
KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

KENT COUNTY TRADING LIMITED

COMPANY INFORMATION

DIRECTORS

L Coulson Esq
Ms D J Haigh (resigned 25 February 2012)
G Cooke (appointed 1 June 2011 & resigned 7 March 2012)
D N Jackson (appointed 7 March 2012)

COMPANY SECRETARY

L Coulson Esq

COMPANY NUMBER

05242899

REGISTERED OFFICE

KCC Commercial Services Building
Gibson Drive
West Malling
Kent
ME19 4QG

AUDITORS

Barnes Roffe LLP
Chartered Accountants & Statutory Auditor
16-17 Copperfields
Spital Street
Dartford
Kent
DA1 2DE

KENT COUNTY TRADING LIMITED

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KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Turnover for the group has increased during the year (up by 12%). The gross profit margin is 8% (down from 9.2% for the year ended 31 March 2011). Looking forward the gross profit margins are expected to improve.

In addition to this, the group's employment agency business, Kent Top Temps Limited, was last awarded audited status from the Recruitment and Employment Confederation (REC) in November 2010, and will be renewed in the forthcoming year. The award confirms that the company is continually fully compliant with industry regulations and best practice. This is awarded to only an elite number of recruitment companies nationwide, and demonstrates that the company is conducting their business lawfully and ethically. Kent Top Temps are also a quality mark holder, which has been issued by REC and the Department of Education. This is awarded in recognition of good practice in the recruitment, placement and development of supply teachers in the education sector in England.

From October 2011, the Agency Workers Regulations Directive (AWR) started with a significant impact on systems development, education of clients and agency workers, and additional administration required to implement this directive. Kent Top Temps also successfully brought its weekly and monthly payroll in-house during the year.

KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

BUSINESS REVIEW (CONT'D)

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

The significant and ongoing increases in fuel prices and duty continue to have an impact on margins.

With regard to the facility management business, the directors note that the business traded at a satisfactory level during the 2011/12 financial year. Trade levels continue to be satisfactory and a similar performance is expected during the forthcoming financial year.

This is the second year of trading for the care homes services business and results are in line with the business plan.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £689,745 (2011 - £503,021).

Dividends paid during the year amounted to £150,000 (2011: £125,000).

DIRECTORS

The directors who served during the year were:

L Coulson Esq
Ms D J Haigh (resigned 25 February 2012)
G Cooke (appointed 1 June 2011 & resigned 7 March 2012)
D N Jackson (appointed 7 March 2012)

FUTURE DEVELOPMENTS

The market remains competitive and uncertain, but the directors remain confident that they will maintain their current level of performance in the medium to long term.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties affecting the group are considered to relate to the current economic uncertainty and downturn (especially in the public sector), competition from national and independent employment agencies, bus companies and facility management businesses, and legislative, world market and taxation changes especially relating to fuel prices, which continue to be problematic and challenging.

KEY PERFORMANCE INDICATORS

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

Given the economic conditions especially regarding fuel, there has been a review of marginal contracts and action taken to reduce the ongoing risk, also taking into account a future 20% reduction due to BSOG announced by the government this year.

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

KENT COUNTY TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2012

EMPLOYEE INVOLVEMENT

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

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

DISABLED EMPLOYEES

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

PROVISION OF INFORMATION TO AUDITORS

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

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

This report was approved by the board on

and signed on its behalf.

L Coulson Esq
Secretary

KENT COUNTY TRADING LIMITED

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

We have audited the financial statements of Kent County Trading Limited for the year ended 31 March 2012, set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

KENT COUNTY TRADING LIMITED

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Mario Ciantanni (Senior statutory auditor)

for and on behalf of

Barnes Roffe LLP

Chartered Accountants

Statutory Auditor

16-17 Copperfields

Spital Street

Dartford

Kent

DA1 2DE

Date:

KENT COUNTY TRADING LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	37,741,129	33,839,414
Cost of sales		<u>(34,729,721)</u>	<u>(30,724,586)</u>
GROSS PROFIT		3,011,408	3,114,828
Administrative expenses		<u>(2,091,051)</u>	<u>(2,398,178)</u>
OPERATING PROFIT	3	920,357	716,650
Interest receivable and similar income		4,820	7,350
Interest payable and similar charges	6	<u>(37,848)</u>	<u>(46,113)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		887,329	677,887
Tax on profit on ordinary activities	7	<u>(197,584)</u>	<u>(174,866)</u>
PROFIT FOR THE FINANCIAL YEAR	16	<u>689,745</u>	<u>503,021</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss Account.

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

KENT COUNTY TRADING LIMITED
REGISTERED NUMBER: 05242899

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	8		2,995		5,235
Tangible assets	9		228,777		122,189
Investments	10		2		2
			<u>231,774</u>		<u>127,426</u>
CURRENT ASSETS					
Stocks	11	30,849		33,365	
Debtors	12	7,354,344		5,964,104	
Cash at bank and in hand		983,643		387,140	
		<u>8,368,836</u>		<u>6,384,609</u>	
CREDITORS: amounts falling due within one year	13	(6,590,303)		(4,891,473)	
NET CURRENT ASSETS			<u>1,778,533</u>		<u>1,493,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,010,307</u>		<u>1,620,562</u>
CREDITORS: amounts falling due after more than one year	14		-		(150,000)
NET ASSETS			<u><u>2,010,307</u></u>		<u><u>1,470,562</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		2		2
Profit and loss account	16		2,010,305		1,470,560
SHAREHOLDERS' FUNDS	17		<u><u>2,010,307</u></u>		<u><u>1,470,562</u></u>

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

L Coulson Esq
Director

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

KENT COUNTY TRADING LIMITED
REGISTERED NUMBER: 05242899

COMPANY BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	10		8		8
CURRENT ASSETS					
Cash at bank		2		2	
CREDITORS: amounts falling due within one year	13	(8)		(8)	
NET CURRENT LIABILITIES			(6)		(6)
NET ASSETS			<u>2</u>		<u>2</u>
CAPITAL AND RESERVES					
Called up share capital	15		<u>2</u>		<u>2</u>
SHAREHOLDERS' FUNDS	17		<u>2</u>		<u>2</u>

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

L Coulson Esq
Director

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

KENT COUNTY TRADING LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	19	1,465,787	838,283
Returns on investments and servicing of finance	20	(33,028)	(38,763)
Taxation		(174,866)	(213,943)
Capital expenditure and financial investment	20	(146,245)	(112,202)
Equity dividends paid		(150,000)	(125,000)
CASH INFLOW BEFORE FINANCING		961,648	348,375
Financing	20	(340,000)	(50,000)
INCREASE IN CASH IN THE YEAR		621,648	298,375

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Increase in cash in the year	621,648	298,375
Cash outflow from decrease in debt and lease financing	340,000	50,000
MOVEMENT IN NET DEBT IN THE YEAR	961,648	348,375
Net debt at 1 April 2011	(328,005)	(676,380)
NET FUNDS/(DEBT) AT 31 MARCH 2012	633,643	(328,005)

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

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

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

1.3 Turnover

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

1.4 Intangible fixed assets and amortisation

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

Amortisation is provided at the following rates:

Development expenditure	-	33% straight line
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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 & Machinery	-	20% straight line
Motor vehicles	-	12.5% / 25% straight line
Office equipment	-	20% straight line

1.6 Investments

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

1.7 Operating leases

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

1.8 Stocks and work in progress

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

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 Government grants

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

1.11 Pensions

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

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

2. TURNOVER

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

	2012 £	2011 £
Temps income	30,235,271	25,415,847
Travel income	3,997,917	4,994,920
Facility management income	3,373,872	3,357,638
Carehome supplies	134,069	71,009
	<hr/>	<hr/>
	37,741,129	33,839,414
	<hr/>	<hr/>

All turnover arose within the United Kingdom.

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

3. OPERATING PROFIT

The operating profit is stated after charging:

	2012 £	2011 £
Depreciation of tangible fixed assets:		
- owned by the group	39,657	19,652
Operating lease rentals:		
- plant and machinery	472,716	166,811
Amortisation of deferred research and development expenditure	2,240	9,152
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2011 - £NIL).

4. AUDITORS' REMUNERATION

	2012 £	2011 £
Fees payable to the group's auditor for the audit of the annual accounts	21,245	23,132
Fees payable to the group's auditor and its associates in respect of:		
Other services relating to taxation	2,775	1,300
	<u> </u>	<u> </u>

5. STAFF COSTS

Staff costs were as follows:

	2012 £	2011 £
Wages and salaries	11,032,079	12,549,765
Social security costs	749,576	758,150
Other pension costs	14,005	20,689
	<u> </u>	<u> </u>
	<u>11,795,660</u>	<u>13,328,604</u>

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

	2012 No.	2011 No.
Temporary Staff	518	497
Permanent Staff	168	173
Facilities Management	49	34
Waste Management	12	7
Kent Scheme	2	2
	<u> </u>	<u> </u>
	<u>749</u>	<u>713</u>

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6. INTEREST PAYABLE

	2012 £	2011 £
On bank loans and overdrafts	37,848	46,113

7. TAXATION

	2012 £	2011 £
UK corporation tax charge on profit for the year	197,584	174,866

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - *lower than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	887,329	677,887
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	230,706	189,808
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(4,304)	14,590
Depreciation for year in excess of capital allowances	(18,323)	(17,568)
Group loss relief	-	(35,534)
Change in tax rates	-	23,570
Marginal relief	(10,495)	-
Current tax charge for the year (see note above)	197,584	174,866

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8. INTANGIBLE FIXED ASSETS

	Develop- ment £
Group	
Cost	
At 1 April 2011 and 31 March 2012	29,720
Amortisation	
At 1 April 2011	24,485
Charge for the year	2,240
At 31 March 2012	26,725
Net book value	
At 31 March 2012	2,995
<i>At 31 March 2011</i>	5,235

9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Group				
Cost				
At 1 April 2011	54,918	66,544	28,857	150,319
Additions	2,000	144,245	-	146,245
At 31 March 2012	56,918	210,789	28,857	296,564
Depreciation				
At 1 April 2011	14,555	7,804	5,771	28,130
Charge for the year	13,325	20,561	5,771	39,657
At 31 March 2012	27,880	28,365	11,542	67,787
Net book value				
At 31 March 2012	29,038	182,424	17,315	228,777
<i>At 31 March 2011</i>	40,363	58,740	23,086	122,189

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. FIXED ASSET INVESTMENTS

Group	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2011 and 31 March 2012	<u>2</u>
Net book value	
At 31 March 2012	<u>2</u>
<i>At 31 March 2011</i>	<u>2</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Kent County Supplies Limited	Ordinary	100 %
Invicta Services Limited	Ordinary	100 %
Kent Top Temps Limited	Ordinary	100 %
Kent County Facilities Limited	Ordinary	100 %

Name	Business	Country of Incorporation
Kent County Supplies Limited	Carehome supplier	England and Wales
Invicta Services Limited	Dormant	England and Wales
Kent Top Temps Limited	Employment agency	England and Wales
Kent County Facilities Limited	Facility management	England and Wales

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings not consolidated were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Invicta Services Limited	<u>2</u>	<u>-</u>

Invicta Services Limited has not been consolidated as it is immaterial to the group in accordance with Companies Act 2006 S405(2).

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. FIXED ASSET INVESTMENTS (continued)

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2011 and 31 March 2012	<u>8</u>
Net book value	
At 31 March 2012	<u>8</u>
<i>At 31 March 2011</i>	<u><u>8</u></u>

11. STOCKS

	<u>Group</u>		<u>Company</u>	
	2012	<i>2011</i>	2012	<i>2011</i>
	£	£	£	£
Stock and work in progress	30,849	33,365	-	-

12. DEBTORS

	<u>Group</u>		<u>Company</u>	
	2012	<i>2011</i>	2012	<i>2011</i>
	£	£	£	£
Trade debtors	5,943,511	<i>4,634,701</i>	-	-
Other debtors and prepayments	1,410,833	<i>1,329,403</i>	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7,354,344	<i>5,964,104</i>	-	-

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	150,000	25,145	-	-
Other loans	200,000	540,000	-	-
Trade creditors	3,390,283	2,128,829	-	-
Corporation tax	197,584	174,866	-	-
Social security and other taxes	1,127,324	711,342	-	-
Other creditors	1,525,112	1,311,291	8	8
	<u>6,590,303</u>	<u>4,891,473</u>	<u>8</u>	<u>8</u>

A loan to the value of £350,000 (2011: £540,000) is repayable on demand and is secured by a fixed charge on all book debts and other debts and by a floating charge on the assets of Kent Top Temps Limited.

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

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Other loans	-	150,000	-	-
	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>

A loan to the value of £150,000 is repayable on demand and is secured by a fixed charge on all book debts and other debts and by a floating charge on the assets of Kent County Supplies Limited.

15. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

16. RESERVES

	Profit and loss account £
Group	
At 1 April 2011	1,470,560
Profit for the year	689,745
Dividends	(150,000)
	<hr/>
At 31 March 2012	2,010,305 <hr/>
	Profit and loss account £
Company	
Profit for the year	150,000
Dividends	(150,000)
	<hr/>
At 31 March 2012	- <hr/>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Group		
Opening shareholders' funds	1,470,562	1,092,541
Profit for the year	689,745	503,021
Dividends (Note 18)	(150,000)	(125,000)
	<hr/>	<hr/>
Closing shareholders' funds	2,010,307 <hr/>	1,470,562 <hr/>
	2012 £	2011 £
Company		
Opening shareholders' funds	2	2
Profit for the year	150,000	125,000
Dividends (Note 18)	(150,000)	(125,000)
	<hr/>	<hr/>
Closing shareholders' funds	2 <hr/>	2 <hr/>

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 £150,000 (2011 - £125,000).

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

18. DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	<u>150,000</u>	<u>125,000</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	920,357	716,650
Amortisation of intangible fixed assets	2,240	9,152
Depreciation of tangible fixed assets	39,657	19,652
Decrease/(increase) in stocks	2,516	(14,285)
Increase in debtors	(1,390,240)	(1,677,311)
Increase in creditors	1,891,257	1,784,425
Net cash inflow from operating activities	<u><u>1,465,787</u></u>	<u><u>838,283</u></u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	4,820	7,350
Interest paid	(37,848)	(46,113)
Net cash outflow from returns on investments and servicing of finance	<u><u>(33,028)</u></u>	<u><u>(38,763)</u></u>

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(6,720)
Purchase of tangible fixed assets	(146,245)	(105,482)
Net cash outflow from capital expenditure	<u><u>(146,245)</u></u>	<u><u>(112,202)</u></u>

	2012 £	2011 £
Financing		
New secured loans	-	150,000
Repayment of other loans	(340,000)	(200,000)
Net cash outflow from financing	<u><u>(340,000)</u></u>	<u><u>(50,000)</u></u>

KENT COUNTY TRADING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

21. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2011 £	Cash flow £	Other non-cash changes £	31 March 2012 £
Cash at bank and in hand	387,140	596,503	-	983,643
Bank overdraft	(25,145)	25,145	-	-
	<u>361,995</u>	<u>621,648</u>	<u>-</u>	<u>983,643</u>
Debt:				
Debts due within one year	(540,000)	340,000	(150,000)	(350,000)
Debts falling due after more than one year	(150,000)	-	150,000	-
	<u>(328,005)</u>	<u>961,648</u>	<u>-</u>	<u>633,643</u>
Net debt	<u>(328,005)</u>	<u>961,648</u>	<u>-</u>	<u>633,643</u>

22. PENSION COMMITMENTS

The group operates a defined contribution pension scheme and participates in a defined benefit pension scheme. The assets of both schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to these funds and amounted to £14,005 (2011: £20,689).

23. OPERATING LEASE COMMITMENTS

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

Group	2012 £	2011 £
Expiry date:		
Within 1 year	34,139	22,635
Between 2 and 5 years	188,481	227,566
After more than 5 years	125,322	98,690
	<u>347,942</u>	<u>348,891</u>

KENT COUNTY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

24. RELATED PARTY TRANSACTIONS

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

The group has a loan from Kent County Council of £350,000 (2011: £690,000). The loan is repayable on demand and carries interest at a rate of 5% above the Bank of England's base rate, and is disclosed within creditors due within one year.

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

<u>Kent County Council</u>	<u>2012</u> £	<u>2011</u> £
Sales	33,227,915	29,262,277
Trade Debtors	5,644,665	4,253,920
Purchases	3,301,325	3,159,407
Trade Creditors	2,032,150	1,142,818
Loan Interest paid @ 5.5%	37,848	46,113

25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party is Kent County Council.