
By: Kevin Harlock, Director of Commercial Services
To: Trading Activities Sub Group – 17 May 2010
Subject: Unaudited performance of KCC companies
Classification: Unrestricted

Summary: This report gives a brief overview of the unaudited performance of KCC's companies for 2009/10.

Report:

KENT COUNTY FACILITIES LIMITED

UNAUDITED DRAFT

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	2010	2009
	£	£
TURNOVER	2,246,022	818,629
Cost of sales	(1,777,373)	(608,203)
GROSS PROFIT	468,649	210,426
Administration expenses	(250,394)	(146,611)
PROFIT BEFORE TAXATION	218,255	63,815
Interest Receivable	384	1,549
Interest Payable	(9,622)	(11,515)
	209,017	53,849
Tax on ordinary activities	(44,501)	(11,376)

PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	164,516	42,473
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RESERVES		
P & L Reserves brought forward	4,990	(37,483)
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SHAREHOLDERS RESERVES AT 31 MARCH 2010	169,506	4,990
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Notes:

Growth in turnover is largely due to the expansion of trading in this second full year of the business. The major increase in turnover across the two years was in pure 'Facilities Management' (planned preventative maintenance and building fabric works).

Gross Margin took a percentage reduction in total due to the brokering nature of some new trading, where the company sub-contracted work to Kent-based companies and sole traders. Nevertheless the like-for-like element saw overall growth.

Net Profit Before Tax showed healthy overall growth and a 2.6% increase over 2008/09 to 9.3%.

Net Profit After Tax was impacted by the increased corporation tax charge which has been estimated at 21% in 2009/10 on increased profits.

The cash position of the company remained strong throughout the year and the retained cash at year end facilitated repayment in full of the loan.

KENT TOP TEMPS LIMITED

UNAUDITED DRAFT

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009
	£	£
TURNOVER	24,475,069	14,389,154
Cost of sales	(20,575,148)	(12,259,568)
GROSS PROFIT	3,899,921	2,129,586
Administration expenses	(3,265,440)	(1,769,820)
PROFIT BEFORE TAXATION	634,481	359,766
Interest Receivable	5,834	12,620
Interest Payable	(40,700)	(47,699)
	599,615	324,687
Tax on ordinary activities	(176,561)	(76,619)
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	423,054	248,068
RESERVES		
P & L Reserves brought forward	618,379	470,311
Reserves: Profit and Loss account	1,041,433	718,379
Less: Dividends Paid	(125,000)	(100,000)
SHAREHOLDERS RESERVES AT 31 MARCH 2010	916,433	618,379

Notes:

Increase in Turnover is largely due to full year implementation of managed vendor service for KCC and the introduction of new industry sectors to supply temporary and permanent workers.

Gross Margin increased from 14.80% to 15.93% (or 7.6%) despite the start up costs incurred when targeting new industry sectors.

Net Profit Before Tax as a percentage of Turnover grew by 8.4% in 2009/10 from previous year as management kept tight control on overheads and the financial position.

On the back of a 230% increase in Corporation Tax in 2009/10, Net Profit After Tax as a percentage of Turnover remained static at 1.73%. Corporation tax has been estimated at the worst case scenario and is likely to be £10k lower when tax computations have been completed.

A dividend of £125,000 was paid for 2009/10 compared to the £100,000 paid in 2008/09.

Recommendations

Members are invited to note the unaudited accounts.

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