

Registered number: 03000723

400584/15

Business Support Kent Community Interest Company

Directors' report and financial statements

For the year ended 31 March 2013



Business Support Kent Community Interest Company

Company Information

Directors	M T Adam (resigned 8 June 2012) B W C Bond R R Clewley J R Ollis E F Russell P C Winter S Wood
Registered number	03000723
Registered office	Foord Annexe High Street Rochester Kent ME1 1EW
Independent auditor	Reeves & Co LLP Statutory Auditor & Chartered Accountants Montague Place Quayside Chatham Maritime Chatham Kent ME4 4QU

Business Support Kent Community Interest Company

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Business Support Kent Community Interest Company

Directors' report

For the year ended 31 March 2013

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

Principal activity and business review

The principal activity of the company during the year was to improve the competitiveness of small and medium sized enterprises through the impartial delivery of a variety of services and by providing access to the information, skills, knowledge and advice they need to succeed

The company is also an active partner with a number of key stakeholders in Kent, the South East and Europe that seek to promote the economic prosperity of the region

The status of Community Interest Company accords with the role the business has in serving communities in Kent

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

- 1 Local communities primarily in Kent, particularly those in designated areas of social deprivation, regeneration or growth, where stimulation of the enterprise economy will bring positive benefits to the economic and social well being of the community
- 2 Individuals who need or want to start a business or commence self-employment, particularly those from sections of the community who are under-represented or disadvantaged in the enterprise economy
- 3 Small and medium sized businesses and their employees, particularly those in designated areas of social deprivation, regeneration or growth Small and medium sized businesses account for the majority of new job creation and make a significant positive contribution to the economy

Key achievements

Financial

The company has generated a surplus on ordinary activities of £3,867 during the year The year has been one of continued reorganisation and adjustment to deliver an organisation that is highly skilled but flexible in meeting the demands of the business going forward

Reserves are £313,785 and are currently considered adequate for the immediate future, subject to change in business requirements

Other key performance results

The company continues to be successful in delivering business improvement programmes across a range of initiatives but has increasingly been focussed on internationalisation, innovation and high growth potential businesses, and sustainability and renewable resources

The company continues to win or renew programme delivery contracts, most notably those for the UK Governments flagship business support programme, Growth Accelerator, Enterprise Europe Network and the KCC funded High Growth Kent programmes (2013-2014) BSK works in collaboration with a number of partner organisations in the private and public sectors on local, national, and international initiatives BSK have also been instrumental in supporting SMEs applying for, and successfully being awarded Regional Growth Fund loans

Principal risks and uncertainties

The company will be dependent on securing additional project funding from both Europe and the UK in the short to medium term The uncertainties associated with the economic situation for both sources and the overall focus on austerity programmes across the European Union will probably result in the business continuing to reduce in scale

Business Support Kent Community Interest Company

Directors' report

For the year ended 31 March 2013

Directors

The directors who served during the year were

M T Adam (resigned 8 June 2012)

B W C Bond

R R Clewley

J R Ollis

E F Russell

P C Winter

S Wood

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditor

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

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

Business Support Kent Community Interest Company

**Directors' report
For the year ended 31 March 2013**

Auditor

Under section 487(2) of the Companies Act 2006, Reeves & Co LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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

This report was approved by the board on 19 December 2013 and signed on its behalf



R R Clewley
Director

Business Support Kent Community Interest Company

Independent auditor's report to the shareholders of Business Support Kent Community Interest Company

We have audited the financial statements of Business Support Kent Community Interest Company for the year ended 31 March 2013, set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Business Support Kent Community Interest Company

Independent auditor's report to the shareholders of Business Support Kent Community Interest Company

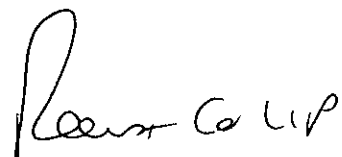
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report

Emphasis of matter - uncertain outcome of a claim

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



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

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

Chatham Maritime

20 December 2013

Business Support Kent Community Interest Company

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

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

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

Business Support Kent Community Interest Company
Registered number: 03000723

Balance sheet
As at 31 March 2013

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2013



R R Clewley
 Director

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

Business Support Kent Community Interest Company

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises revenue recognised by the company representing amounts invoiced during the year, exclusive of Value Added Tax. Also included in turnover are grants received and receivable from UK and European governments as the income relates to activities performed in the year

1.3 Tangible fixed assets and depreciation

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

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

1.4 Investments

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

1.5 Operating leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and expenditure account on a straight line basis over the lease term

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Income and expenditure account

1.7 Pensions

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

Business Support Kent Community Interest Company

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

2. Operating deficit

The operating deficit is stated after charging

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

3. Directors' remuneration

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

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

4 Taxation

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

Business Support Kent Community Interest Company, due to its not for profit status, is exempt from a charge to Corporation Tax on its surpluses and deficits. The tax charge is based solely on its investment income in the year.

5. Tangible fixed assets

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

Business Support Kent Community Interest Company

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

6 Fixed asset investments

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

Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Business Link Kent Limited	Ordinary	100%
Taktix Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

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

Participating interests

The company held one third of the allotted share capital of Skills South East Limited at 31 March 2013. Business Support Kent Community Interest Company exercises significant influence over Skills East Limited.

The most recent audited financial statements of Skills South East Limited for 31 July 2012 show net assets of £21,859 (2011 £34,945 net liabilities) and a profit of £443,804 (2011 loss of £136,638), with a dividend of £387,000 (2011 £nil) being issued in the year.

7. Debtors

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

Business Support Kent Community Interest Company

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

8 Creditors: Amounts falling due within one year

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

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

9. Share capital

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

10. Reserves

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

11. Contingent liabilities

Included in reserves is a provision of £72,190 (2012 £97,000) relating to the termination of a contract with SEEDA, which is contingent upon staff movements in the future, attached to the closure of the Business Link contract

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

Business Support Kent Community Interest Company

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

12 Operating lease commitments

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

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

13. Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard for Smaller Entities (effective April 2008) not to disclose transactions with members of the group headed by BSK-Group CIC group on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in the consolidated financial statements

14 Ultimate parent undertaking and controlling party

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

The results of the company are consolidated in BSK-Group CIC. Copies of the consolidated financial statements are available from Companies House

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CIC 34

Community Interest Company Report

For official use
(Please leave blank)

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Please
complete in
typescript, or
in bold black
capitals.

Company Name in
full

Business Support Kent Community Interest
Company

Company Number

03000723

Year Ending

31 March 2013

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a fair and accurate description of how they have benefited the community, or section of the community, which the company is intended to serve.

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

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

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

cont

(If applicable, please just state "A social audit report covering these points is attached")

(Please continue on separate continuation sheet if necessary)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear

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

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

(If applicable, please just state "A social audit report covering these points is attached")

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes) If no remuneration was received you must state that "no remuneration was received" below

The directors' aggregate emoluments were

	£

Aggregate emoluments	121,827
	=====

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made

(Please continue on separate continuation sheet if necessary)

(N.B. Please enclose a cheque for £15 payable to Companies House)

CIC 34

CONTINUATION SHEET

Please complete in typescript, or in bold black capitals

Company Name in full	Business Support Kent Community Interest Company
Company Number	03000723
Year Ending	31 March 2013

PLEASE CLEARLY INDICATE THE PART YOU ARE CONTINUING HERE

PART 1cont.

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

1 Small and medium sized businesses and their employees, particularly those in designated areas of social deprivation, regeneration or growth Small and medium sized businesses account for the majority of new job creation and make a significant positive contribution to the economy BSK - CIC supported over 120 new jobs created and more than £8m of new business investment into the Kent business community

2 Individuals who need or want to start a business or commence self employment, particularly those from sections of the community who are under represented or disadvantaged in the enterprise economy BSK-CIC runs the Medway Start up Programme and supports environmentally aware start up businesses through an EU project.

PART 5 – SIGNATORY

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

Signed



Date

19/12/13

Office held (tick as appropriate) Director Secretary

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

Jane Ollis	
jane ollis@bsk-cic.co.uk	
01634 870414	
Telephone	07880 710895
DX Number	DX Exchange

When you have completed and signed the form, please send it to the Registrar of Companies at:

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

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG