



Goetec Limited

(A company limited by guarantee)
Annual report and financial statements
for the year ended 31 July 2014

Registered Number 04416782



Goetec Limited (a company limited by guarantee)

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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 Peter Bole

Mr Paul Butler

Directors resigning in year

Ms Hilary Sellars resigned 28/03/2014

Company secretary

Mrs Alison Grover

Independent auditors

Reeves & Co LLP

Chartered Accountants and Statutory Auditors

37 St Margaret's Street

Canterbury

Kent CT1 2TU

Solicitors

Vertex Law LLP

23 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4UA

Registered office

Canterbury Christ Church University

Rochester House

St George's Place

Canterbury

Kent CT1 1UT

Registered number

04416782

Goetec Limited (a company limited by guarantee)

Directors' report for the year ended 31 July 2014

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

Legal status

The company is limited by guarantee. The members of the company are Higher Education Institutions in Kent and Kent County Council.

Review of business, future developments and principal risks and uncertainties

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

Since February 2014, the Interim General Manager has progressed many of the services, projects and new service developments that had been put largely on hold. The company continues to work closely with 'Jisc Collections and Janet Ltd', trading as Janet, which runs the UK's research and education network, and with the Kent Public Service Network (KPSN), to ensure that connected sites in the region receive a high quality of service, and that the relationship between Janet, KPSN and the connected sites is effective. Goetec continues to involve itself on a regular basis in operational issues and has helped ensure the delivery of a very high quality service.

Goetec continues to provide a focal point for ICT activity and sharing best practice across its members and the broader community. It brings members of the community together through the Management Group and Board, and has facilitated the opening of institutions' internal technical discussion to the community. This included an event about the impact of IPv6 in FE and HE.

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

Goetec Limited (a company limited by guarantee)

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

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

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

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

There are two principal risks to the longer-term sustainability of the company. The withdrawal of a member and subsequent loss of income would place a significant burden on the remaining members and/or on the company cash reserves. Goetec is also partly funded by Janet and by Kent County Council as a contribution to its function to provide a liaison between these organisations. The consultancy income from KPSN is expected to reduce in 2015 though the Janet funding has been confirmed for the next financial year. The interim General Manager's role mentioned above is temporary and is expected to end at the point the consultancy work for KPSN completes. This will leave Goetec's income and expenditure in a sustainable position, but does reduce overall turnover and staff complement.

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

Goetec Limited (a company limited by guarantee)

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

Results for the year

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

Every member of the Company undertakes to contribute to cover any liabilities the company may incur in the event of its being wound up, however, on a going concern basis members are asked to contribute to any shortfall in funding through their membership subscriptions.

Use of Public Funds

The directors confirm that payments received either directly or through the Higher and Further Education Funding Councils have been applied for the purposes for which they were provided.

Statement of directors' responsibilities

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

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

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Goetec Limited (a company limited by guarantee)

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

Website

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

Directors

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

Principal activities

The principal activity of the company is the provision of network facilities for Further and Higher Education Institutions in Kent and Kent County Council.

Provision of information to auditor

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

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

Auditor

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

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

This report was approved by the board on 20 November 2014 and signed on its behalf.



Mr John Sotillo

Director

Goetec Limited Registered Number 04416782

Goetec Limited (a company limited by guarantee)

Independent auditors' report to the members of Goetec Limited

We have audited the financial statements of Goetec Limited for the year ended 31 July 2014, which comprise the profit and loss account, balance sheet and related notes 1 -13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Goetec Limited (a company limited by guarantee)

Independent auditors' report to the members of Goetec Limited

(continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Reeves & Co LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Reeves & Co LLP

Statutory Auditor
Chartered Accountants

37 St Margaret's Street
Canterbury
Kent

CT1 2TU

Date: *24.11.14*

Goetec Limited (a company limited by guarantee)

Profit and loss account for the year ended 31 July 2014

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

All results relate to continuing activities.

The company has no recognised gains or losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

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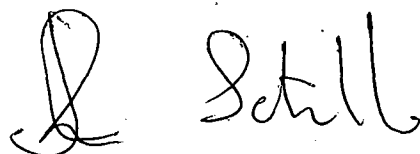
Balance sheet as at 31 July 2014

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

The notes on pages 10 to 14 are integral to the financial statements.

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

The financial statements on pages 8 to 14 were approved by the board of directors on 20 November 2014 and signed on its behalf by:



Mr John Sotillo
Director
Goetec Limited

Registered Number 04416782

Goetec Limited (a company limited by guarantee)

Notes to the financial statements for the year ended 31 July 2014

1 Accounting policies

These financial statements are prepared on the going concern basis, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, in accordance with Financial Reporting Standards for Smaller Entities (effective April 2008).

Tangible Fixed Assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Tangible fixed assets consist entirely of computer equipment, and are depreciated on a straight line basis over four years.

Government Grants

Grants received to finance the purchase of fixed assets are treated as deferred capital grants and amortised to the profit and loss account over the useful economic life of the related asset to offset the depreciation charge on the assets acquired. The amortisation of deferred capital grants to the profit and loss account is reflected within turnover. Grants received to finance the purchase of revenue assets are treated as revenue grants, being released to the profit and loss account when expenditure is incurred. Grants received but not allocated for the year are disclosed within the Creditors figure.

Turnover

Turnover, excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied. Turnover is recognised in the month in which the invoice generating activity takes place. The whole of the company's turnover is from activities within the UK.

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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2 Turnover

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

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

Member's subscriptions cover all operating expenses before tax following a long standing Board level agreement that the company will be a not-for-profit organisation.

3 Profit on ordinary activities before taxation

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

4 Directors' emoluments

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

5 Tax on (loss)/profit on ordinary activities

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

(b) Factors affecting future tax charges

Based on current capital investment plans, the company expects to be able to claim capital allowances at a level lower than depreciation in future periods

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6 Tangible assets

	Computer equipment £
Costs brought forward 1 August 2013	416,609
Additions during the year	-
Disposals during the year	-
Cost as at 31 July 2014	416,609
Accumulated depreciation as at 31 July 2013	398,785
Charge for year	17,824
Depreciation for assets disposed of	-
Accumulated depreciation as at 31 July 2014	416,609
Net book value as at 31 July 2014	-
Net book value as at 31 July 2013	17,824

7 Deferred Tax Asset

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

8 Debtors

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

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9 Creditors: amounts falling due within one year

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

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

10 Deferred Capital Grants

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

11 Reserves

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

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12 Controlling party

No one party has overall control of the company.

13 Related party transactions

The company undertook transactions with related parties during the year. University for the Creative Arts, University of Greenwich, University of Kent and Kent County Council are related parties of Goetec Limited by virtue of their membership of the Goetec Limited board. Janet is a funding body of Goetec Limited and Canterbury Christ Church University is contracted by Goetec Limited to carry out the operations of the company.

The company paid expenditure and received income from the following related parties during the year:

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

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