

**Commercial Services Kent Limited**

**Financial Statements  
for the year ended 31 March 2017**

**Company Registration Number 05858177**

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**COMPANY INFORMATION**

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<b>Directors</b>	A C Baldwin J D Burr J Evans A Lattimer N Major E L Mitchell K M Short N P A Vickers
<b>Company Secretary</b>	K M Short
<b>Registered Office</b>	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
<b>Registered Number</b>	05858177
<b>Independent Auditor</b>	Grant Thornton UK LLP Melton Street London NW1 2EP

## Introduction

The directors present their strategic report for the year ended 31 March 2017.

## Review of the business

The company provides a range of services including provision of temporary staff, waste management and other managed portfolio services.

## Results and performance

The results of the company for the year are set out on page 10 and show a profit for the financial year attributable to the shareholder of £860,000 (2016: £192,000). The equity attributable to the shareholder totals £1,497,000 (2016: £637,000).

The performance of the company during the year reflects an anticipated reduction in provision of temporary staff, an increase in our fees on managed services as well as the award of a one off project to arrange potholes and patching repairs to the minor road network in the summer of 2016. Other than the one off project described, trade levels continue to be satisfactory and a similar performance is expected for the year ended 31 March 2018.

## Key performance indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non financial and the most significant of these are the key performance indicators. The key financial performance indicators are revenue, gross profit, and net profit. These KPIs indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered.

## Principal risks and uncertainties

The principal risk and uncertainty facing the company is that the majority of the company's revenue is with Local Authorities. Cuts in local government spending are likely to impact on the volume of work available to the company from existing customers. The company is seeking to mitigate this risk by pursuing new partnership agreements and adhoc commissions.

Failure to protect the company's reputation and brands could lead to a loss of trust and confidence and a decline in our customer base.

## Outlook and future developments

### *Business Environment*

The company continues to operate in a challenging environment where the impact of austerity measures is impacting our public sector customers. This impacts the ability of the company to organically grow. The company has responded during the year by innovatively bidding for unplanned adhoc opportunities and delivering to a high quality. This should strengthen track record for future similar opportunities.

STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Outlook and future developments (continued)**

*Strategy*

Given the business environment described, the company is spreading risk by continuing to provide a diverse range of managed services and consolidating its position by concentrating efforts on achieving maximum growth in its existing market segments. In addition we aim to improve efficiency in all areas of our operations through cost reduction and more effective use of resources. This should enable the company to maintain its position within its market segments.

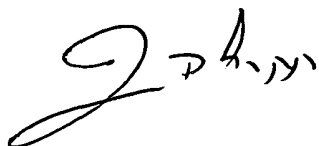
Overall the company aims to deliver shareholder value by:

- delivering sales growth through new services that complement the company's portfolio ;
- enhancing margins through operational efficiencies; and
- managing operations and working capital proficiently to generate strong cash flows.

**Financial risk management**

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum.

This report was approved by the board on 21 June 2017 and signed on its behalf.



JD Burr  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

**Future developments**

Future developments of the business are discussed in the strategic report.

**Financial instruments**

The company's activities expose it to a variety of financial risks: credit risk; liquidity risk; and cash flow risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out on a group basis by the finance department of Commercial Services Kent Limited using principles provided by the board.

a) Credit risk

Credit limits are set for customers based on a combination of credit checks and trading history. The limits are reviewed regularly and the debts are actively chased by the credit control department.

b) Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

c) Cash flow risk

As the company has no significant interest bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

d) Currency risk

As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk.

**Directors**

The directors, and those who served during the year and up to the date of signing these financial statements, were as follows:

A C Baldwin	
J D Burr	
J Evans	
S G Heywood	(resigned 30 April 2016)
A Lattimer	
N Major	
E L Mitchell	
R L Pimenta	(resigned 30 April 2016)
K M Short	
N P A Vickers	(appointed 1 May 2016)

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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**Employees**

*Employee involvement*

Consultation with employees or their representatives has continued at all levels with the aims of ensuring that their views are taken into account when decisions are made that are likely to affect their interest. All employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house information bulletins and reports as well as informal fortnightly meetings.

*Disabled persons*

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

**Statement of director's responsibilities**

The directors are responsible for preparing the annual 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 prepared 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 its profit or loss 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 accounting 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; and
- 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, 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.

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

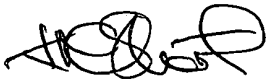
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**Disclosure of information to auditors**

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

- as far as the 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 he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



K M Short  
**Company Secretary**  
21 June 2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES KENT LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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We have audited the financial statements of Commercial Services Kent Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the related notes. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 6, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2017 and of its 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES KENT LIMITED  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

**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.

*Grant Thornton UK LLP*

Richard Hagley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
21 June 2017

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000	2016 £000
Turnover	4	51,235	53,720
Cost of sales		(41,676)	(44,678)
<b>Gross profit</b>		<b>9,559</b>	<b>9,042</b>
Administrative expenses		(8,228)	(8,505)
<b>Operating profit</b>	5	<b>1,331</b>	<b>537</b>
Interest receivable and similar income	7	5	2
Interest payable and similar charges	7	(263)	(312)
<b>Profit on ordinary activities before taxation</b>		<b>1,073</b>	<b>227</b>
Tax on profit on ordinary activities	8	(213)	(35)
<b>Profit for the financial year</b>		<b>860</b>	<b>192</b>
<b>Profit for the financial year attributable to owners of the parent</b>		<b>860</b>	<b>192</b>
<b>Total comprehensive income for the year attributable to owners of the parent</b>		<b>860</b>	<b>192</b>

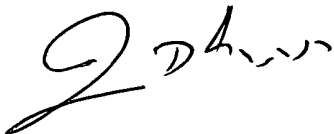
The above all relate to continuing operations of the company.

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Intangible assets	9	4,251	3,785
Tangible assets	10	438	559
		<b>4,689</b>	<b>4,344</b>
<b>Current assets</b>			
Inventories	11	1	1
Debtors	12	5,108	9,562
Cash at bank and in hand		1,438	1,685
		<b>6,547</b>	<b>11,248</b>
<b>Creditors – amounts falling due within one year</b>	13	<b>(6,429)</b>	<b>(6,856)</b>
<b>Net current assets</b>		<b>118</b>	<b>4,392</b>
<b>Total assets less current liabilities</b>		<b>4,807</b>	<b>8,736</b>
Creditors – amounts falling due after more than one year	14	(2,948)	(7,950)
Provision for other liabilities	16	(362)	(149)
<b>Net assets</b>		<b>1,497</b>	<b>637</b>
<b>Capital and reserves</b>			
Called up share capital	17	-	-
Retained earnings		1,497	637
<b>Equity attributable to owners of the parent</b>		<b>1,497</b>	<b>637</b>

The notes on pages 13 to 28 are an integral part of these financial statements.

The financial statements on pages 10 to 28 were authorised for issue by the board of directors on 21 June 2017 and were signed on its behalf.



J D Burr  
 Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017

	Called up Share capital £000	Retained earnings £000	Total £000
<b>Balance at 1 April 2015</b>	-	445	445
Profit for the year	-	192	192
<b>Total comprehensive income for the year</b>	-	<b>192</b>	<b>192</b>
<b>Balance as at 31 March 2016</b>	-	<b>637</b>	<b>637</b>
Profit for the year	-	860	860
<b>Total comprehensive income for the year</b>	-	<b>860</b>	<b>860</b>
<b>Balance as at 31 March 2017</b>	-	<b>1,497</b>	<b>1,497</b>

## 1. General information

Commercial Services Kent Limited ("the company") operates a diversified portfolio of businesses delivering a range of services within the UK and some niche services to support the shareholder. The company operates with a number of recognised brand names.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

## 2. Statement of compliance

The financial statements of Commercial Services Kent Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

## 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies.

### b) Going concern

The company relies on the support of its ultimate parent undertaking, Kent County Council. The ultimate parent undertaking has given assurances that its support will not be withdrawn. It is on this basis that the company continues to adopt the going concern basis in preparing its financial statements.

### 3. Summary of significant accounting policies (continued)

#### c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholder.

The company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's cash flows in its own consolidated financial statements;
- ii. from the financial instruments disclosure requirements of FRS 102 paragraphs 11.39 – 11.48A and 12.26 – 12.29 under FRS 102 paragraph 1.12(c), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's financial instruments disclosures in its own consolidated financial statements; and
- iii. from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

#### d) Foreign currency

- i. Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

- ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the company and valued added taxes.

### 3. Summary of significant accounting policies (continued)

#### f) Employee benefits

The company provides a range of benefits to employees, including commission and bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### ii. Defined contribution pension plans

The company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

The company also makes defined contributions for employees transferred from Kent County Council on 1 April 2013 under a TUPE arrangement. These employees participate in the Kent County Council Pension Fund, part of the Local Government Pension Scheme, a defined benefit statutory scheme. The company's obligations to this scheme have been agreed at a fixed rate. The company accounts for the scheme as a defined contribution scheme. The pension charged to the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

##### iii. Commission and bonus plans

The company operates a number of commission and bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.



### 3. Summary of significant accounting policies (continued)

#### g) Taxation (continued)

##### i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Computer software            5 years
- Software development       5 to 10 years

Amortisation is charged to administrative expenses in the profit and loss account.

Where factors such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

### 3. Summary of significant accounting policies (continued)

#### h) Intangible assets (continued)

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during the development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

##### i. Fixtures, fittings and equipment

Fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

##### ii. Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Fixtures, fittings and equipment 5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

### 3. Summary of significant accounting policies (continued)

#### i) Tangible assets (continued)

##### iii. Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### iv. Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in administrative expenses.

#### j) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### k) Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### i. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### ii. Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

### 3. Summary of significant accounting policies (continued)

#### l) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

#### m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, less bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

#### n) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

### 3. Summary of significant accounting policies (continued)

#### n) Financial instruments (continued)

##### ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and are subsequently measured at amortised cost using the effective interest method.

##### iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### o) Share capital

Ordinary shares are classified as equity.

#### p) Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### q) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the Kent County Trading Limited group of companies. It does not disclose transactions with members of the same group that are wholly owned.

#### 4. Turnover

Analysis of turnover by category:

	2017	2016
	£000	£000
Temporary staff	37,283	43,820
Recharges	7,135	6,727
Waste	3,130	2,709
Potholes	2,810	-
Other	877	464
	<b>51,235</b>	<b>53,720</b>

#### 5. Operating profit

Operating profit is stated after charging:

	2017	2016
	£000	£000
Wages and salaries	17,702	20,544
Social security costs	1,538	1,590
Other pension costs	1,353	1,582
Total staff costs	20,593	23,716
Amounts capitalised	(411)	(565)
<b>Staff costs charged to profit and loss</b>	<b>20,182</b>	<b>23,151</b>
Impairment of trade receivables	(285)	155
Audit fees payable to the company's auditor	15	14

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'Other services' as this information is included in the consolidated financial statements of Kent County Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

**6. Employees and directors**

**Employees**

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2017 No.	2016 No.
Temporary staff	298	424
Administration staff	87	83
Facilities management	-	2
Direct services	355	397
Recruitment	34	35
Other	16	14
	<b>790</b>	<b>955</b>

**Directors**

The directors' emoluments were as follows:

	2017 £000	2016 £000
Aggregate emoluments	365	472
Post-employment benefits	29	39
Sums paid to third parties for directors' services	168	147
Compensation for loss of office	136	-
	<b>698</b>	<b>658</b>

Post employment benefits are accruing for 5 directors (2016: 4) under defined contribution schemes. No directors (2016: none) were members of company defined benefits schemes.

**Highest paid director**

The highest paid director's emoluments were as follows:

	2017 £000	2016 £000
Aggregate emoluments	165	156
Post-employment benefits	15	15
	<b>180</b>	<b>171</b>

## 7. Net interest expense

### a) Interest receivable and similar income

	2017 £000	2016 £000
Bank interest received	5	2
<b>Total interest receivable and similar income</b>	<b>5</b>	<b>2</b>

### b) Interest payable and similar charges

	2017 £000	2016 £000
Interest expense on related party loans	263	312
<b>Total interest payable and similar charges</b>	<b>263</b>	<b>312</b>

## 8. Income tax

### a) Tax expense included in profit or loss

	2017 £000	2016 £000
Current tax:		
- UK corporation tax on profits for the year	-	-
- Adjustment in respect of prior periods	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Deferred tax:		
- Origination and reversal of timing differences	213	37
- Adjustment in respect of prior periods	-	(2)
<b>Total deferred tax</b>	<b>213</b>	<b>35</b>
<b>Tax on profit on ordinary activities</b>	<b>213</b>	<b>35</b>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

8. Income tax (continued)

b) Reconciliation of tax charge

Tax assessed for the period is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	1,073	227
Profit multiplied by the standard rate of tax in the UK of 20% (2016: 20%)	215	45
Effects of:		
- Expenses not deductible for tax purposes	(2)	(47)
- Adjustments to tax charge in respect of prior years	-	(2)
- Group relief	-	39
<b>Tax charge for year</b>	<b>213</b>	<b>35</b>

9. Intangible assets

	Computer software £000	Software development £000	Total £000
<b>At 31 March 2016</b>			
Cost	693	3,273	3,966
Accumulated amortisation	(181)	-	(181)
<b>Net book amount</b>	<b>512</b>	<b>3,273</b>	<b>3,785</b>
<b>Year ended 31 March 2017</b>			
Opening net book amount	512	3,273	3,785
Additions	286	226	512
Additions – internally generated	148	263	411
Amortisation	(146)	(311)	(457)
<b>Closing net book amount</b>	<b>800</b>	<b>3,451</b>	<b>4,251</b>
<b>At 31 March 2017</b>			
Cost	1,127	3,762	4,889
Accumulated amortisation	(327)	(311)	(638)
<b>Net book amount</b>	<b>800</b>	<b>3,451</b>	<b>4,251</b>

The company's bill validation and invoicing software is included in software development and has a carrying value of £2,963,000 and is being amortised over 10 years.

The useful life of software is based on its expected utilisation by the company.

## 10. Tangible assets

	Fixtures, fittings and equipment £000	Total £000
<b>At 31 March 2016</b>		
Cost	1,099	1,099
Accumulated depreciation	(540)	(540)
<b>Net book amount</b>	<b>559</b>	<b>559</b>
<b>Year ended 31 March 2017</b>		
Opening net book amount	559	559
Additions	111	111
Depreciation	(232)	(232)
<b>Closing net book amount</b>	<b>438</b>	<b>438</b>
<b>At 31 March 2017</b>		
Cost	1,210	1,210
Accumulated depreciation	(772)	(772)
<b>Net book amount</b>	<b>438</b>	<b>438</b>

## 11. Inventories

	2017 £000	2016 £000
Raw materials and consumables	1	1
	<b>1</b>	<b>1</b>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

## 12. Debtors

	2017 £000	2016 £000
Trade debtors	1,243	4,577
Amounts owed by group undertakings	13	8
Other receivables	1,567	849
Prepayments	572	546
Accrued income	1,713	3,582
	<b>5,108</b>	<b>9,562</b>

Trade debtors are stated after provisions for impairment of £141,000 (2016: £429,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

**13. Creditors: amounts falling due within one year**

	2017 £000	2016 £000
Trade creditors	650	1,239
Amounts owed to group undertakings	1,682	1,716
Other taxation and social security	1,089	981
Other creditors	765	1,109
Accruals and deferred income	2,243	1,811
	<b>6,429</b>	<b>6,856</b>

**14. Creditors: amounts falling due after more than one year**

	2017 £000	2016 £000
<b>Amounts falling due between one and five years</b>		
Related party loans (see note 18)	2,948	7,950
	<b>2,948</b>	<b>7,950</b>

**15. Post-employment benefits**

The company provides defined contribution schemes for its employees. This includes participation in the Local Government Pension Scheme for which the employer contributions have been set at a fixed rate.

The amount recognised as an expense for the defined contribution schemes was:

	2017 £000	2016 £000
Current period contributions	1,353	1,582

**16. Provision for other liabilities**

The company had the following provisions during the year:

	Deferred tax provision £000	Total £000
At 1 April 2016	149	149
Amount charged to profit or loss	213	213
<b>At 31 March 2017</b>	<b>362</b>	<b>362</b>

## 16. Provision for other liabilities (continued)

### Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2017	2016
	£000	£000
Acquired intangible assets	681	645
Capital allowances	(22)	5
Unused tax losses	(254)	(404)
Other timing differences	(43)	(97)
	362	149

Unused tax losses amount to £1,271,000 (2016: £2,022,000).

The net deferred tax liability is expected to increase in 2018 by £135,000. This primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

## 17. Share capital and other reserves

Ordinary shares of £1 each Allotted and fully paid	Number	£
At 1 April 2016	2	2
At 31 March 2017	2	2

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

## 18. Related party transactions

The company has loans from Kent County Council of £2,948,000 (2016: £7,950,000). The loans are included within creditors due after one year. Interest payable on the loans from Kent County Council has been charged at £263,000 (2016: £312,000).

## 18. Related party transactions (continued)

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

	2017	2016
	£000	£000
Sales	47,763	45,525
Trade debtors	775	4,690
Purchases	981	694
Trade creditors	(25)	(26)
Other debtors	1,245	951
Other creditors	(81)	(312)

During the year, the company traded with GEN2 Property Limited, a company owned by Kent County Council. The following transactions occurred during the financial period:

	2017	2016
	£000	£000
Sales	1,307	-
Trade debtors	354	-

See note 6 for disclosure of the directors' remuneration.

The company's other related party transactions were with other companies that are wholly owned within the group and so have not been disclosed under FRS 102 paragraph 33.1A.

## 19. Controlling party

The immediate parent undertaking and the smallest and largest group to consolidate these financial statements is Kent County Trading Limited. Copies of the Kent County Trading Limited consolidated financial statements can be obtained from the Company Secretary at 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

The ultimate parent undertaking and ultimate controlling party is Kent County Council, whose principal place of business is County Hall, Maidstone, Kent, ME14 1XQ. The financial statements of Kent County Council can be obtained from County Hall, Maidstone, Kent, ME14 1XQ.

**Commercial Services Trading Limited**

**Financial Statements  
for the year ended 31 March 2017**

**Company Registration Number 05858178**

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**COMPANY INFORMATION**

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<b>Directors</b>	A C Baldwin J D Burr J Evans A Lattimer N Major E L Mitchell K M Short N P A Vickers
<b>Company Secretary</b>	K M Short
<b>Registered Office</b>	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
<b>Registered Number</b>	05858178
<b>Independent Auditor</b>	Grant Thornton UK LLP Melton Street London NW1 2EP



## **Introduction**

The directors present their strategic report for the year ended 31 March 2017.

## **Review of the business**

The company provides a range of services including provision of temporary staff, vehicle leasing, landscape services, vehicle engineering services and energy switching services.

## **Results and performance**

The results of the company for the year are set out on page 10 and show a profit for the financial year attributable to the shareholder of £10,000 (2016: £156,000). The equity attributable to the shareholder totals £5,344,000 (2016: £5,334,000).

The performance of the company during the year reflects an increase in revenue from the recruitment business offset by reduced demand for landscape and engineering services with gross profit remaining largely static due to product mix. A similar performance is expected for the year ended 31 March 2018.

## **Key performance indicators**

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non financial and the most significant of these are the key performance indicators. The key financial performance indicators are revenue, gross profit, and net profit. These KPIs indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered.

## **Principal risks and uncertainties**

The principal risk and uncertainty facing the company is that a large proportion of the company's revenue is with Local Authorities. Cuts in local government spending are likely to impact on the volume of work available to the company from existing customers. The company is seeking to mitigate this risk by pursuing new partnership arrangements and bidding for new opportunities.

Failure to protect the company's reputation and brands could lead to a loss of trust and confidence and a decline in our customer base.

## **Outlook and future developments**

### *Business Environment*

The company continues to operate in a challenging environment where the impact of austerity measures is impacting our public sector customers. This impacts the ability of the company to organically grow.

STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Outlook and future developments (continued)**

*Strategy*

Given the business environment described, the company is spreading risk by continuing to provide a diverse range of services and targeting growth in market segments where greater market share should be achievable. In addition we aim to improve efficiency in all areas of our operations through cost reduction and more effective use of resources. This should enable the company to maintain its overall position.

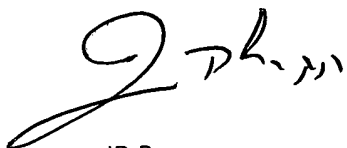
Overall the company aims to deliver shareholder value by:

- delivering sales growth through new services that complement the company's portfolio ;
- enhancing margins through operational efficiencies; and
- managing operations and working capital proficiently to generate strong cash flows.

**Financial risk management**

In common with other businesses, the company aims to minimise financial risk. The measures used by the directors to manage this risk include the preparation of profit and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Trade debtors are also closely monitored to keep the risk of bad debts to a minimum.

This report was approved by the board on 21 June 2017 and signed on its behalf.



JD Burr  
Director

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

**Future developments**

Future developments of the business are discussed in the strategic report.

**Financial instruments**

The company's activities expose it to a variety of financial risks: credit risk; liquidity risk; and cash flow risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out on a group basis by the finance department of Commercial Services Kent Limited using principles provided by the board.

a) Credit risk

Credit limits are set for customers based on a combination of credit checks and trading history. The limits are reviewed regularly and the debts are actively chased by the credit control department.

b) Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

c) Cash flow risk

As the company has no significant interest bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

d) Currency risk

As the vast majority of both sales and purchases are transacted in sterling, the company has minimal exposure to translation and transaction foreign exchange risk.

**Directors**

The directors, and those who served during the year and up to the date of signing these financial statements, were as follows:

A C Baldwin	
J D Burr	
J Evans	
S G Heywood	(resigned 30 April 2016)
A Lattimer	
N Major	
E L Mitchell	
R L Pimenta	(resigned 30 April 2016)
K M Short	
N P A Vickers	(appointed 1 May 2016)

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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## **Employees**

### *Employee involvement*

Consultation with employees or their representatives has continued at all levels with the aims of ensuring that their views are taken into account when decisions are made that are likely to affect their interest. All employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house information bulletins and reports as well as informal fortnightly meetings.

### *Disabled persons*

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

## **Statement of director's responsibilities**

The directors are responsible for preparing the annual 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 prepared 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 its profit or loss 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 accounting 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; and
- 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, 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.

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Disclosure of information to auditors**

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

- as far as the 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 he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



K M Short  
Company Secretary  
21 June 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES TRADING LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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We have audited the financial statements of Commercial Services Trading Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the related notes. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 6, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2017 and of its 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES TRADING LIMITED  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

**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.



Richard Hagley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
21 June 2017

**COMMERCIAL SERVICES TRADING LIMITED**  
**COMPANY REGISTRATION NUMBER: 05858178**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £000	2016 £000
<b>Turnover</b>	4	<b>20,745</b>	18,034
Cost of sales		(16,103)	(13,397)
<b>Gross profit</b>		<b>4,642</b>	4,637
Administrative expenses		(5,374)	(5,250)
Other operating income	5	880	899
<b>Operating profit</b>	6	<b>148</b>	286
Interest receivable and similar income	8	2	1
Interest payable and similar charges	8	(124)	(95)
<b>Profit on ordinary activities before taxation</b>		<b>26</b>	192
Tax on profit on ordinary activities	9	(16)	(36)
<b>Profit for the financial year</b>		<b>10</b>	156
<b>Profit for the financial year attributable to owners of the parent</b>		<b>10</b>	156
<b>Total comprehensive income for the year attributable to owners of the parent</b>		<b>10</b>	156

The above all relate to continuing operations of the company.

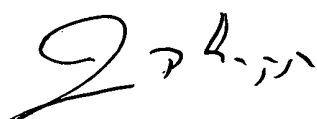


BALANCE SHEET  
 AS AT 31 MARCH 2017

	Note	2017 £000	2016 000
<b>Fixed assets</b>			
Intangible assets	10	41	60
Tangible assets	11	3,958	4,102
		<b>3,999</b>	<b>4,162</b>
<b>Current assets</b>			
Inventories	12	155	156
Debtors	13	8,013	7,595
Cash at bank and in hand		493	408
		<b>8,661</b>	<b>8,159</b>
<b>Creditors – amounts falling due within one year</b>	14	<b>(4,708)</b>	<b>(4,859)</b>
<b>Net current assets</b>		<b>3,953</b>	<b>3,300</b>
<b>Total assets less current liabilities</b>		<b>7,952</b>	<b>7,462</b>
Creditors – amounts falling due after more than one year	15	(2,450)	(1,950)
Provision for other liabilities	17	(158)	(178)
<b>Net assets</b>		<b>5,344</b>	<b>5,334</b>
<b>Capital and reserves</b>			
Called up share capital	18	4,000	4,000
Retained earnings		1,344	1,334
<b>Equity attributable to owners of the parent</b>		<b>5,344</b>	<b>5,334</b>

The notes on pages 13 to 28 are an integral part of these financial statements.

The financial statements on pages 10 to 28 were authorised for issue by the board of directors on 21 June 2017 and were signed on its behalf.



J D Burr  
 Director

STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 MARCH 2017

	Called up Share capital £000	Retained earnings £000	Total £000
<b>Balance at 1 April 2015</b>	1,000	1,178	2,178
Profit for the year	-	156	156
<b>Total comprehensive income for the year</b>	-	<b>156</b>	<b>156</b>
Conversion of redeemable shares	3,000	-	3,000
<b>Total transactions with owners, recognised directly in equity</b>	<b>3,000</b>	-	<b>3,000</b>
<b>Balance as at 31 March 2016</b>	<b>4,000</b>	<b>1,334</b>	<b>5,334</b>
Profit for the year	-	10	10
<b>Total comprehensive income for the year</b>	-	<b>10</b>	<b>10</b>
<b>Balance as at 31 March 2017</b>	<b>4,000</b>	<b>1,344</b>	<b>5,344</b>

## 1. General information

Commercial Services Trading Limited ("the company") operates a diversified portfolio of businesses delivering a range of services within the UK and some niche services to support the shareholder. The company operates with a number of recognised brand names.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

## 2. Statement of compliance

The financial statements of Commercial Services Trading Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

## 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies.

### b) Going concern

The company relies on the support of its ultimate parent undertaking, Kent County Council. The ultimate parent undertaking has given assurances that its support will not be withdrawn. It is on this basis that the company continues to adopt the going concern basis in preparing its financial statements.

### 3. Summary of significant accounting policies (continued)

#### c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholder.

The company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's cash flows in its own consolidated financial statements;
- ii. from the financial instruments disclosure requirements of FRS 102 paragraphs 11.39 – 11.48A and 12.26 – 12.29 under FRS 102 paragraph 1.12(c), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's financial instruments disclosures in its own consolidated financial statements; and
- iii. from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

#### d) Foreign currency

- i. Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

- ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the company and valued added taxes.

### 3. Summary of significant accounting policies (continued)

#### f) Employee benefits

The company provides a range of benefits to employees, including commission and bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### i. Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### ii. Defined contribution pension plans

The company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### iii. Commission and bonus plans

The company operates a number of commission and bonus plans for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

#### g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 3. Summary of significant accounting policies (continued)

#### g) Taxation (continued)

##### ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### h) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Computer software      5 years

Amortisation is charged to administrative expenses in the profit and loss account.

Where factors such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

### 3. Summary of significant accounting policies (continued)

#### i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

##### i. Land and buildings

Land and buildings include leasehold office property. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

##### ii. Plant and machinery and fixtures, fittings and equipment

Plant and machinery and fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

##### iii. Depreciation and residual values

Land is not depreciated. Depreciation on assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Land and buildings 20 to 50 years
- Plant and machinery 4 to 10 years
- Fixtures, fittings and equipment 3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

##### iv. Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

##### v. Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in administrative expenses.

### 3. Summary of significant accounting policies (continued)

#### j) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### k) Leased assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### i. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

##### ii. Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

#### l) Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

#### m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks less bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.



### 3. Summary of significant accounting policies (continued)

#### n) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and are subsequently measured at amortised cost using the effective interest method.

##### iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Summary of significant accounting policies (continued)

#### o) Share capital

Ordinary shares are classified as equity. Redeemable shares are classified as debt.

#### p) Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### q) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the Kent County Trading Limited group of companies. It does not disclose transactions with members of the same group that are wholly owned.

### 4. Turnover

Analysis of turnover by category:

---

	2017	2016
	£000	£000
Temporary staff	6,647	3,562
Vehicle rental	5,066	5,021
Landscape Services	4,923	5,337
Engineering	2,054	2,277
Energy	949	624
Recharges	893	757
Other	213	456
	<b>20,745</b>	<b>18,034</b>

---

### 5. Other operating income

---

	2017	2016
	£000	£000
Rent received	386	401
Service charge receivable	494	498
	<b>880</b>	<b>899</b>

---

## 6. Operating profit

Operating profit is stated after charging:

	2017	2016
	£000	£000
Wages and salaries	3,102	2,128
Social security costs	259	180
Other pension costs	111	87
<b>Staff costs charged to profit and loss</b>	<b>3,472</b>	<b>2,395</b>
Loss on disposal of tangible assets	-	2
Impairment of trade receivables	161	31
Operating lease charges	3,257	3,526
Audit fees payable to the company's auditor	9	8

In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'Other services' as this information is included in the consolidated financial statements of Kent County Trading Limited.

## 7. Employees and directors

### Employees

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2017	2016
	No.	No.
Temporary staff	38	-
Facilities management	-	14
Landscape services	39	37
Engineering	10	7
Recruitment	34	24
Other	23	16
	<b>144</b>	<b>98</b>

### Directors

The directors' emoluments were paid by a fellow subsidiary undertaking.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

8. Net interest expense

a) Interest receivable and similar income

	2017 £000	2016 £000
Bank interest received	2	1
<b>Total interest receivable and similar income</b>	<b>2</b>	<b>1</b>

b) Interest payable and similar charges

	2017 £000	2016 £000
Interest expense on related party loans	124	95
<b>Total interest payable and similar charges</b>	<b>124</b>	<b>95</b>

9. Income tax

a) Tax expense included in profit or loss

	2017 £000	2016 £000
Current tax:		
- UK corporation tax on profits for the year	36	-
- Adjustment in respect of prior periods	-	-
<b>Total current tax</b>	<b>36</b>	<b>-</b>
Deferred tax:		
- Origination and reversal of timing differences	(20)	31
- Adjustment in respect of prior periods	-	5
<b>Total deferred tax</b>	<b>(20)</b>	<b>36</b>
<b>Tax on profit on ordinary activities</b>	<b>16</b>	<b>36</b>

## 9. Income tax (continued)

### b) Reconciliation of tax charge

Tax assessed for the period is higher (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	26	192
Profit multiplied by the standard rate of tax in the UK of 20% (2016: 20%)	5	38
Effects of:		
- Expenses not deductible for tax purposes	11	12
- Adjustments to tax charge in respect of prior years	-	5
- Group relief received	-	(19)
<b>Tax charge for year</b>	<b>16</b>	<b>36</b>

## 10. Intangible assets

	Computer software £000	Total £000
<b>At 31 March 2016</b>		
Cost	93	93
Accumulated amortisation	(33)	(33)
Net book amount	60	60
<b>Year ended 31 March 2017</b>		
Opening net book amount	60	60
Amortisation	(19)	(19)
<b>Closing net book amount</b>	<b>41</b>	<b>41</b>
<b>At 31 March 2017</b>		
Cost	93	93
Accumulated amortisation	(52)	(52)
<b>Net book amount</b>	<b>41</b>	<b>41</b>

The useful life of software is based on its expected utilisation by the company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

**11. Tangible assets**

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
<b>At 31 March 2016</b>				
Cost	2,512	256	1,866	4,634
Accumulated depreciation	(179)	(48)	(305)	(532)
<b>Net book amount</b>	<b>2,333</b>	<b>208</b>	<b>1,561</b>	<b>4,102</b>
<b>Year ended 31 March 2017</b>				
Opening net book amount	2,333	208	1,561	4,102
Additions	-	63	31	94
Depreciation	(61)	(59)	(118)	(238)
<b>Closing net book amount</b>	<b>2,272</b>	<b>212</b>	<b>1,474</b>	<b>3,958</b>
<b>At 31 March 2017</b>				
Cost	2,512	319	1,897	4,728
Accumulated depreciation	(240)	(107)	(423)	(770)
<b>Net book amount</b>	<b>2,272</b>	<b>212</b>	<b>1,474</b>	<b>3,958</b>

The net book value of land, included in land and buildings above, comprises:

	2017 £000	2016 £000
Long leasehold	593	593
Carrying amount	593	593

**12. Inventories**

	2017 £000	2016 £000
Raw materials and consumables	20	36
Work in progress	135	120
	<b>155</b>	<b>156</b>

There is no significant difference between the replacement cost of the inventory and its carrying amount.

### 13. Debtors

	2017 £000	2016 £000
Trade debtors	2,121	2,267
Amounts owed by group undertakings	1,755	1,791
Other receivables	540	136
Prepayments	1,300	1,450
Accrued income	2,297	1,951
	<b>8,013</b>	<b>7,595</b>

Trade debtors are stated after provisions for impairment of £245,000 (2016: £79,000).

### 14. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	221	755
Amounts owed to group undertakings	1,000	1,000
Corporation tax	36	-
Other taxation and social security	302	225
Other creditors	600	559
Accruals and deferred income	2,549	2,320
	<b>4,708</b>	<b>4,859</b>

### 15. Creditors: amounts falling due after more than one year

	2017 £000	2016 £000
<b>Amounts falling due between one and five years</b>		
Related party loans (see note 20)	2,450	1,950
	<b>2,450</b>	<b>1,950</b>

### 16. Post-employment benefits

The company provides defined contribution schemes for its employees. The amount recognised as an expense for the defined contribution schemes was:

	2017 £000	2016 £000
Current period contributions	111	87

## 17. Provision for other liabilities

The company had the following provisions during the year:

	Deferred tax provision £000	Total £000
At 1 April 2016	178	178
Amount charged to profit or loss	(20)	(20)
<b>At 31 March 2017</b>	<b>158</b>	<b>158</b>

### Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2017 £000	2016 £000
Capital allowances	192	191
Other timing differences	(34)	(13)
	<b>158</b>	<b>178</b>

The net deferred tax liability expected to reverse in 2018 is £22,000. This primarily relates to the reversal of timing differences on acquired intangible and tangible assets and capital allowances through depreciation and amortisation, offset by expected tax deductions when payments are made to utilise provisions.

## 18. Share capital and other reserves

Ordinary shares of £1 each Allotted and fully paid	Number	£000
At 1 April 2016	4,000,002	4,000
<b>At 31 March 2017</b>	<b>4,000,002</b>	<b>4,000</b>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.



## 19. Capital and other commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments due	2017 £000	2016 £000
Not later than one year	2,865	2,986
Later than one year and not later than five years	5,174	5,422
Later than five years	12,514	13,271
	<b>20,553</b>	<b>21,679</b>

The company had no other off-balance sheet arrangements.

## 20. Related party transactions

The company has loans from Kent County Council of £2,450,000 (2016: £1,950,000). The loans are included within creditors due after one year. Interest payable on the loans from Kent County Council has been charged £124,000 (2016: £95,000).

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

	2017 £000	2016 £000
Sales	3,456	3,423
Trade debtors	403	296
Purchases	2,431	2,813
Trade creditors	(102)	(47)
Other debtors	10	-
Other creditors	(341)	(459)

During the year, the company traded with GEN2 Property Limited, a company owned by Kent County Council. The following transactions occurred during the financial period:

	2017 £000	2016 £000
Sales	36	-
Trade debtors	10	-

See note 7 for disclosure of the directors' remuneration.

The company's other related party transactions were with other companies that are wholly owned within the group and so have not been disclosed under FRS 102 paragraph 33.1A.

## 21. Controlling party

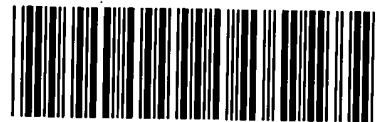
The immediate parent undertaking and the smallest and largest group to consolidate these financial statements is Kent County Trading Limited. Copies of the Kent County Trading Limited consolidated financial statements can be obtained from the Company Secretary at 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

The ultimate parent undertaking and ultimate controlling party is Kent County Council, whose principal place of business is County Hall, Maidstone, Kent, ME14 1XQ. The financial statements of Kent County Council can be obtained from County Hall, Maidstone, Kent, ME14 1XQ.

**Kent Top Temps Limited**  
**Financial Statements**  
**for the year ended 31 March 2017**

**Company Registration Number 05242900**

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**KENT TOP TEMPS LIMITED**  
**COMPANY REGISTRATION NUMBER: 05242900**

**COMPANY INFORMATION**

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<b>Directors</b>	J D Burr N Major K M Short
<b>Company Secretary</b>	K M Short
<b>Registered Office</b>	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
<b>Registered Number</b>	05242900
<b>Independent Auditor</b>	Grant Thornton UK LLP Melton Street London NW1 2EP

### **Introduction**

The directors present their strategic report for the year ended 31 March 2017.

### **Review of the business and future developments**

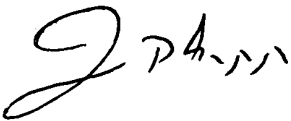
The business ceased trading in December 2013.

There are currently no plans to trade through Kent Top Temps Limited, which will remain non-trading for the foreseeable future.

### **Principal risks and uncertainties**

There are currently no principal risks and uncertainties facing the company.

This report was approved by the board on 21 June 2017 and signed on its behalf.



JD Burr  
**Director**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

**Future developments**

Future developments of the business are discussed in the strategic report.

**Dividends**

A dividend of £1,300,000 payable on 15<sup>th</sup> September 2017 is included in the current year financial statements as it was approved by the members on 15<sup>th</sup> December 2016.

**Directors**

The directors, and those who served during the year and up to the date of signing these financial statements, were as follows:

J D Burr	
S G Heywood	(resigned 30 April 2016)
N Major	
R L Pimenta	(resigned 30 April 2016)
K M Short	

DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2017 (continued)

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**Statement of director's responsibilities**

The directors are responsible for preparing the annual 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 prepared 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 its profit or loss 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 accounting 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; and
- 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, 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 auditors**

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

- as far as the 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 he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



K M Short  
Company Secretary  
21 June 2017



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT TOP TEMPS LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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We have audited the financial statements of Kent Top Temps Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and the related notes. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 5, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**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 2017 and of its 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**KENT TOP TEMPS LIMITED**  
**COMPANY REGISTRATION NUMBER: 05242900**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT TOP TEMPS LIMITED**  
**FOR THE YEAR ENDED 31 MARCH 2017 (continued)**

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**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the *Strategic Report* or the *Directors' Report*.

**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.



Richard Hagley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
21 June 2017

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £000	2016 £000
Other operating income		-	151
<b>Operating profit</b>	4	-	151
Interest receivable and similar income	5	1	1
Interest payable and similar charges	5	-	(1)
<b>Profit on ordinary activities before taxation</b>		1	151
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		1	151
<b>Profit for the financial year attributable to owners of the parent</b>		1	151
<b>Total comprehensive income for the year attributable to owners of the parent</b>		1	151

The above all relate to continuing operations of the company.

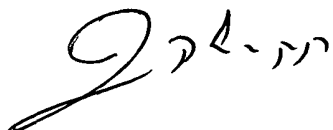
KENT TOP TEMPS LIMITED  
COMPANY REGISTRATION NUMBER: 05242900

BALANCE SHEET  
AS AT 31 MARCH 2017

	Note	2017 £000	2016 £000
<b>Current assets</b>			
Debtors	7	1,151	1,150
Cash at bank and in hand		280	287
		<b>1,431</b>	<b>1,437</b>
<b>Creditors – amounts falling due within one year</b>	8	<b>(1,387)</b>	<b>(94)</b>
<b>Net current assets</b>		<b>44</b>	<b>1,343</b>
<b>Net assets</b>		<b>44</b>	<b>1,343</b>
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Retained earnings		44	1,343
<b>Equity attributable to owners of the parent</b>		<b>44</b>	<b>1,343</b>

The notes on pages 11 to 18 are an integral part of these financial statements.

The financial statements on pages 8 to 18 were authorised for issue by the board of directors on 21 June 2017 and were signed on its behalf.



J D Burr  
Director

STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 MARCH 2017

	Note	Called up Share capital £000	Retained earnings £000	Total £000
<b>Balance at 1 April 2015</b>		-	<b>1,192</b>	<b>1,192</b>
Profit for the year		-	151	151
<b>Total comprehensive income for the year</b>		-	<b>151</b>	<b>151</b>
<b>Balance as at 31 March 2016</b>		-	<b>1,343</b>	<b>1,343</b>
Profit for the year		-	1	1
<b>Total comprehensive income for the year</b>		-	<b>1</b>	<b>1</b>
Dividends	9	-	(1,300)	(1,300)
<b>Total transactions with owners, recognised directly in equity</b>		-	<b>(1,300)</b>	<b>(1,300)</b>
<b>Balance as at 31 March 2017</b>		-	<b>44</b>	<b>44</b>

## 1. General information

Kent Top Temps Limited ("the company") is a non-trading company.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

## 2. Statement of compliance

The financial statements of Kent top Temps Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

## 3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies.

### b) Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### 3. Summary of significant accounting policies (continued)

#### c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholder.

The company has taken advantage of the following exemptions:

- i. from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's cash flows in its own consolidated financial statements;
- ii. from the financial instruments disclosure requirements of FRS 102 paragraphs 11.39 – 11.48A and 12.26 – 12.29 under FRS 102 paragraph 1.12(c), on the basis that it is a qualifying entity and its immediate parent company, Kent County Trading Limited, includes the company's financial instruments disclosures in its own consolidated financial statements; and
- iii. from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

#### d) Foreign currency

- i. Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

- ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

#### e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of discounts and rebates allowed by the company and valued added taxes.

### 3. Summary of significant accounting policies (continued)

#### f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### g) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### h) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks less bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.



### 3. Summary of significant accounting policies (continued)

#### i) Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### i. Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and are subsequently measured at amortised cost using the effective interest method.

##### iii. Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Summary of significant accounting policies (continued)

#### j) Share capital

Ordinary shares are classified as equity.

#### k) Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### l) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the Kent County Trading Limited group of companies. It does not disclose transactions with members of the same group that are wholly owned.

### 4. Operating profit

Operating profit is stated after charging:

	2017	2016
	£000	£000
Audit fees payable to the company's auditor	-	2

In 2017 the audit fees payable to the company's auditor were borne by another group company. In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditor for 'Other services' as this information is included in the consolidated financial statements of Kent County Trading Limited.

### 5. Net interest expense

#### a) Interest receivable and similar income

	2017	2016
	£000	£000
Bank interest received	1	1
<b>Total interest receivable and similar income</b>	<b>1</b>	<b>1</b>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2017 (continued)

5. Net interest expense (continued)

b) Interest payable and similar charges

	2017 £000	2016 £000
Interest expense	-	1
<b>Total interest payable and similar charges</b>	<b>-</b>	<b>1</b>

6. Income tax

a) Tax expense included in profit or loss

	2017 £000	2016 £000
Current tax:		
- UK corporation tax on profits for the year	-	-
- Adjustment in respect of prior periods	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
Deferred tax:		
- Origination and reversal of timing differences	-	-
- Adjustment in respect of prior periods	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>

b) Reconciliation of tax charge

Tax assessed for the period is in line with (2016: lower than) the standard rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	1	151
Profit multiplied by the standard rate of tax in the UK of 20% (2016: 20%)	-	30
Effects of:		
- Unrecognised deferred tax	-	(10)
- Group relief	-	(20)
<b>Tax charge for year</b>	<b>-</b>	<b>-</b>

Unused tax losses amount to £nil (2016: £nil)

## 7. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	1,000	1,000
Related party receivables (see note 10)	150	149
Prepayments	1	1
	<b>1,151</b>	<b>1,150</b>

## 8. Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	-	10
Amounts owed to group undertakings	86	83
Other creditors	1	1
Dividend payable	1,300	-
	<b>1,387</b>	<b>94</b>

## 9. Share capital and other reserves

Ordinary shares of £1 each Allotted and fully paid	Number	£
At 1 April 2016	2	2
At 31 March 2017	2	2

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### Dividends

	2017 £000	2016 £000
Equity - Ordinary		
Interim	1,300	-
	<b>1,300</b>	<b>-</b>

The dividend is included in the current year financial statements as it was approved by the members on 15<sup>th</sup> December 2016.

## 10. Related party transactions

The following transactions occurred during the financial period with Kent County Council, the ultimate controlling party:

	2017	2016
	£000	£000
Other debtors	149	149

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

## 11. Controlling party

The immediate parent undertaking and the smallest and largest group to consolidate these financial statements is Kent County Trading Limited. Copies of the Kent County Trading Limited consolidated financial statements can be obtained from the Company Secretary at 1 Abbey Wood Road, Kings Hill, West Malling, Kent, ME19 4YT.

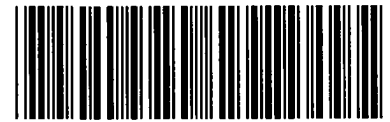
The ultimate parent undertaking and ultimate controlling party is Kent County Council, whose principal place of business is County Hall, Maidstone, Kent, ME14 1XQ. The financial statements of Kent County Council can be obtained from County Hall, Maidstone, Kent, ME14 1XQ.

**GEN<sup>2</sup> Property Limited**

**Report and Financial Statements for the period  
ended 31 March 2017**

**Registration number 09834851**

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# GEN<sup>2</sup> Property Limited

## Company Information

<b>Directors</b>	SJ Hardwick- Chairman (Non-Executive) A Lattimer - (Non-Executive) DA Avery - (Non-Executive) D Smith - (Non-Executive) TI Mitchell - CEO KM Stansfield - COO NPA Vickers - (Non-Executive)
<b>Registered Number</b>	09834851
<b>Registered Office</b>	Sessions House County Road Maidstone Kent ME14 1XQ.
<b>Independent Auditor</b>	Grant Thornton UK LLP Grant Thornton House Melton Street Euston Square London NW1 2EP
<b>Company Secretary</b>	G Singh

# GEN<sup>2</sup> Property Limited

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# GEN<sup>2</sup> Property Limited

## Strategic Report

### For the period ended 31 March 2017

#### Introduction

The Directors present their strategic report for the period from incorporation on 21 October 2015 to 31 March 2017.

#### Business Review

The principal activity of the company for the period under review was that of Property and project management consultancy. The directors have no plans to change the principal activity.

The company is a Local Authority Trading Company (LATCO), set up by Kent County Council. Its remit is to provide services to Kent County Council, who is its shareholder, and services to the wider public sector in the South East.

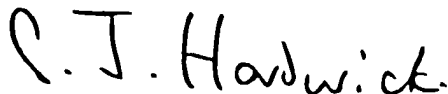
Registered in October 2015, it commenced trading in May 2016; therefore the period under review includes its first period of trading, spanning 11 months.

The directors are pleased with the performance of the company in its first period of trading which has produced a satisfactory financial outcome.

A description of the principal risks and uncertainties facing the company is outlined in the Director's report.

The directors do not consider the presentation of key performance indicators to be necessary for an understanding of the development, performance or position of the company's business.

This report was approved by the board on 20 July 2017 and signed on its behalf.



Simon Hardwick  
Chairman

# **GEN<sup>2</sup> Property Limited**

## **Directors' Report**

### **For the period ended 31 March 2017**

The directors present their report and the financial statements for the period ended 31 March 2017.

#### **Results and Dividends**

The profit for the period, after taxation, amounted to £1,092,759

The directors propose a final dividend of £541,739.

#### **Directors**

The Directors who served during the period were:

SJ Hardwick- Chairman (Non-Executive) (appointed 11 April 2016)  
A Lattimer - (Non-Executive) (appointed 11 April 2016)  
DA Avery - (Non-Executive) (appointed 11 April 2016)  
D Smith - (Non-Executive) (appointed 11 April 2016)  
CM Head - (Non-Executive) (appointed 11 April 2016 and resigned 29 June 2017)  
TI Mitchell - CEO (appointed 30 September 2016)  
RJ Hallett (appointed 22 June 2016 and resigned 25 May 2017)  
DCR Fettes - (appointed 25 April 2016 and resigned 30 September 2016)  
P Smith - (appointed 21 October 2015 and resigned 19 January 2016)  
R Spore - (appointed 19 January 2016 and resigned 25 April 2016)  
KM Stansfield - (appointed 25 May 2017)  
NPA Vickers - (appointed 22 June 2017)  
G Singh - Company Secretary

#### **Financial risk management**

The main financial risks arising from the company's activities are minimised by the customers' being public sector bodies.

The directors prepare cash flow projections which are monitored, reviewed and updated on a regular basis to manage cash flows effectively.

The directors do not consider liquidity risk to be a significant concern for the business, the company is cash generative and costs and working capital are carefully managed.

### **Disclosure Exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by the FRS 102:

- The requirements of section 33 Related party disclosures; for wholly owned subsidiaries of the parent entity.
- The requirement of section 7 Cash flow preparation, to be included in the parent's consolidated statements.

### **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 be 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.

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 July 2017 and signed on its behalf.

*S. J. Hardwick*

Simon Hardwick  
Chairman

## **GEN<sup>2</sup> Property Limited Directors' Responsibilities Statement For the period ended 31 March 2017**

The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial reporting Standard applicable in the UK and Republic of Ireland". The Company has further taken advantage of several exemptions in accordance with the provisions of Financial Reporting Standard 102, which are outlined in the notes to the financial statements. 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 for the Company financial statements and then apply them consistently;
- Make judgments and accounting 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; and
- 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 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.

# GEN<sup>2</sup> Property Limited

## Independent Auditor's Report to the Members of Gen2 Property Ltd

We have audited the financial statements of Gen2 Property Limited for the period ended 31 March 2017 which comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity and the related notes. 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), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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, set out on page 7, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2017 and of its profit for the period 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

**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.

*Grant Thornton UK LLP*

Richard Hagley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

Date: *20 July 2017*

# GEN<sup>2</sup> Property Limited

## Statement of Comprehensive Income for the period ended 31 March 2017

		For the period ended 31 March 2017
		£s
	Notes	
Turnover		7,788,119
Cost of sales		<u>(5,277,706)</u>
Gross profit		<u>2,510,413</u>
Administrative expenses / overheads		<u>(1,419,277)</u>
Profit from operations		1,091,136
Interest receivable		<u>1,623</u>
Profit on ordinary activities before taxation		1,092,759
Tax on profit on ordinary activities	6	0
Profit for the financial period		<u>1,092,759</u>
Retained earnings b/f		-
Retained earnings c/f		<u><u>1,092,759</u></u>

# GEN<sup>2</sup> Property Limited

## Statement of Financial Position as at 31 March 2017

	Notes	As at 31 March 2017 £'s
<b>CURRENT ASSETS</b>		
Trade debtors		138,470
Cash at bank & in hand		<u>1,887,098</u>
<b>TOTAL CURRENT ASSETS</b>		<b>2,025,568</b>
<b>CURRENT LIABILITIES</b>		
Trade creditors		(703,076)
Other creditors	7	<u>(229,732)</u>
<b>TOTAL CURRENT LIABILITIES</b>		<b>(932,808)</b>
<b>NET CURRENT ASSETS / LIABILITIES</b>		<b><u>1,092,760</u></b>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	8	1
Profit and loss account		<u>1,092,759</u>
<b>TOTAL CAPITAL AND RESERVES</b>		<b><u>1,092,760</u></b>

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102.

These financial statements were approved by the Directors on 20 July 2017 and are signed on their behalf by:

*S. J. Hardwick*

Simon Hardwick  
Chairman

Registration number 09834851  
**GEN<sup>2</sup> Property Limited**



## GEN<sup>2</sup> Property Limited

### Statement of Changes in Equity for the period ended 31 March 2017

	Share Capital £	Profit and loss account £	Total equity £
At 21 Oct 2015	-	-	-
Profit for the period	-	1,092,759	1,092,759
Actuarial gains on pension scheme	-	-	-
<b>Total comprehensive income for the year</b>	-	<b>1,092,759</b>	<b>1,092,759</b>
Total Transactions with owners – Issue of Shares	1	-	1
At 31 March 2017	<u>1</u>	<u>1,092,759</u>	<u>1,092,760</u>

# GEN<sup>2</sup> Property Limited

## Notes to the financial statements for period ending 31 March 2017

### 1. Statutory information

GEN<sup>2</sup> Property Limited is a private company, limited by shares, domiciled in England and Wales, registration number 09834851. The registered office is Sessions House, County Road, Maidstone, Kent, England, ME14 1XQ.

### 2. Compliance with accounting standards

- 2.1 The financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".
- 2.2 As outlined in the Director's report, the company has also taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by the FRS 102:
  - The requirements of section 33 Related party disclosures; for wholly owned subsidiaries of the parent entity.
  - The requirement of section 7 Cash flow preparation, due to being included in the parent's consolidated financial statements.

### 3. Accounting policies

- 3.1 **Accounting convention** – these financial statements have been prepared under the historic cost convention.
- 3.2 **Presentation currency** – £ sterling
- 3.3 **Turnover** – represents the net invoice value arising from the provision of property management services during the period, including the value of work done but not yet invoiced.
- 3.4 **Fixed assets** – there were no fixed assets in the company during the first period of trading.
- 3.5 **Leases** – rental paid on operating leases is charged against income on a straight line basis over the length of the lease.
- 3.6 **Debtors** – Short term debtors are measured at transaction price.
- 3.7 **Cash and cash equivalents** – Cash is represented by cash in hand and with financial institutions with immediate access.
- 3.8 **Creditors** – Short term creditors are measured at transaction price.
- 3.9 **Tax** – Current tax represents the amount of tax payable or receivable in respect of the taxable profit for the current reporting period. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## GEN<sup>2</sup> Property Limited

### Notes to the financial statements for period ending 31 March 2017 (Cont.)

- 3.10 **Pensions** – the company operates both a defined contribution and defined benefit scheme for the benefit of its employees (see notes 5.1 & 5.2). Contributions payable are recognised in the Statement of Comprehensive Income when due.
- 3.11 **Provisions for liabilities** – Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation.
- 3.12 **Going Concern** – These accounts are produced on a going concern basis. The directors have undertaken a review of the likely trading activities and profitability of the company into the foreseeable future and are confident that the organisation will continue to be profitable and maintain its cash liquidity.
- 3.13 **Judgements in applying accounting policies and key sources of estimation uncertainties** – In preparing these financial statements, the directors have not made any significant judgements or estimates.

#### 4. Employees

- 4.1 The average number of direct employees including directors employed during the period:

	2017
Directors *	1
Employees	96
<b>Total</b>	<b>97</b>

\* Excludes third party and non-executive directors (Note: Third party refers to individuals e.g. the Finance Director, who was an officer of KCC and remained a KCC employee through his tenure in the company and Consultants who undertook a Director role).

- 4.2 Employment costs (excluding agency staff)

	2017
Salaries	£2,821,240
National Insurance	£287,339
Pensions	£408,812
<b>Total costs</b>	<b>£3,517,391</b>

## GEN<sup>2</sup> Property Limited

### Notes to the financial statements for period ending 31 March 2017 (Cont.)

#### 4.3 Directors' remuneration

	2017
Remuneration *	£240,751
Pension	£9,900
<b>Total</b>	<b>£250,651</b>

\* Includes payments to third parties of £130,662

#### 4.4 Highest paid Director £130,662

### 5. Pensions

The company operates two pension schemes for its Directors and employees:

#### 5.1 Defined benefit scheme

Staff transferred from Kent County Council (KCC) are eligible to participate in the Local Government Pension Scheme, which provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. This scheme has a fixed contribution from the Company for the life of the scheme and is closed to new members. The responsibility for accounting for the pension gains or liability shortfalls remains with Kent County Council. Therefore, as far as the company is concerned, it is in all intents and purposes treated on the same basis as a defined contribution scheme. The contribution from the Company under this scheme was £385,634 for 2016-17. Contributions owed as at 31 March 2017 (included in the £385,634) are £31,324.

#### 5.2 Defined contribution scheme

The assets of the scheme are held separately from those of the company. The contribution from the Company under this scheme was £23,178 for 2016-17. Contributions owed as at 31 March 2017 (included in £23,178) are £4,843.

## GEN<sup>2</sup> Property Limited

Notes to the financial statements for period ending 31 March 2017  
(Cont.)

### 6.1 Tax on profit on ordinary activities

	Period to 31 March 2017 £
<b>Corporation Tax</b>	<b>£</b>
Current tax on profits for the period	218,552
Adjustment regarding ALMO Status of Company	(218,552)
Adjustments in respect of previous periods	-
<b>Total Current tax</b>	<b>0</b>
<b>Deferred tax</b>	
Origination and reversal of timing differences	-
Changes to tax rates	-
Effect of tax rate change on opening balance	-
<b>Total deferred tax</b>	<b>-</b>
<b>Taxation on profit on ordinary activities</b>	<b>0</b>
	Period to 31 March 2017 £
<b>Taxation on profit on ordinary activities</b>	<b>1,092,759</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 20%	218,552
<b>Effects of:</b>	
Expenses not deductible for tax purposes	-
Depreciation in excess of capital allowances	-
ALMO Status of Company	(218,552)
Short term timing differences	-
Group relief	-
Adjustments to tax charge in respect of prior periods	-
Deferred taxation movement to be provided for	-
<b>Total tax charge for the year</b>	<b>0</b>

## GEN<sup>2</sup> Property Limited

### Notes to the financial statements for period ending 31 March 2017 (Cont.)

#### 6.2 Tax (cont.)

Discussions with HMRC on the status of the transactions between the Company and Kent County Council have agreed that these transactions should be treated in the same way as Arms-Length Management Organisations (ALMOs) and therefore not subject to corporation tax. On this basis no tax charge has been shown in the Statement of Comprehensive Income. A creditor has therefore not been set up in the balance sheet for any Corporation tax liability.

#### 7 Other creditors

	2017
PAYE and NIC	£88,953
Pensions contributions	£52,701
Other employee deductions	£209
Performance related pay	£44,000
VAT	£43,869
<b>Total</b>	<b>£229,732</b>

#### 8 Share Capital

	31 March 2017
	£
Allotted, Called up and fully paid (One Ordinary share at £1 each.)	1

#### 9 Related party transactions

The company has taken advantage of the exemption covered by section 33 of Financial Reporting Standard 102 not to disclose transactions with members or investees of Kent County Council, on the grounds that 100% of the voting rights in the company are controlled within that entity.

#### 10 Dividend

Dividend proposed for 2016-17 is £541,739, payable in July 2017

## **GEN<sup>2</sup> Property Limited**

**Notes to the financial statements for period ending 31 March 2017  
(Cont.)**

### **11 Ultimate Controlling Party**

The company's immediate parent and ultimate controlling party is Kent County Council. Copies of the parent company's consolidated accounts can be obtained from Sessions House, County Road, Maidstone, Kent, England, ME14 1XQ.

Annual Report and Financial Statements

Invicta Law Limited

For the period ended 31 March 2017

Registered number: 10079679

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## Officers and professional advisers

### **Directors**

Amanda Baldwin  
Christopher Digby-Bell  
John Evans  
Richard Hallet  
Hedley Mayor  
James Pigott  
Guy Record  
Geoffrey Wild

### **Company secretary**

Philip Patterson

### **Registered office**

Units 1-6 Priory Gate  
29 Union Street  
Maidstone  
Kent  
ME14 1PT

### **Bankers**

National Westminster Bank Plc  
High Street  
Maidstone  
Kent  
ME14 1HJ

### **Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants and Statutory Auditor  
2<sup>nd</sup> Floor  
St. John's House  
Haslett Avenue West  
Crawley  
RH10 1HS

# Invicta Law Limited

## Directors' report

The directors present their annual report and the audited financial statements for the period ended 31<sup>st</sup> March 2017. The company was incorporated on 23<sup>rd</sup> March 2016.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

### Principal activity

The principal activity of the company is the provision of legal services to the public sector.

### Directors

The directors who served throughout the period were as follows:

Amanda Baldwin (appointed 23<sup>rd</sup> August 2016)  
Christopher Digby-Bell (appointed 23<sup>rd</sup> August 2016)  
John Evans (appointed 21<sup>st</sup> June 2016)  
Richard Hallet (appointed 21<sup>st</sup> June 2016)  
Hedley Mayor (appointed 28<sup>th</sup> November 2016)  
James Pigott (appointed 23<sup>rd</sup> March 2016)  
Guy Record (appointed 23<sup>rd</sup> August 2016)  
Geoffery Wild (appointed 23<sup>rd</sup> March 2016)

### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

### Going concern

Having reviewed the Company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Despite showing a net liability at the end of the accounting period, Invicta Law Limited has signed a ten year contract for the supply of legal services to Kent County Council and the directors have received confirmation from Kent County Council that they will provide ongoing financial support to the Company for a period of at least a year subsequent to the signing of these accounts in order to allow the Company to meet its liabilities as they fall due. Thus the directors have adopted the going concern basis in preparing the financial statements for the period ended 31 March 2017.

### 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Auditor

Grant Thornton UK LLP were appointed on 18 July 2017 to fill a casual vacancy in accordance with of the Companies Act 2006. In accordance with S484(4) of the Companies Act 2006 a resolution to appoint Grant Thornton UK LLP as auditor will be proposed at the Annual General Meeting.

# Invicta Law Limited

## Directors' report (continued)

### Small companies note

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

### Directors' responsibility statement

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

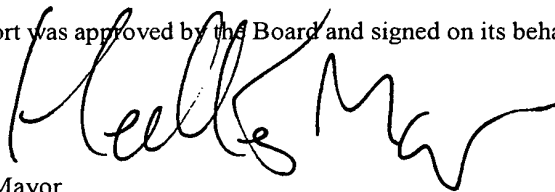
Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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; and
- 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.

This report was approved by the Board and signed on its behalf by:



Hedley Mayor  
Director

13 December 2017

Registered office:

Units 1-6 Priory Gate  
29 Union Street  
Maidstone  
Kent  
ME14 1PT

## Independent auditor's report to the members of Invicta Law Limited

We have audited the financial statements of Invicta Law Limited for the period ended 31 March 2017 which comprise the profit and loss account, the balance sheet and the related notes. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2017 and of its loss for the period 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 matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

## Independent auditor's report to the members of Invicta Law Limited (continued)

### 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 financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

GRANT THORNTON UK LLP.

Jonathan Oakey ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley

Date: 15 December 2017

# Invicta Law Limited

## Profit and loss account For the period ended 31 March 2017

	Note	2017 £
Turnover		-
Administrative expenses		<u>(518,783)</u>
Operating loss		(518,783)
Interest payable and similar expense	3	<u>(444)</u>
Loss on ordinary activities before taxation	4	(519,227)
Tax on loss on ordinary activities		<u>-</u>
Loss for the financial period attributable to the equity shareholders of the company		<u><u>(519,227)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no other recognised gains or losses for the current period other than as stated in the profit and loss account. No other comprehensive income was recognised.

The notes on pages 8 – 15 form part of these financial statements.

# Invicta Law Limited

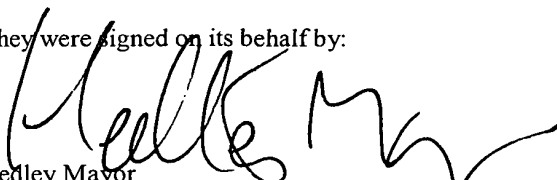
## Balance sheet As at 31 March 2017

	Note	2017 £
<b>Fixed assets</b>		
Intangible assets	6	158,717
Tangible assets	7	190,045
		<u>348,762</u>
<b>Current assets</b>		
Debtors	8	351,676
Cash at bank and in hand		1,825,859
		<u>2,177,534</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,245,522)</u>
Net current assets		<u>932,012</u>
<b>Total assets less current liabilities</b>		<u>1,280,774</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(1,800,000)</u>
<b>Net liabilities</b>		<u><u>(519,226)</u></u>
<b>Capital and reserves</b>		
Called-up share capital	11	1
Profit and loss account	12	(519,227)
		<u>(519,226)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within part 15 of the Companies Act 2006.

The financial statements of Invicta Law Limited were approved by the board of directors and authorised for issue on 13 December 2017.

They were signed on its behalf by:

  
Hedley Mayor  
Director

The notes on pages 8 – 15 form part of these financial statements.



## Notes to the financial statements For the period ended 31 March 2017

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

#### General information and basis of accounting

The Company is a private Company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the Companies Act 2016.

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 102.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### Going concern

Having reviewed the Company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Despite showing a net liability at the end of the accounting period, Invicta Law Limited has signed a ten year contract for the supply of legal services to Kent County Council and the directors have received confirmation from Kent County Council that they will provide ongoing financial support to the Company for a period of at least a year subsequent to the signing of these accounts in order to allow the Company to meet its liabilities as they fall due. Thus the directors have adopted the going concern basis in preparing the financial statements for the period ended 31 March 2017.

#### Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Software development costs	10 years
----------------------------	----------

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

## Notes to the financial statements (continued) For the period ended 31 March 2017

### 1. Accounting policies (continued)

If the net fair value of the identifiable assets and liabilities acquired exceeds the cost of a business combination, the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered. Any excess exceeding the fair value of non-monetary assets acquired is recognised in profit or loss in the periods expected to be benefitted.

#### Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	20% on straight-line balance
IT Equipment	33% on straight-line basis
Fixtures and equipment	20% on straight-line basis

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### Turnover

Revenue for services represents the fair value of legal services provided during the period on client assignments. Fair value reflects the amount expected to be recoverable from clients and is based on time spent, expertise and skills provided and expenses incurred. Revenue is stated net of Value Added Tax and disbursements.

Legal services provided to clients during the period which, at the balance sheet date, have not been invoiced to clients, have been recognised as fee income in accordance with Section 23 Revenue of Financial Reporting Standard 102. Fee income recognised in this manner is based on an assessment of the fair value of the services provided by the balance sheet date as a proportion of the total value of the engagement.

Unbilled fee income is included as "Unbilled revenue" (accrued income) within debtors. Accrued income is stated at fair value where the right to consideration has been obtained. Provision is made against unbilled amounts on those engagements where the right to receive payments is contingent on factors outside the control of the company. Contingent fee income (over and above any agreed minimum fee which is recognized as above) is recognised in the period when the contingent event occurs.

## Notes to the financial statements (continued)

### For the period ended 31 March 2017

#### 1. Accounting policies (continued)

##### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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 is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### Employee benefits

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

##### Foreign currency

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. The functional currency is GBP.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

## Notes to the financial statements (continued) For the period ended 31 March 2017

### 1. Accounting policies (continued)

#### Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade debtors and creditors.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financial transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at costs and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

#### Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### Dividends

Dividends to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

### 2. Critical accounting judgements

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes to the financial statements (continued)  
For the period ended 31 March 2017

2. **Critical accounting judgements (continued)**

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful economic lives of fixed assets

Estimated useful economic lives of fixed assets are based on management's judgement and experience. When management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Asset lives and residual values are reviewed annually and historically changes to remaining estimates of useful lives have not been material.

Contract accounting

The Company's services can span the period end date. This requires a judgement to be made over the percentage completion of the service contract.

Software development costs

Software development costs are recognised as an intangible asset when all of the capitalisation criteria are demonstrated which required judgement to be exercised.

3. **Interest payable and similar expense**

	2017
	£
Other interest payable	444
	<hr/>

4. **Loss on ordinary activities before taxation**

Loss on ordinary activities before taxation is stated after charging/(crediting):	2017
	£
Depreciation of tangible assets	3,650
Auditor's remuneration:	
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,500
	<hr/>

5. **Staff numbers and costs**

The average monthly number of employees, including directors, during the period was nil. One person was employed towards the end of the accounting period.

No directors received any emoluments for their services during the period.

Notes to the financial statements (continued)  
For the period ended 31 March 2017

6. Intangible assets

	Software development costs £
Cost	
At 23 March 2016	-
Additions	158,717
At 31 March 2017	<u>158,717</u>
Accumulated amortisation	
At 23 March 2016	-
Charge for the period	-
At 31 March 2017	<u>-</u>
Net Book Value	
At 31 March 2017	<u>158,717</u>

7. Tangible fixed assets

	Leasehold improvements £	Fixtures and equipment £	Computer equipment £	Total £
Cost				
At 23 March 2016	-	-	-	-
Additions	20,040	135,672	37,983	193,695
At 31 March 2017	<u>20,040</u>	<u>135,672</u>	<u>37,983</u>	<u>193,695</u>
Depreciation				
At 23 March 2016	-	-	-	-
Depreciation charge for the period	334	2,261	1,055	3,650
At 31 March 2017	<u>334</u>	<u>2,261</u>	<u>1,055</u>	<u>3,650</u>
Net book value				
At 31 March 2017	<u>19,706</u>	<u>133,411</u>	<u>36,928</u>	<u>190,045</u>

8. Debtors

	2017 £
Prepayments	286,076
Tax receivable	65,600
	<u>351,676</u>

Notes to the financial statements (continued)  
For the period ended 31 March 2017

9. **Creditors: amounts falling due within one year**

	2017 £
Trade creditors	30,500
Accruals	49,332
Amounts owed to the parent undertaking	1,165,690
	<u>1,245,522</u>

The amounts owed to the parent undertaking are repayable on demand, unsecured and accrue no interest.

10. **Creditors: amounts falling due in more than one year**

	2017 £
Amounts owed to parent undertaking	<u>1,800,000</u>

The amounts owed to parent undertaking bear an interest of 3% per annum, are unsecured and are repayable between 2 April 2022 and 31 March 2027.

11. **Called up share capital**

	2017 £
Allotted, called up and fully paid: 1 ordinary shares of £1 each	<u>1</u>

12. **Reserves**

Profit and loss account

Profit and loss account includes all current and prior retained profits and losses.

13. **Financial commitments**

At 31 March 2017, the company had total future commitments under non-cancellable operating leases as follows:

Land and buildings	2017 £
Within one year	215,840
Between two to five years	863,360
	<u>1,079,200</u>

14. **Capital commitments**

The company had no capital or other commitments at 31 March 2017.

15. **Subsequent events**

The company received £834,300 from Kent County Council, its parent company, on the 4<sup>th</sup> April 2017 to fund the official launch of the company on the 1<sup>st</sup> June 2017.

Notes to the financial statements (continued)  
For the period ended 31 March 2017

16. **Related party transactions**

There were no related party transactions during the period.

17. **Controlling party**

The ultimate controlling party of the company is Kent County Council.