
Charge for the year	54,463	2,686	12,689	374,498	444,336
On disposals	-	-	(66,416)	(397)	(66,813)
At 31 March 2015	<u>118,595</u>	<u>2,686</u>	<u>-</u>	<u>602,520</u>	<u>723,801</u>
<b>Net book value</b>					
At 31 March 2015	<u>2,388,394</u>	<u>69,712</u>	<u>-</u>	<u>2,586,813</u>	<u>5,044,919</u>
At 31 March 2014	<u>2,343,965</u>	<u>-</u>	<u>83,062</u>	<u>2,719,484</u>	<u>5,146,511</u>

Included in leasehold property is land amounting to £592,632 (2014: £592,632) which is not depreciated.

**13. FIXED ASSET INVESTMENTS**

<b>Company</b>	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2014 and 31 March 2015	<u>4,000,006</u>
<b>Net book value</b>	
At 31 March 2015	<u>4,000,006</u>
At 31 March 2014	<u>4,000,006</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

14. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Stock and work in progress	223,294	274,164	-	-

15. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	8,202,761	10,992,478	-	-
Corporation tax debtor	-	51,131	-	-
Other debtors	6,318,406	6,253,470	-	-
	14,521,167	17,297,079	-	-

16. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	1,840,151	3,178,332	-	-
Corporation tax	13,200	-	-	-
Other taxation and social security	1,548,539	2,094,397	-	-
Other creditors	7,987,082	6,294,662	6	6
	11,388,972	11,567,391	6	6

**KENT COUNTY TRADING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**17. CREDITORS:**

**Amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other loans	5,900,000	6,640,034	-	-
Share capital treated as debt (Note 19)	3,000,000	3,000,000	3,000,000	3,000,000
	<b>8,900,000</b>	<b>9,640,034</b>	<b>3,000,000</b>	<b>3,000,000</b>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 19.

**18. DEFERRED TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	133,794	77,619	-	-
Charge for the year (P&L)	150,840	56,175	-	-
At end of year	<b>284,634</b>	<b>133,794</b>	<b>-</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	184,471	133,794	-	-
Development software R&D allowance	362,791	-	-	-
Short term timing differences	(102,364)	-	-	-
Unused corporation tax losses	(160,264)	-	-	-
	<b>284,634</b>	<b>133,794</b>	<b>-</b>	<b>-</b>

**19. SHARE CAPITAL**

	<b>2015</b>	<b>2014</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	<b>1,000,002</b>	<b>1,000,002</b>



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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**19. SHARE CAPITAL (continued)**

**Shares classified as debt**

**Allotted, called up and fully paid**

1,000,000 Redeemable shares of £1 each	<b>1,000,000</b>	<i>1,000,000</i>
2,000,000 Redeemable 2017 shares of £1 each	<b>2,000,000</b>	<i>2,000,000</i>
	<hr/> <b>3,000,000</b> <hr/>	<hr/> <i>3,000,000</i> <hr/>

There are two classes of redeemable shares in issue, both classes entitle the holder to one vote in any circumstance. The Redeemable shares of £1,000,000 and Redeemable 2017 shares of £2,000,000 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.

**20. RESERVES**

<b>Group</b>	<b>Profit and loss account £</b>
At 1 April 2014 (as previously stated)	<b>1,088,919</b>
Prior year adjustment (note 21)	<b>1,275,000</b>
	<hr/> <b>2,363,919</b>
At 1 April 2014 (as restated)	<b>2,363,919</b>
Profit for the financial year	<b>566,237</b>
	<hr/> <b>2,930,156</b> <hr/>
At 31 March 2015	<b>2,930,156</b>

**21. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has arisen due to a change in accounting policy following a reassessment of the Group's accounting for its participation in the Local Government Pension Scheme.

Previously the Group has accounted for its pension contributions as a defined benefit scheme, however it has been agreed by Kent County Council for the employer contributions to be set at a fixed rate for the duration of the contract. Accordingly the accounting policy has been amended to account for the scheme as a defined contribution scheme.

The net effect is to increase profit and loss reserves brought forward at 1 April 2014 by £1,275,000. As the adjustments relate to periods prior to the year ended 31 March 2015 there has been no adjustment to the profit and loss account for this period.

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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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

	2015 £	As restated 2014 £
<b>Group</b>		
Opening shareholders' funds	2,088,921	3,269,730
Prior year adjustments (note 21)	1,275,000	
	<u>3,363,921</u>	
Opening shareholders' funds (as restated)	3,363,921	
Profit for the financial year	566,237	94,191
	<u>3,930,158</u>	<u>3,363,921</u>
Closing shareholders' funds	<u>3,930,158</u>	<u>3,363,921</u>
	2015 £	2014 £
<b>Company</b>		
Shareholders' funds at 1 April 2014 and 31 March 2015	<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 (2014 - £Nil).

**23. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	As restated 2014 £
Operating profit	1,020,470	88,512
Amortisation of intangible fixed assets	13,986	30,146
Depreciation of tangible fixed assets	444,336	314,824
Loss on disposal of tangible fixed assets	15,893	88,464
Decrease/(increase) in stocks	50,870	(143,976)
Decrease/(increase) in debtors	2,724,781	(9,623,882)
(Decrease)/increase in creditors	(501,821)	6,637,270
	<u>3,768,515</u>	<u>(2,608,642)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u>3,768,515</u>	<u>(2,608,642)</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015

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

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	20,009	18,973
Interest paid	-	(8,250)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>20,009</b>	<b>10,723</b>
	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	(1,204,355)	(733,705)
Sale of intangible fixed assets	-	755
Purchase of tangible fixed assets	(416,137)	(1,674,383)
Sale of tangible fixed assets	57,500	14,338
<b>Net cash outflow from capital expenditure</b>	<b>(1,562,992)</b>	<b>(2,392,995)</b>
	2015 £	2014 £
<b>Financing</b>		
Other new loans	-	5,000,000
Repayment of other loans	(740,034)	(200,000)
<b>Net cash (outflow)/inflow from financing</b>	<b>(740,034)</b>	<b>4,800,000</b>

25. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	1,283,827	1,536,629	-	2,820,456
<b>Debt:</b>				
Debts due within one year	-	1,000,000	(1,000,000)	-
Debts falling due after more than one year	(9,640,034)	(259,966)	1,000,000	(8,900,000)
<b>Net debt</b>	<b>(8,356,207)</b>	<b>2,276,663</b>	<b>-</b>	<b>(6,079,544)</b>

# KENT COUNTY TRADING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

### 26. PENSION COMMITMENTS

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £1,794,573 (2014: £2,018,792). Contributions totalling £197,750 (2014: £189,500) were payable to the funds at the balance sheet date and are included in creditors.

### 27. OPERATING LEASE COMMITMENTS

At 31 March 2015 the Group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2015	Other
	2015	2014		
	£	£	£	£
<b>Expiry date:</b>				
Within 1 year	-	-	415,986	646,292
Between 2 and 5 years	-	-	2,049,462	2,107,721
After more than 5 years	757,350	757,350	-	-

### 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.

The Group has loans from Kent County Council of £5,900,000 (2014: 6,640,034). The loans are repayable on demand and included within creditors due after one year. Interest payable on the loans from Kent County Council has been charged at £310,202 (2014: £8,250).

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>2015</u>	<u>2014</u>
	£	£
Sales	52,879,350	55,212,338
Trade Debtors	7,210,503	8,660,761
Purchases	4,428,386	2,690,736
Trade Creditors	(684,059)	(263,417)
Other Debtors	1,371,591	2,376,003
Other Creditors	(3,066,356)	(556,710)

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**KENT COUNTY TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

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**29. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate controlling party is Kent County Council.

**30. PRINCIPAL SUBSIDIARIES**

<b>Company name</b>	<b>Country</b>	<b>Percentage Shareholding</b>	<b>Description</b>
Commercial Services Trading Limited	England and Wales	100	Fleet procurement, landscape services and engineering
Kent Top Temps Limited	England and Wales	100	Dormant
Commercial Services Kent Limited	England and Wales	100	Recruitment services

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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 – 29  
February 2016

Subject: East Kent Opportunities LLP

Classification: Unrestricted

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Summary: To provide an annual report on East Kent Opportunities LLP as requested by the Governance and Audit Committee Trading Activities Sub Group including an update on recent activity.

## **FOR ASSURANCE**

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### **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 2014/15 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 continues to show an increasingly positive view having achieved a number of milestones since 2013:

- i. EKO submitted a joint mixed use outline planning application in Autumn 2011. Following an Appeal by EKO LLP and Rosefarm Estates Ltd (the adjacent owners of the northern component part of Eurokent) and Public Inquiry in August 2014, the Eurokent site now benefits from an outline planning consent, subject to a Section 106 for a large scale mixed use development. During 2015 the Eurokent Masterplan has been extensively reviewed in conjunction with Rosefarm Estates Ltd, the adjacent landowner of the northern sector, and agreed and endorsed by the LPA to be in a more deliverable form. The updated Master Plan depicts in some detail the real quantum and form of the respective mixed land uses. The Eurokent site is currently being market tested, to identify the extent and form of the appetite for potential residential developers to purchase freehold parcels of serviced land. A variety of possibilities exist in encouraging positive consideration of the delivery.
- ii. Currently two major Registered Social Landlords have expressed their interest, but more detail is expected by the end of February 2016. This activity and proposals are then expected to provide greater clarity as to what residual land will be best suited for any future commercial development. Pure office B1A development is less likely due to the fact that there is a considerable excess of office space in the immediate area and whereby the rental levels achievable are far lower than is necessary to generate viable development capable of attracting any funding. Other land uses are also being promoted and it is envisaged that more focussed marketing will follow once the detail of the residential proposals are known and agreed. This will inform future reserved matters/detailed planning applications, and is imperative for the successful marketing and sale of the site.
- iii. 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 Royal Harbour Academy, has been completed in February 2016 and is now fully occupied and functioning. This innovative and successful initiative has been achieved 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 awaiting detailed planning permission for redevelopment of the old school site for some 70 family dwellings. The site has been marketed and a sale agreed with a developer purchaser subject to the planning approval.
- iv. The loan agreement for the Eurokent Link Road has been reviewed with agreement that 50% of the cost 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.
- v. Manston Business Park has continued to see increasing development activity. The sale of land parcels in 2014 facilitated expansion plans for an existing major occupier, Cummins PLC. Plot 5 was also sold and has now been successfully developed to provide 18 SME "escalator space". The scheme was developed by TCS Ltd and two sister companies that moved into Kent from the West Country. It



provides easy in / out for rented workspace, is fully occupied and creating local jobs. The development also includes a company HQ and operational facilities as well as additional speculative incubator / light industrial units for flexible rent by other businesses. TCS Ltd benefited from support from KCC's Regeneration Fund under the Kent Workspace Programme. Approximately 70% of the loan is outstanding.

- vi. Further plots (Plots 4a,b c and 3a) have been sold in 2015 to Manyweather Properties and have been developed for SME workspace for both freehold sale and rental, providing an extensive range of opportunities. With flexible and adaptable units for SME companies and which have a high percentage of occupiers and pre-sales. Further land sales to the same developer will allow more phases (Plots 3b and 4d) of similar accommodation. An ultimate total of a 100 units are envisaged. Live enquiries are being dealt with from other occupiers and focus is on completing development plots where existing road frontage is available. Due to the growing demand further provision of roadways and services, particularly Foul Sewage provisions with Southern Water, remains under consideration.
  - vii. Next steps for the company will include:
    - i. Marketing for the Eurokent site as EKO explores its wider market potential; and
    - ii. a revised business plan based on the masterplan and developments at Manston.
5. East Kent Opportunities LLP's Annual Report and Financial Statements for 2014/15 are attached at Appendix 1, and the key points can be summarised as follows:
- i. In 2013-14, in the EKO LLP 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 £0.37m.
  - 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 2014/15, attached at **Appendix 1**.

**Theresa Bruton, GET, Economic Development**  
**Bev Gibbs, ST, Finance & Procurement**  
**29 February 2016**

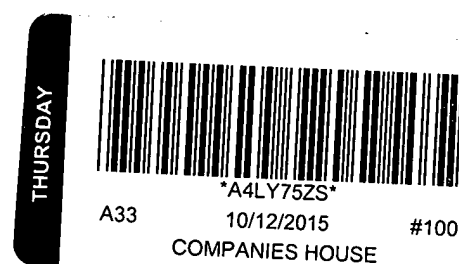
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Registered number: OC335231

## East Kent Opportunities LLP

Annual report and financial statements

For the year ended 31 March 2015



## **East Kent Opportunities LLP**

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## **East Kent Opportunities LLP**

### **Information**

#### **Designated Members**

Kent County Council  
Thanet County Council

#### **LLP registered number**

OC335231

#### **Registered office**

Room S3.21, Session House, County Road, Maidstone, Kent, ME14 1XG

#### **Independent auditors**

Kreston Reeves LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

## **East Kent Opportunities LLP**

### **Members' report**

**For the year ended 31 March 2015**

The members present their annual report together with the audited financial statements of East Kent Opportunities LLP (the LLP) for the ended 31 March 2015.

### **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 Kent County Council and Thanet County 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 2015 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 are 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 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, 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 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 LLP will continue in business.

The members are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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 2015**

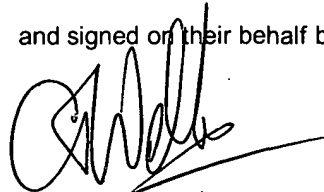
**Auditor**

The auditors, Kreston Reeves 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 **3/12/15** and signed on their behalf by:



**Kent County Council**  
Designated member



**Thanet District Council**  
Designated member

## **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 2015, 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 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 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 2015 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.

*Kreston Reeves LLP*

Nigel Fright FCCA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

Canterbury  
Date: 3/12/15

# **East Kent Opportunities LLP**

## **Profit and loss account** **For the year ended 31 March 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
<b>Turnover</b>	1	<b>27,800</b>	26,265
Administrative expenses		<b>(400,382)</b>	(365,758)
<b>Operating loss</b>	2	<b>(372,582)</b>	(339,493)
Interest receivable and similar income		<b>220</b>	358
Interest payable and similar charges		-	(26)
<b>Loss for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>(372,362)</b>	(339,161)

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

**East Kent Opportunities LLP**  
**Registered number: OC335231**

**Balance sheet**  
**As at 31 March 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	3		9,511,143		9,801,378
<b>Current assets</b>					
Debtors	4	6,551,883		6,181,606	
Cash at bank		295,698		261,711	
		<u>6,847,581</u>		<u>6,443,317</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(696,784)</u>		<u>(733,451)</u>	
<b>Net current assets</b>			<u>6,150,797</u>		<u>5,709,866</u>
<b>Total assets less current liabilities</b>			<u>15,661,940</u>		<u>15,511,244</u>
<b>Creditors: amounts falling due after more than one year</b>	6		<u>(5,700,940)</u>		<u>(5,550,244)</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>(6,533,181)</u>		<u>(6,160,819)</u>
Members' other interests			<u>9,961,000</u>		<u>9,961,000</u>
	7		<u><u>3,427,819</u></u>		<u><u>3,800,181</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 3/12/15

  
**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 2015**

#### **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 £295,698 included in cash at the bank. The LLP meets its day to day working capital requirements through these reserves, as well as retaining deferred grants to meet future project expenses. In addition to this the LLP has received significant funding from its members, Thanet District Council and Kent County Council. As a consequence, the members believe that the LLP is well placed to manage its business risks successfully.

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

##### **1.3 Turnover**

Turnover comprises of the following:

Grants received which are recognised in the profit and loss account in the period in which the expenditure towards which they relate is incurred.

Licensing and rent provided in the period, exclusive of value added tax

##### **1.4 Tangible fixed assets and depreciation**

Land is recorded at cost less impairment following its transfer into the LLP.

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2015

#### 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:

	2015 £	2014 £
Auditors' remuneration	4,600	4,500

## East Kent Opportunities LLP

### Notes to the financial statements For the year ended 31 March 2015

#### 3. Tangible fixed assets

	Freehold land £
<b>Cost</b>	
At 1 April 2014	9,801,378
Disposals	(290,235)
At 31 March 2015	<u>9,511,143</u>
<b>Depreciation</b>	
At 1 April 2014 and 31 March 2015	<u>-</u>
<b>Net book value</b>	
At 31 March 2015	<u>9,511,143</u>
At 31 March 2014	<u>9,801,378</u>

#### 4. Debtors

	2015 £	2014 £
Other debtors	18,702	20,787
Amounts due from members	6,533,181	6,160,819
	<u>6,551,883</u>	<u>6,181,606</u>

#### 5. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	71,463	96,430
Amounts owed to members	619,297	619,297
Other creditors	6,024	17,724
	<u>696,784</u>	<u>733,451</u>

# East Kent Opportunities LLP

## Notes to the financial statements For the year ended 31 March 2015

### 6. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Other loans	5,700,940	5,550,244

Included within other loans is £5,700,940 (2014: £5,550,244) due to Kent County Council for reimbursement of costs associated with a building project.

### 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 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: balance at 1 April 2014	9,961,000	-	9,961,000	(6,160,819)	3,800,181
Loss for the year available for discretionary division among members	-	(372,362)	(372,362)	-	(372,362)
Members' interests after loss for the year	9,961,000	(372,362)	9,588,638	(6,160,819)	3,427,819
Allocated profit for period	-	372,362	372,362	(372,362)	-
Members' interests at 31 March 2015	9,961,000	-	9,961,000	(6,533,181)	3,427,819

## **East Kent Opportunities LLP**

### **Notes to the financial statements For the year ended 31 March 2015**

#### **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 £145,000 (2014: £147,000). 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.

#### **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 2015 is £57,694 (2014: £49,278) 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 (2014: £619,297) due to Kent County Council and Thanet District Council in respect of short term financing made available to East Kent Opportunities LLP.