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To: Governance and Audit Committee Trading Activities Sub Committee - 28 February 2017

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 2015-16) 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 2015-16.

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)	£(1,980) – accounts as at 31 August 2016
Payment during 2015-16	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)	£(15,720) – accounts as at 31 March 2016
Payment during 2015-16	£1,591.26 (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 – Resigned 25 February 2016 Mr D Hughes – KCC Officer – Appointed 12 May 2016
Profit or Surplus / (Deficit)	£18,505 – accounts as at 31 March 2016
Payment during 2015-16	£377,018.28 (excluding VAT) – Payment for Visitor Economy Services and annual grant payment
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 – Resigned 21 January 2016 Mr B Sweetland – KCC Member – Resigned 6 July 2016
Profit or Surplus / (Deficit)	£(56,769) – accounts as at 31 March 2016
Payment during 2015-16	£722,916.63 (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 – Resigned 13 October 2015 Mrs S Harvey – KCC Officer – Appointed 13 October 2015
Profit or Surplus / (Deficit)	£(56,716) – accounts as at 31 March 2016
Payment during 2015-16	£59,731.80 (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 Kent. Company Limited by Guarantee.
Level and Nature of Interest	KCC is a Class A Member. Each Class A Member has one vote. Liability is limited to £1. Locate in Kent is also a Member which KCC has an interest in.
Directors on the Board	Mr M Dance – KCC Member
Profit or Surplus / (Deficit)	£228,091 – accounts as at 31 March 2016
Payment during 2015-16	Nil
7. Goetec Ltd	
Purpose of entity	The provision of network facilities for further and higher education institutions in Kent. Company limited by Guarantee.
Level and Nature of Interest	A KCC Officer is a Director on the Board.
Directors on the Board	Ms C Hursell – KCC Officer – Resigned 29 February 2016 Mrs C Patrick – KCC Officer – Appointed 15 May 2016
Profit or Surplus / (Deficit)	£(20,887) – accounts as at 31 July 2015
Payment during 2015-16	£20,317.97 (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)	£(14,111) – accounts as at 31 March 2016
Payment during 2015-16	£88,031.22 (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) During 2015-16 we received a dividend £81,347.
Directors on the Board	None
Profit or Surplus / (Deficit)	£34,494 – accounts as at 31 December 2015
Payment during 2015-16	£3,070.00 (excluding VAT) – Licence

2.2 Business Support Kent Community Interest Company went into liquidation on 19 April 2016. There is no risk to KCC. KCC made a payment of £31,962.19 during 2015-16 which was in respect of grant funding for 2014-15.

3. INVESTMENT COMPANIES

3.1 Detailed in the table below are investments KCC has made through the purchase of shares. Items 10 to 22 in the table below were purchased from the allocation of Regional Growth Fund programmes i.e. Expansion East Kent, Tiger and Escalate and there is no financial risk to KCC.

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 from the Expansion East Kent programme. The shares were purchased for £144,433.12. KCC has a 7.22% holding in the company The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.
Directors on the Board	None
Profit or Surplus / (Deficit)	£46,891 – accounts as at 31 March 2016
Payment during 2015-16	£260,000 – loan from Expansion East Kent. The total value of loan issued was £860,000 with repayments being made from 2016-17.
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 from Expansion East Kent programme. The shares were purchased for £28,000. KCC has a 6% holding in the company. The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.
Directors on the Board	None
Profit or Surplus / (Deficit)	£28,484 – accounts as at 30 April 2016

Payment during 2015-16	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	In 2014-15 26,986 £1 B Ordinary Shares were purchased in 2014-15 from the Escalate programme. The shares were purchased for £249,998.30. In 2015-16 53,664 additional £1 C shares were purchased in 2015-16 the Escalate programme. The shares were purchased for £53,664. The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(2,548,688) – accounts as at 30 September 2015
Payment during 2015-16	Nil
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	1,389 £1 Ordinary Shares were purchased in February 2015 through the Tiger programme for £1,174,072. KCC has a 10% holding in the company. The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(656,470) – accounts as at 30 April 2016
Payment during 2015-16	Nil
14. Venomtech Ltd	
Purpose of entity	To produce unique venom derived tools for drug discovery.

Level and Nature of Interest	<p>419 £0.01 Ordinary Shares were purchased in March 2015 from the Expansion East Kent programme for £29,996.21.</p> <p>KCC has a 2.6% holding in the company.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£(188,206) – accounts as at 31 August 2015
Payment during 2015-16	Nil
15. Mead VT Group Holdings Ltd	
Purpose of entity	Dormant company
Level and Nature of Interest	<p>24 £1 Ordinary Shares were purchased in March 2015 from the Tiger programme for £250,000.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£0 - accounts as at 31 March 2015
Payment during 2015-16	Nil
16. Flute Office Ltd	
Purpose of entity	Manufacturing 100% recyclable and sustainable furniture for the workplace.
Level and Nature of Interest	<p>1,817 £0.1 Ordinary Shares were purchased in February 2016 from the Expansion East Kent programme for £500,000.</p> <p>KCC has a 9% holding in the company.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£(261,148) – accounts as at 31 August 2015
Payment during 2015-16	Nil

17. TC Biopharm Ltd	
Purpose of entity	A clinical development company with a cell-based product pipeline capable of treating a variety of disorders including cancer and severe viral infections.
Level and Nature of Interest	70,126 £1 Ordinary Shares were purchased in February 2016 from the Expansion East Kent programme for £500,000. KCC has a 5.5% holding in the company. The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway as part of the Discovery Park Investment Fund.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(899,974) – accounts as at 31 July 2015
Payment during 2015-16	Nil
18. Viramal Ltd	
Purpose of entity	A speciality pharmaceutical company focused on the development of therapeutics that improves the quality of women's health.
Level and Nature of Interest	Equity Shares were purchased in February 2016 from the Expansion East Kent programme for £500,000. The annual return submitted on 12 April 2016 to Companies House does not show KCC as a shareholder the next confirmation statement is due 12 April 2017. Therefore unable to confirm the number of shares purchased. The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway as part of the Discovery Park Investment Fund.
Directors on the Board	None
Profit or Surplus / (Deficit)	£(1,139,492) – accounts as at 30 April 2016
Payment during 2015-16	Nil

19. Futurenova Ltd	
Purpose of entity	<p>Operates in the pharmaceuticals and medical industry, with a special focus on technological innovation.</p> <p>The Company is highly focused on addressing identified and important market needs by developing products and technologies which fill identified, but presently unsatisfied, demands in the NHS.</p>
Level and Nature of Interest	<p>200,000 £0.001 Ordinary Shares were purchased in June 2015 from the Expansion East Kent programme for £200,000.</p> <p>KCC has a 14.8% holding in the company.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.</p>
Directors on the Board	None
Movement in Net Assets/(Liabilities)	£(103,866) – micro accounts as at 30 April 2016
Payment during 2015-16	Nil
20. Ancon Technologies Ltd	
Purpose of entity	A pioneering company offering revolutionary new molecular detection technology that provides unprecedented levels of sensitivity and presents a unique solution to many industries
Level and Nature of Interest	<p>100,000 £0.0001 Ordinary Shares were purchased in October 2015 from the Expansion East Kent programme for £225,000.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£(163,521) – accounts as at 31 July 2016
Payment during 2015-16	Nil
21. Centauri Therapeutics Ltd	
Purpose of entity	A biotechnology company focused on the discovery and development of novel molecules targeting life

	threatening diseases.
Level and Nature of Interest	<p>2,074 £0.002411 Ordinary Shares were purchased in January 2016 from the Expansion East Kent programme for £500,000.</p> <p>KCC has a 4% holding in the company.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway as part of the Discovery Park Investment Fund.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£(1,181,095) – accounts as at 31 March 2016
Payment during 2015-16	Nil
22. Coomtech Ltd	
Purpose of entity	A sustainable energy technology company that have developed a novel process for drying Biomass and Low Rank Coal.
Level and Nature of Interest	<p>15,900 £1 Ordinary Shares were purchased in April 2015 from the Expansion East Kent programme for £375,000.</p> <p>KCC has a 22.5% holding in the company.</p> <p>The return on equity will be recycled back for reinvestment in other businesses in Kent and Medway as part of the Discovery Park Investment Fund.</p>
Directors on the Board	None
Profit or Surplus / (Deficit)	£(485,615) – accounts as at 29 February 2016
Payment during 2015-16	Nil
23. 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)	£200,000 – accounts as at 31 March 2016
Payment during 2015-16	£9,711,185.69 (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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