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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.

1. Association of Tourist Attractions in Kent Ltd	
Purpose of entity	To promote the interest of tourist attractions of all sizes and kinds throughout Kent. Company Limited by Guarantee

Level and Nature of Interest	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.
Directors on the Board	None
Profit or Surplus / (Deficit)	£667
Payment during 2014-15	Nil
2. Aylesham & District Community Workshop Trust Ltd	
Purpose of entity	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.
Level and Nature of Interest	KCC is a Member. Each Member has one vote. There are 9 Trustees. Liability will not exceed £10.
Directors on the Board	Mr S Manion – KCC Member
Profit or Surplus / (Deficit)	£1,763
Payment during 2014-15	£7,740.20 (excluding VAT) – Room hire for courses
3. Visit Kent Ltd	
Purpose of entity	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.
Level and Nature of Interest	KCC is a Member. Each Member has one vote. Liability is limited to £1.
Directors on the Board	Mr M Dance – KCC Member Mrs T Bruton – KCC Officer – appointed 9 October

	2014
Profit or Surplus / (Deficit)	£4,998
Payment during 2014-15	£386,356.76 (excluding VAT) – Payment for Tourism Services and grant for Big Weekend
4. Locate in Kent Ltd	
Purpose of entity	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.
Level and Nature of Interest	KCC is a Member. Each Member has one vote. Liability is limited to £1.
Directors on the Board	Mr M Dance – KCC Member Mr A King – KCC Member Mr B Sweetland – KCC Member
Profit or Surplus / (Deficit)	£(58,164)
Payment during 2014-15	£792,346.80 (excluding VAT) – Payment of a monthly contribution
5. Trading Standards South East Kent Ltd	
Purpose of entity	To provide advice to consumers in the south east of England. Company Limited by Guarantee.
Level and Nature of Interest	KCC is a Member. Each Member has one vote. Liability is limited to £1.
Directors on the Board	Mr M Rolfe – KCC Officer
Profit or Surplus / (Deficit)	£60,653
Payment during 2014-15	£ 37,303.16 (excluding VAT) – Membership fees and various products
6. East Kent Spatial Development Company	
Purpose of entity	A regeneration company specialising in the provision of utilities infrastructure to the business parks in East

	<p>Kent.</p> <p>Company Limited by Guarantee.</p>
Level and Nature of Interest	<p>KCC is a Class A Member. Each Class A Member has one vote.</p> <p>Liability is limited to £1.</p> <p>Locate in Kent is also a Member which KCC has an interest in.</p>
Directors on the Board	Mr M Dance – KCC Member
Profit or Surplus / (Deficit)	£199,366
Payment during 2014-15	Nil
7. Goetec Ltd	
Purpose of entity	<p>The provision of network facilities for further and higher education institutions in Kent.</p> <p>Company limited by Guarantee.</p>
Level and Nature of Interest	A KCC Officer is a Director on the Board.
Directors on the Board	<p>Mr P Bole – KCC Officer – resigned 27 March 2015</p> <p>Ms C Hursell – KCC Officer – appointed 1 July 2015</p>
Profit or Surplus / (Deficit)	£(20,887)
Payment during 2014-15	£90,317.03 (excluding VAT) – Membership fees and equipment rental

8. Produced in Kent	
Purpose of entity	To increase the public's awareness of produce which has been produced in Kent. Company Limited by Guarantee.
Level and Nature of Interest	KCC has joint voting rights with Hadlow College. Liability is limited to £1.
Directors on the Board	Mr S Holden – KCC Member
Profit or Surplus / (Deficit)	£21,875
Payment during 2014-15	£120,635.64 (excluding VAT) – contribution towards salary costs
9. TRICS Consortium Ltd	
Purpose of entity	Consortium of six County Councils owning and operating a transport trip rate database known as TRICS. Company Limited by Shares
Level and Nature of Interest	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)
Directors on the Board	None
Profit or Surplus / (Deficit)	First accounts are due 14 July 2016
Payment during 2014-15	£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.

10. Shearwater Systems Ltd	
Purpose of entity	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.
Level and Nature of Interest	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 The return on equity can be recycled back into the Regional Growth Fund (RGF) for reinvestment in other businesses.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(29,461) – accounts as at 31 March 2015
Payment during 2014-15	£400,000 – loan through RGF
11. TRN – The Research Network Ltd	
Purpose of entity	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.
Level and Nature of Interest	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. The return on equity can be recycled back into the

	Regional Growth Fund (RGF) for reinvestment in other businesses.
Directors on the Board	None
Profit or Surplus / (Deficit)	£1,851 – accounts as at 30 April 2015
Payment during 2014-15	Nil
12. Michelson Diagnostics Ltd	
Purpose of entity	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.
Level and Nature of Interest	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.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(1,812,685) – accounts as at 30 September 2014
Payment during 2014-15	£350,000 – loan through Escalate
13. Digital Contact Ltd	
Purpose of entity	A big data products company, helping businesses and consumers make faster and better decisions from the data that surrounds them.
Level and Nature of Interest	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.
Directors on the Board	
Profit or Surplus / (Deficit)	£(783,427) – accounts as at 30 April 2015
Payment during 2014-15	£457,418 – loan through TIGER

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

Level and Nature of Interest	<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"> • £2,681,260.21 in loan notes • £2,113,808.91 in shares <p>During 2014-15 we received £207,206.25 relating to interest and repayment of loan notes.</p>
Directors on the Board	<p>Mrs C Head – KCC Officer</p> <p>Ms J Hansen – KCC Officer</p>
Profit or Surplus / (Deficit)	£400,000
Payment during 2014-15	£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.

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