Commercial Services Kent Limited

Financial Statements
for the year ended 31 March 2018

Company Registration Number 05858177

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COMPANY INFORMATION

Directors	A C Baldwin J D Burr J Evans A Lattimer N Major E L Mitchell K M Short N P A Vickers
Company Secretary	K M Short
Registered Office	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
Registered Number	05858177
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

Introduction

The directors present their strategic report for the year ended 31 March 2018.

Review of the business

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

Results and performance

The results of the company for the year are set out on page 11 and show a profit for the financial year attributable to the shareholder of £597,000 (2017: £860,000). The equity attributable to the shareholder totals £1,594,000 (2017: £1,497,000).

The performance of the company during the year reflects an anticipated reduction in provision of temporary staff, a reduction in our fees on managed services, the introduction of fleet services and reflection of the previous year's one off project to arrange pothole and patching repairs to the minor road network. Whilst there has been a reduction in our clients' spend this year, trade levels continue to be satisfactory in the current climate and a similar performance is expected for the year ended 31 March 2019.

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 impacting 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 to be delivered in future years. This should strengthen track record for future similar opportunities.

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 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 2018 and signed on its behalf.

J D Burr
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

Future developments

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

Dividends

A dividend of £500,000 payable on 18th October 2018 is included in the current year financial statements as it was approved by the members on 18th January 2018.

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
A Lattimer
N Major
E L Mitchell
K M Short
N P A Vickers

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 interests. 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 monthly meetings and quarterly updates.

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 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Statement of director's responsibilities (continued)

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;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

K M Short
Company Secretary
21 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES KENT LIMITED FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Commercial Services Kent Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements set out on pages 3 to 7 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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 in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on pages 6 and 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES KENT LIMITED FOR THE YEAR ENDED 31 MARCH 2018 (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Turnover	4	**41,334**	51,235
Cost of sales		**(33,217)**	(41,676)
Gross profit		**8,117**	9,559
Administrative expenses		**(7,282)**	(8,228)
Operating profit	5	**835**	1,331
Interest receivable and similar income	7	**3**	5
Interest payable and similar charges	7	**(148)**	(263)
Profit on ordinary activities before taxation		**690**	1,073
Tax on profit on ordinary activities	8	**(93)**	(213)
Profit for the financial year		**597**	860
Profit for the financial year attributable to owners of the parent		**597**	860
Total comprehensive income for the year attributable to owners of the parent		**597**	860

The above all relate to continuing operations of the company.

COMMERCIAL SERVICES KENT LIMITED
COMPANY REGISTRATION NUMBER: 05858177

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000
Fixed assets			
Intangible assets	9	**4,031**	4,251
Tangible assets	10	**197**	438
		4,228	4,689
Current assets			
Inventories	11	**1**	1
Debtors	12	**3,737**	5,108
Cash at bank and in hand		**2,165**	1,438
		5,903	6,547
Creditors – amounts falling due within one year	13	**(6,586)**	(6,429)
Net current assets		**(683)**	118
Total assets less current liabilities		**3,545**	4,807
Creditors – amounts falling due after more than one year	14	**(1,496)**	(2,948)
Provision for other liabilities	16	**(455)**	(362)
Net assets		**1,594**	1,497
Capital and reserves			
Called up share capital	17	**-**	-
Retained earnings		**1,594**	1,497
Equity attributable to owners of the parent		**1,594**	1,497

The notes on pages 14 to 31 are an integral part of these financial statements.

The financial statements on pages 11 to 31 were authorised for issue by the board of directors on 21 June 2018 and were signed on its behalf.

J D Burr
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up Share capital £000	Retained earnings £000	Total £000
Balance at 1 April 2016	-	637	637
Profit for the year	-	860	860
Total comprehensive income for the year	**-**	**860**	**860**
Balance as at 31 March 2017	**-**	**1,497**	**1,497**
Profit for the year	-	597	597
Total comprehensive income for the year	**-**	**597**	**597**
Dividends	-	(500)	(500)
Total transactions with owners, recognised directly in equity	**-**	**(500)**	**(500)**
Balance as at 31 March 2018	**-**	**1,594**	**1,594**

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 the United Kingdom and registered 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 Stàndard 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. The company has adopted FRS102 in these financial statements.

a) Basis of preparation

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

The preparation of financial statements in conformity with FRS 102 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 statement of comprehensive income.

3. Summary of significant accounting policies (continued)

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.

i. Sale of goods

The company operates a fleet business which sells and leases vehicles to customers. Revenue from the sale of new and used vehicles is recognised at the point at which a customer takes possession of a vehicle. Vehicles are leased to customers on back to back contracts with suppliers and revenue is recognised over the period of the lease. Where amounts are received in advance this is disclosed in other liabilities as deferred income.

ii. Sale of services

The company operates a recruitment agency. Revenue from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff, is recognised when the service has been provided. Revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is recognised when a candidate commences employment.

The company operates waste sites for Kent County Council. Revenue for contractual services is recognised over the period of the contract and revenue for variable haulage is recognised based on activity.

The company operates a print works business for which revenue is recognised on the completion of each job.

The company supplies back office services, including the supply of staff, under managed service arrangements to group undertakings and Kent County Council. Revenue from back office services is recognised based on an allocation of the costs incurred. Revenue from the supply of staff is recognised as payroll costs are incurred.

In the previous year the company supplied road pothole and patching services for which revenue was recognised on completion of each job.

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income, 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 statement of comprehensive income.

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income, 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 statement of comprehensive income. 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 statement of comprehensive income.

m) Cash and cash equivalents

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

n) Provisions and contingencies

i. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as a finance cost.

3. Summary of significant accounting policies (continued)

n) Provisions and contingencies (continued)

ii. Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

o) 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.

3. Summary of significant accounting policies (continued)

o) Financial instruments (continued)

ii. Financial liabilities (continued)

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.

p) Share capital

Ordinary shares are classified as equity.

q) 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.

r) Related party transactions

The company does not disclose related party transactions in accordance with FRS 102 paragraph 33.11 in relation to:

i. Kent County Council; and
ii. entities that are related parties because they are controlled by Kent County Council.

4. Turnover

Analysis of turnover by category:

	2018 **£000**	2017 £000
Sales of goods	**852**	354
Services	**40,482**	50,881
	41,334	51,235

5. Operating profit

Operating profit is stated after charging:

	Note	2018 £000	2017 £000
Wages and salaries		**15,497**	17,702
Social security costs		**1,355**	1,538
Other pension costs	15	**1,171**	1,353
Total staff costs		**18,023**	20,593
Amounts capitalised	9	**(361)**	(411)
Staff costs charged to profit and loss		**17,662**	20,182
Impairment of trade receivables		**(10)**	(285)
Operating lease charges		**258**	-
Audit fees payable to the company's auditor		**16**	15

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.

6. Employees and directors

Employees

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

	2018 No.	2017 No.
Temporary staff	**229**	298
Administration staff	**87**	87
Direct services	**312**	355
Recruitment	**29**	34
Other	**16**	16
	673	790

6. Employees and directors (continued)

Directors
The directors' emoluments were as follows:

	2018 £000	2017 £000
Aggregate emoluments	**470**	365
Post-employment benefits	**37**	29
Sums paid to third parties for directors' services	**35**	168
Compensation for loss of office	**-**	136
	542	698

Post-employment benefits are accruing for three directors (2017: five) under defined contribution schemes. No directors (2017: none) were members of company defined benefits schemes.

Highest paid director
The highest paid director's emoluments were as follows:

	2018 £000	2017 £000
Aggregate emoluments	**167**	165
Post-employment benefits	**16**	15
	183	180

7. Net interest expense

a) Interest receivable and similar income

	2018 £000	2017 £000
Bank interest received	**3**	5
Total interest receivable and similar income	**3**	5

b) Interest payable and similar charges

	2018 £000	2017 £000
Interest expense on related party loans	**148**	263
Total interest payable and similar charges	**148**	263

8. Income tax

a) Tax expense included in profit or loss

	2018	2017
	£000	£000
Current tax:		
- UK corporation tax on profits for the year	-	-
- Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
- *Origination and reversal of timing differences*	**105**	213
- Adjustment in respect of prior periods	**6**	-
- Impact of change in tax rate	**(18)**	-
Total deferred tax	**93**	213
Tax on profit on ordinary activities	**93**	213

b) Reconciliation of tax charge

Tax assessed for the period is lower (2017: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	2018	2017
	£000	£000
Profit on ordinary activities before tax	**690**	1,073
Profit multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	**131**	215
Effects of:		
- Unrecognised deferred tax	**(30)**	-
- Expenses not deductible for tax purposes	**4**	(2)
- Adjustments to tax charge in respect of prior years	**6**	-
- Re-measurement of deferred tax – change in UK tax rate	**(18)**	-
Tax charge for year	**93**	213

c) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rates to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

9. Intangible assets

	Computer software £000	Software development £000	Total £000
At 31 March 2017			
Cost	1,127	3,762	4,889
Accumulated amortisation	(327)	(311)	(638)
Net book amount	800	3,451	4,251
Year ended 31 March 2018			
Opening net book amount	**800**	**3,451**	**4,251**
Additions	**64**	**17**	**81**
Additions – internally generated	**184**	**177**	**361**
Amortisation	**(224)**	**(438)**	**(662)**
Closing net book amount	**824**	**3,207**	**4,031**
At 31 March 2018			
Cost	**1,375**	**3,956**	**5,331**
Accumulated amortisation	**(551)**	**(749)**	**(1,300)**
Net book amount	**824**	**3,207**	**4,031**

The company's bill validation and invoicing software is included in software development and has a carrying value of £2,787,000 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**
At 31 March 2017		
Cost	1,210	1,210
Accumulated depreciation	(772)	(772)
Net book amount	438	438
Year ended 31 March 2018		
Opening net book amount	**438**	**438**
Additions	**1**	**1**
Depreciation	**(242)**	**(242)**
Closing net book amount	**197**	**197**
At 31 March 2018		
Cost	**1,211**	**1,211**
Accumulated depreciation	**(1,014)**	**(1,014)**
Net book amount	**197**	**197**

11. Inventories

	2018 £000	2017 £000
Raw materials and consumables	**1**	1
	1	1

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

12. Debtors

	2018 £000	2017 £000
Trade debtors	**2,655**	1,243
Amounts owed by group undertakings	**10**	13
Other receivables	**28**	1,567
Prepayments	**774**	572
Accrued income	**270**	1,713
	3,737	5,108

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £112,000 (2017: £141,000).

13. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**570**	650
Amounts owed to group undertakings	**1,736**	1,682
Other taxation and social security	**1,260**	1,089
Other creditors	**416**	765
Accruals and deferred income	**2,104**	2,243
Dividends payable	**500**	-
	6,586	6,429

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2018 £000	2017 £000
Amounts falling due between one and five years		
Related party loans	**1,496**	2,948
	1,496	2,948

The related party loans carry interest at 4.73% and are due for repayment on 31 March 2030.

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:

	2018	2017
	£000	£000
Current period contributions	**1,171**	1,353

16. Provision for other liabilities

The company had the following provisions during the year:

	Deferred tax provision	**Total**
	£000	**£000**
At 1 April 2017	**362**	**362**
Amount charged to profit or loss	**93**	**93**
At 31 March 2018	**455**	**455**

Deferred tax

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

	2018	2017
	£000	£000
Acquired intangible assets	**585**	681
Capital allowances	**(37)**	(22)
Unused tax losses	**(65)**	(254)
Other timing differences	**(28)**	(43)
	455	362

Unused tax losses amount to £345,000 (2017: £1,271,000).

The net deferred tax liability expected to reverse in 2018 is £40,000. 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 2017	**2**	2
At 31 March 2018	**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. 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	2018 £000	2017 £000
Not later than one year	**455**	-
Later than one year and not later than five years	**1,050**	-
	1,505	-

The company had no other off-balance sheet arrangements.

19. Related party transactions

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; and Kent County Council or entities controlled by Kent County Council and so have not been disclosed under FRS 102 paragraph 33.11.

20. 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 2018

Company Registration Number 05858178

CONTENTS

COMPANY INFORMATION

Directors	A C Baldwin J D Burr J Evans A Lattimer N Major E L Mitchell K M Short N P A Vickers
Company Secretary	K M Short
Registered Office	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
Registered Number	05858178
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

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 11 and show a loss for the financial year attributable to the shareholder of £319,000 (2017: profit of £10,000). The equity attributable to the shareholder totals £5,025,000 (2017: £5,344,000).

The performance of the company during the year reflects an increase in revenue from the recruitment business offset by reduced demand for landscape and vehicle maintenance services with gross profit remaining largely static due to product mix. A similar performance is expected for the year ended 31 March 2019.

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.

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. The company is closely monitoring market opportunities and it's cost base so that it can respond to the difficult market conditions effectively over the medium term. 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 2018 and signed on its behalf.

J D Burr
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

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
A Lattimer
N Major
E L Mitchell
K M Short
N P A Vickers

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 interests. 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 monthly meetings and quarterly updates.

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 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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

In the case of each director in office at the date the Directors' Report is approved:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

K M Short
Company Secretary
21 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMMERCIAL SERVICES TRADING LIMITED FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Commercial Services Trading Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements set out on pages 3 to 7 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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 in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of director's responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Turnover	4	**17,327**	20,745
Cost of sales		**(13,936)**	(16,103)
Gross profit		**3,391**	4,642
Administrative expenses		**(4,586)**	(5,374)
Other operating income	5	**901**	880
Operating (loss)/profit	6	**(294)**	148
Interest receivable and similar income	8	**1**	2
Interest payable and similar charges	8	**(138)**	(124)
(Loss)/profit on ordinary activities before taxation		**(431)**	26
Tax on (loss)/profit on ordinary activities	9	**112**	(16)
(Loss)/profit for the financial year		**(319)**	10
(Loss)/profit for the financial year attributable to owners of the parent		**(319)**	10
Total comprehensive income for the year attributable to owners of the parent		**(319)**	10

The above all relate to continuing operations of the company.

COMMERCIAL SERVICES TRADING LIMITED
COMPANY REGISTRATION NUMBER: 05858178

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £000	2017 000
Fixed assets			
Intangible assets	10	**23**	41
Tangible assets	11	**3,722**	3,958
		3,745	3,999
Current assets			
Inventories	12	**99**	155
Debtors	13	**6,433**	8,013
Cash at bank and in hand		**843**	493
		7,375	8,661
Creditors – amounts falling due within one year	14	**(2,663)**	(4,708)
Net current assets		**4,712**	3,953
Total assets less current liabilities		**8,457**	7,952
Creditors – amounts falling due after more than one year	15	**(3,350)**	(2,450)
Provision for other liabilities	17	**(82)**	(158)
Net assets		**5,025**	5,344
Capital and reserves			
Called up share capital	18	**4,000**	4,000
Retained earnings		**1,025**	1,344
Equity attributable to owners of the parent		**5,025**	5,344

The notes on pages 14 to 31 are an integral part of these financial statements.

The financial statements on pages 11 to 31 were authorised for issue by the board of directors on 21 June 2018 and were signed on its behalf.

J D Burr
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up Share capital £000	Retained earnings £000	Total £000
Balance at 1 April 2017	4,000	1,334	5,334
Profit for the year	-	10	10
Total comprehensive income for the year	**-**	**10**	**10**
Balance as at 31 March 2017	**4,000**	**1,344**	**5,344**
Loss for the year	-	(319)	(319)
Total comprehensive income for the year	**-**	**(319)**	**(319)**
Balance as at 31 March 2018	**4,000**	**1,025**	**5,025**

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 the United Kingdom and registered 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. The company has adopted FRS102 in these financial statements.

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 statement of comprehensive income.

3. Summary of significant accounting policies (continued)

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.

i. Sale of goods

The company operates a fleet business which sells and leases vehicles to customers. Revenue from the sale of new and used vehicles is recognised at the point at which a customer takes possession of a vehicle. Vehicles are leased to customers on back to back contracts with suppliers and revenue is recognised over the period of the lease. Where amounts are received in advance this is disclosed in other liabilities as deferred income.

ii. Sale of services

The company operates a recruitment agency. Revenue from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff, is recognised when the service has been provided. Revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is recognised when a candidate commences employment.

The company services heavy and light fleet vehicles. Revenue is recognised once the service has been completed.

The company supplies landscaping services to customers. Revenue for contractual services is recognised over the period of the contract and revenue for ad hoc services is recognised on completion of the service.

The company operates an energy switching service. Revenue is recognised on the date the contract is agreed with the customer. A provision is made for possible cancellations and estimated consumption within the contract period.

The company supplies back office services, including the rental of office space, under managed service arrangements to group undertakings and Kent County Council. Revenue from back office services is recognised based on an allocation of the costs incurred. Revenue from the rental of office space is recognised over the period of the arrangement.

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 statement of comprehensive income 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 statement of comprehensive income, 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 statement of comprehensive income.

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 statement of comprehensive income 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 statement of comprehensive income 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 statement of comprehensive income, 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 statement of comprehensive income. 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 statement of comprehensive income.

m) Cash and cash equivalents

Cash and cash equivalents include 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) Provisions and contingencies

i. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as a finance cost.

ii. Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

o) 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.

3. Summary of significant accounting policies (continued)

o) Financial instruments (continued)

i. Financial assets (continued)

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.

p) Share capital

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

q) 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.

3. Summary of significant accounting policies (continued)

r) Related party transactions

The company does not disclose related party transactions in accordance with FRS 102 paragraph 33.11 in relation to:

i. Kent County Council; and
ii. entities that are related parties because they are controlled by Kent County Council.

4. Turnover

Analysis of turnover by category:

	2018	2017
	£000	£000
Sale of goods	**6**	1,556
Services	**17,321**	19,189
	17,327	20,745

5. Other operating income

	2018	2017
	£000	£000
Rent received	**393**	386
Service charge receivable	**508**	494
	901	880

6. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	Note	2018 £000	2017 £000
Wages and salaries		**2,771**	3,102
Social security costs		**224**	259
Other pension costs	16	**96**	111
Staff costs charged to profit and loss		**3,091**	3,472
Loss on disposal of tangible assets		**1**	-
Impairment of trade receivables		**19**	161
Operating lease charges		**2,851**	3,257
Audit fees payable to the company's auditor		**9**	9

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:

	2018 No.	2017 No.
Temporary staff	**40**	38
Landscape services	**35**	39
Vehicle maintenance services	**7**	10
Recruitment	**25**	34
Other	**25**	23
	132	144

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

8. Net interest expense

a) Interest receivable and similar income

	2018 £000	2017 £000
Bank interest received	**1**	2
Total interest receivable and similar income	**1**	2

b) Interest payable and similar charges

	2018 £000	2017 £000
Interest expense on related party loans	**138**	124
Total interest payable and similar charges	**138**	124

9. Income tax

a) Tax (credit)/expense included in profit or loss

	2018 £000	2017 £000
Current tax:		
- UK corporation tax on profits for the year	**(3)**	36
- Adjustment in respect of prior periods	**(33)**	-
Total current tax	**(36)**	36
Deferred tax:		
- Origination and reversal of timing differences	**(67)**	(20)
- Adjustment in respect of prior periods	**(1)**	-
- Impact if change in tax rate	**(8)**	-
Total deferred tax	**(76)**	(20)
Tax on (loss)/profit on ordinary activities	**(112)**	16

9. Income tax (continued)

b) Reconciliation of tax charge

Tax assessed for the period is higher (2017: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	2018 **£000**	2017 £000
(Loss)/profit on ordinary activities before tax	**(431)**	26
(Loss)/profit multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	**(82)**	5
Effects of:		
- Expenses not deductible for tax purposes	**12**	11
- Adjustments to tax charge in respect of prior years	**(34)**	-
- Re-measurement of deferred tax – change in UK tax rate	**(8)**	-
Tax (credit)/charge for year	**(112)**	16

c) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rates to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Intangible assets

	Computer software £000	Total £000
At 31 March 2017		
Cost	93	93
Accumulated amortisation	(52)	(52)
Net book amount	41	41
Year ended 31 March 2018		
Opening net book amount	**41**	**41**
Amortisation	**(18)**	**(18)**
Closing net book amount	**23**	**23**
At 31 March 2018		
Cost	**93**	**93**
Accumulated amortisation	**(70)**	**(70)**
Net book amount	**23**	**23**

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

11. Tangible assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
At 31 March 2017				
Cost	2,512	319	1,897	4,728
Accumulated depreciation	(240)	(107)	(423)	(770)
Net book amount	2,272	212	1,474	3,958
Year ended 31 March 2018				
Opening net book amount	**2,272**	**212**	**1,474**	**3,958**
Additions	**-**	**1**	**9**	**10**
Disposals	**-**	**(1)**	**-**	**(1)**
Depreciation	**(62)**	**(65)**	**(118)**	**(245)**
Closing net book amount	**2,210**	**147**	**1,365**	**3,722**
At 31 March 2018				
Cost	**2,512**	**318**	**1,906**	**4,736**
Accumulated depreciation	**(302)**	**(171)**	**(541)**	**(1,014)**
Net book amount	**2,210**	**147**	**1,365**	**3,722**

11. Tangible assets (continued)

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

	2018 £000	2017 £000
Long leasehold	**593**	593
Carrying amount	**593**	593

12. Inventories

	2018 £000	2017 £000
Raw materials and consumables	**23**	20
Work in progress	**76**	135
	99	155

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

13. Debtors

	2018 £000	2017 £000
Trade debtors	**1,201**	2,121
Amounts owed by group undertakings	**1,809**	1,755
Corporation tax	**3**	-
Other receivables	**165**	540
Prepayments	**1,002**	1,300
Accrued income	**2,253**	2,297
	6,433	8,013

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £187,000 (2017: £245,000).

14. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**267**	221
Amounts owed to group undertakings	**100**	1,000
Corporation tax	**-**	36
Other taxation and social security	**107**	302
Other creditors	**289**	600
Accruals and deferred income	**1,900**	2,549
	2,663	4,708

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2018 £000	2017 £000
Amounts falling due between one and five years		
Related party loans	**3,350**	2,450
	3,350	2,450

The related party loans carry interest at 4.73% and are due for repayment on 31 March 2030.

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:

	2018 £000	2017 £000
Current period contributions	**96**	111

17. Provision for other liabilities

The company had the following provisions during the year:

	Deferred tax provision £000	Total £000
At 1 April 2017	**158**	**158**
Amount charged to profit or loss	**(76)**	**(76)**
At 31 March 2018	**82**	**82**

Deferred tax

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

	2018 £000	2017 £000
Capital allowances	**162**	192
Unused tax losses	**(53)**	-
Other timing differences	**(27)**	(34)
	82	158

The net deferred tax liability is expected to increase in 2018 by £11,000. 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 2017	**4,000,002**	**4,000**
At 31 March 2018	**4,000,002**	**4,000**

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	**2018** **£000**	2017 £000
Not later than one year	**2,367**	2,865
Later than one year and not later than five years	**4,691**	5,174
Later than five years	**11,757**	12,514
	18,815	20,553

The company had no other off-balance sheet arrangements.

20. Related party transactions

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; and Kent County Council or entities controlled by Kent County Council and so have not been disclosed under FRS 102 paragraph 33.11.

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 2018

Company Registration Number 05242900

CONTENTS

COMPANY INFORMATION

Directors	J D Burr N Major K M Short
Company Secretary	K M Short
Registered Office	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
Registered Number	05242900
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

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 2018 and signed on its behalf.

J D Burr
Director

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

Future developments

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

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
N Major
K M Short

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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

In the case of each director in office at the date the Directors' Report is approved:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

K M Short
Company Secretary
21 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT TOP TEMPS LIMITED
FOR THE YEAR ENDED 31 MARCH 2018

Opinion
We have audited the financial statements of Kent Top Temps Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result 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.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to
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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements set out on pages 3 to 5 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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 in relation to which 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Other operating income		-	-
Operating profit	4		-
Interest receivable and similar income	5	-	1
Profit on ordinary activities before taxation		-	1
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		-	1
Profit for the financial year attributable to owners of the parent		-	1
Total comprehensive income for the year attributable to owners of the parent		-	1

The above all relate to continuing operations of the company.

KENT TOP TEMPS LIMITED
COMPANY REGISTRATION NUMBER: 05242900

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors	7	**131**	1,151
Cash at bank and in hand		**-**	280
		131	1,431
Creditors – amounts falling due within one year	8	**(87)**	(1,387)
Net current assets		**44**	44
Net assets		**44**	44
Capital and reserves			
Called up share capital	9	**-**	-
Retained earnings		**44**	44
Equity attributable to owners of the parent		**44**	44

The notes on pages 12 to 20 are an integral part of these financial statements.

The financial statements on pages 9 to 20 were authorised for issue by the board of directors on 21 June 2018 and were signed on its behalf.

J D Burr
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Note	Called up Share capital £000	Retained earnings £000	Total £000
Balance at 1 April 2016		**-**	**1,343**	**1,343**
Profit for the year		-	1	1
Total comprehensive income for the year		**-**	**1**	**1**
Dividends	9	-	(1,300)	(1,300)
Total transactions with owners, recognised directly in equity		**-**	**(1,300)**	**(1,300)**
Balance as at 31 March 2017		**-**	**44**	**44**
Profit for the year		-	-	-
Total comprehensive income for the year		**-**	**-**	**-**
Balance as at 31 March 2018		**-**	**44**	**44**

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 the United Kingdom and registered 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. The company has adopted FRS102 in these financial statements.

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 statement of comprehensive income.

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 statement of comprehensive income, 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) Provisions and contingencies

i. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as a finance cost.

ii. Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3. Summary of significant accounting policies (continued)

j) 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)

k) Share capital

Ordinary shares are classified as equity.

l) 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.

m) Related party transactions

The company does not disclose related party transactions in accordance with FRS 102 paragraph 33.11 in relation to:

i. Kent County Council; and
ii. entities that are related parties because they are controlled by Kent County Council.

4. Operating profit

Operating profit is stated after charging:

	2018	2017
	£000	£000
Audit fees payable to the company's auditor	-	-

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. Interest receivable and similar income

	2018	2017
	£000	£000
Bank interest received	-	1
Total interest receivable and similar income	-	1

6. Income tax

a) Tax expense included in profit or loss

	2018	2017
	£000	£000
Current tax:		
- UK corporation tax on profits for the year	-	-
- Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
- Origination and reversal of timing differences	-	-
- Adjustment in respect of prior periods	-	-
Total deferred tax	-	-
	-	-

b) Reconciliation of tax charge

Tax assessed for the period is in line with (2017: in line with) the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	2018	2017
	£000	£000
Profit on ordinary activities before tax	-	1
Profit multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	-	-
Effects of:		
- Unrecognised deferred tax	-	-
- Group relief	-	-
Tax charge for year	-	-

Unused tax losses amount to £nil (2017: £nil)

c) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rates to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

7. Debtors

	2018 £000	2017 £000
Amounts owed by group undertakings	**100**	1,000
Related party receivables	**30**	150
Prepayments	**1**	1
	131	1,151

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**-**	-
Amounts owed to group undertakings	**83**	86
Other taxation and social security	**3**	-
Other creditors	**1**	1
Dividend payable	**-**	1,300
	87	1,387

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Share capital and other reserves

Ordinary shares of £1 each **Allotted and fully paid**	**Number**	**£**
At 1 April 2017	**2**	2
At 31 March 2018	**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

Equity - Ordinary	2018 £000	2017 £000
Interim	**-**	1,300
	-	1,300

10. Related party transactions

The company is exempt from disclosing related party transactions as they were all with: other companies that are wholly owned within the group; and Kent County Council or entities controlled by Kent County Council.

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.

Kent County Trading Limited

Financial Statements
for the year ended 31 March 2018

Company Registration Number 05242899

CONTENTS

COMPANY INFORMATION

Directors	A C Baldwin J D Burr J Evans A Lattimer N Major E L Mitchell K M Short N P A Vickers
Company Secretary	K M Short
Registered Office	1 Abbey Wood Road Kings Hill West Malling Kent ME19 4YT
Registered Number	05242899
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

Review of the business

The group provides a range of services including provision of temporary staff, waste management, vehicle leasing, landscape services, vehicle engineering services, energy switching services and other managed portfolio services.

Results and performance

The results of the group for the year are set out on page 11 and show a profit for the financial year attributable to the shareholder of £278,000 (2017: £871,000). The equity attributable to the shareholder totals £6,663,000 (2017: £6,885,000).

The performance of the group during the year reflects an anticipated reduction in provision of temporary staff, a decrease in our fees on managed services, a shift in the product mix sold during the year and reflection of the previous year's one off project to arrange potholes and patching repairs to the minor road network. Whilst there has been a reduction in our clients' spend this year, trade levels continue to be satisfactory in the current climate and a similar performance is expected for the year ended 31 March 2019.

Key performance indicators

The group 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 group is that a large proportion of the group's revenue is with Local Authorities. Cuts in local government spending are impacting 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 and bidding for new opportunities.

Failure to protect the group'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 group 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 group to organically grow. The group has responded during the year by innovatively bidding for unplanned adhoc opportunities to be delivered in future years. This should strengthen track record for future similar opportunities.

Strategy
Given the business environment described, the group 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. The group is closely monitoring market opportunities and it's cost base so that it can respond to the difficult market conditions effectively over the medium term. This should enable the group to maintain its overall position.

Overall the group aims to deliver shareholder value by:

- delivering sales growth through new services that complement the group'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 group 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 2018 and signed on its behalf.

J D Burr
Director

The directors present their report and the audited financial statements of the group and company for the year ended 31 March 2018.

Future developments

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

Dividends

A dividend of £500,000 payable on 18th October 2018 is included in the current year financial statements as it was approved by the members on 26th February 2018.

Financial instruments

The group's activities expose it to a variety of financial risks: credit risk; liquidity risk; and cash flow risk. The group'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 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 group has no significant interest bearing assets, the group'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
A Lattimer
N Major
E L Mitchell
K M Short
N P A Vickers

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 interests. All employees are aware of the financial and economic performance of their business units and of the group as a whole. Communication with all employees continues through the in-house information bulletins and reports as well as informal monthly meetings and quarterly updates.

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 group continues and the appropriate training is arranged. It is the policy of the group 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 group and 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.

The directors are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In the case of each director in office at the date the Director's Report is approved:

- as far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

By order of the board

K M Short
Company Secretary
21 June 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KENT COUNTY TRADING LIMITED FOR THE YEAR ENDED 31 MARCH 2018

Opinion

We have audited the financial statements of Kent County Trading Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated statement of comprehensive income, consolidated and company balance sheet, consolidated and company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the financial statements set out on pages 3 to 7, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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 in relation to which 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 parent company 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.

Responsibilities of directors for the financial statements

As explained more fully in the statement of directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Turnover	4	**50,561**	63,796
Cost of sales		**(39,053)**	(49,595)
Gross profit		**11,508**	14,201
Administrative expenses		**(11,607)**	(13,342)
Other operating income	5	**640**	620
Operating profit	6	**541**	1,479
Interest receivable and similar income	8	**4**	8
Interest payable and similar charges	8	**(286)**	(387)
Profit on ordinary activities before taxation		**259**	1,100
Tax on profit on ordinary activities	9	**19**	(229)
Profit for the financial year		**278**	871
Profit for the financial year attributable to owners of the parent		**278**	871
Total comprehensive income for the year attributable to owners of the parent		**278**	871

The above all relate to continuing operations of the group.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the company statement of comprehensive income. The profit for the company for the year was £500,000 (2017: £1,300,000).

KENT COUNTY TRADING LIMITED
COMPANY REGISTRATION NUMBER: 05242899

CONSOLIDATED AND COMPANY BALANCE SHEET
AS AT 31 MARCH 2018

		Group		Company	
		2018	2017	**2018**	2017
	Note	**£000**	£000	**£000**	£000
Fixed assets					
Intangible assets	10	**4,054**	4,292	-	-
Tangible assets	11	**3,919**	4,396	-	-
Investment in subsidiaries	24	-	-	**4,000**	4,000
		7,973	8,688	**4,000**	4,000
Current assets					
Inventories	12	**100**	156	-	-
Debtors	13	**8,382**	11,504	**500**	1,300
Cash at bank and in hand		**3,008**	2,211	-	-
		11,490	13,871	**500**	1,300
Creditors – amounts falling due within one year	14	**(7,417)**	(9,756)	**(500)**	(1,300)
Net current assets		**4,073**	4,115	-	-
Total assets less current liabilities		**12,046**	12,803	**4,000**	4,000
Creditors – amounts falling due after more than one year	15	**(4,846)**	(5,398)	-	-
Provision for other liabilities	17	**(537)**	(520)	-	-
Net assets		**6,663**	6,885	**4,000**	4,000
Capital and reserves					
Called up share capital	19	**4,000**	4,000	**4,000**	4,000
Retained earnings		**2,663**	2,885	-	-
Equity attributable to owners of the parent		**6,663**	6,885	**4,000**	4,000

The notes on pages 15 to 36 are an integral part of these financial statements.

The financial statements on pages 11 to 36 were authorised for issue by the board of directors on 21 June 2018 and were signed on its behalf.

J D Burr
Director

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

Group	Note	**Called up Share capital £000**	**Retained earnings £000**	**Total £000**
Balance at 1 April 2016		**4,000**	**3,314**	**7,314**
Profit for the year		-	871	871
Total comprehensive income for the year		**-**	**871**	**871**
Dividends		-	(1,300)	(1,300)
Total transactions with owners, recognised directly in equity		**-**	**(1,300)**	**(1,300)**
Balance as at 31 March 2017		**4,000**	**2,885**	**6,885**
Profit for the year		-	278	278
Total comprehensive income for the year		**-**	**278**	**278**
Dividends	19	-	(500)	(500)
Total transactions with owners, recognised directly in equity		**-**	**(500)**	**(500)**
Balance as at 31 March 2018		**4,000**	**2,663**	**6,663**

Company	Note	**Called up Share capital £000**	**Retained earnings £000**	**Total £000**
Balance at 1 April 2016		4,000	-	4,000
Profit for the year		-	1,300	1,300
Total comprehensive income for the year		**-**	**1,300**	**1,300**
Dividends		-	(1,300)	(1,300)
Total transactions with owners, recognised directly in equity		**-**	**(1,300)**	**(1,300)**
Balance as at 31 March 2017		**4,000**	**-**	**4,000**
Profit for the year		-	500	500
Total comprehensive income for the year		**-**	**500**	**500**
Dividends	19	-	(500)	(500)
Total transactions with owners, recognised directly in equity		**-**	**(500)**	**(500)**
Balance as at 31 March 2018		**4,000**	**-**	**4,000**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £000	2017 £000
Net cash from operating activities	20	**3,536**	6,098
Taxation paid		**(3)**	-
Net cash generated from operating activities		**3,533**	6,098
Cash flow from investing activities			
Purchase of intangible assets	10	**(442)**	(923)
Purchase of tangible assets	11	**(11)**	(205)
Interest received		**4**	8
Net cash used in investing activities		**(449)**	(1,120)
Cash flow from financing activities			
Other new loans		**900**	500
Repayment of other loans		**(1,452)**	(5,002)
Dividends paid to owners of the parent		**(1,300)**	-
Interest paid		**(435)**	(645)
Net cash used in financing activities		**(2,287)**	(5,147)
Net movement in cash and cash equivalents		**797**	(169)
Cash and cash equivalents at the beginning of the year		**2,211**	2,380
Cash and cash equivalents at the end of the year		**3,008**	2,211
Cash and cash equivalents consists of:			
Cash at bank and in hand		**3,008**	2,211
Cash and cash equivalents		**3,008**	2,211

1. General information

Kent County Trading Limited ("the company") and its subsidiaries (together "the group") operate a diversified portfolio of businesses delivering a range of services within the UK and some niche services to support the shareholder. The group operates with a number of recognised brand names.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered 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 group and individual financial statements of Kent County 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 consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The group has adopted FRS102 in these financial statements.

a) Basis of preparation

These consolidated and separate 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 group and company accounting policies.

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual statement of comprehensive income.

b) Going concern

The group relies on the support of its parent undertaking, Kent County Council. The parent undertaking has given assurances that its support will not be withdrawn. It is on this basis that the group 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, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows; and
ii. from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

d) Basis of consolidation

The group consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the group, adjustments are made to those subsidiary financial statements to apply the group's accounting policies when preparing the consolidated financial statements.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

e) Foreign currency

i. Functional and presentation currency

The group financial statements are presented in pound sterling.

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

3. Summary of significant accounting policies (continued)

e) Foreign currency (continued)

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 statement of comprehensive income.

f) 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 group and valued added taxes.

i. Sale of goods

The group operates a fleet business which sells and leases vehicles to customers. Revenue from the sale of new and used vehicles is recognised at the point at which a customer takes possession of a vehicle. Vehicles are leased to customers on back to back contracts with suppliers and revenue is recognised over the period of the lease. Where amounts are received in advance this is disclosed in other liabilities as deferred income.

ii. Sale of services

The group operates a recruitment agency. Revenue from temporary placements, which represents amounts billed for the services of temporary staff including the salary cost of these staff, is recognised when the service has been provided. Revenue from permanent placements is typically based on a percentage of the candidate's remuneration package and is recognised when a candidate commences employment.

The group operates waste sites for Kent County Council. Revenue for contractual services is recognised over the period of the contract and revenue for variable haulage is recognised based on activity.

The group services heavy and light fleet vehicles. Revenue is recognised once the service has been completed.

The group supplies landscaping services to customers. Revenue for contractual services is recognised over the period of the contract and revenue for ad hoc services is recognised on completion of the service.

3. Summary of significant accounting policies (continued)

f) Revenue recognition (continued)

ii. Sale of services (continued)

The company operates an energy switching service. Revenue is recognised on the date the contract is agreed with the customer. A provision is made for possible cancellations and estimated consumption within the contract period.

The group operates a print works business for which revenue is recognised on the completion of each job.

The group supplies back office services, including the supply of staff and rental of office space, under managed service arrangements to Kent County Council. Revenue from back office services is recognised based on an allocation of the costs incurred. Revenue from the supply of staff is recognised as payroll costs are incurred. Revenue from the rental of office space is recognised over the period of the arrangement.

In the previous year the group supplied road pothole and patching services for which revenue was recognised on completion of each job.

iii. Dividend income

Dividend income is recognised when the right to receive payment is established.

g) Employee benefits

The group 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 group operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group 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 group in independently administered funds.

The group 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.

3. Summary of significant accounting policies (continued)

g) Employee benefits (continued)

ii. Defined contribution pension plans

The group's obligations to this scheme have been agreed at a fixed rate. The group accounts for the scheme as a defined contribution scheme. The pension charged to the statement of comprehensive income represents the amounts payable by the group to the fund in respect of the year.

iii. Commission and bonus plans

The group operates a number of commission and bonus plans for employees. An expense is recognised in the statement of comprehensive income when the group 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.

h) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, 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.

3. Summary of significant accounting policies (continued)

i) 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 statement of comprehensive income.

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.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group 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.

j) 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.

3. Summary of significant accounting policies (continued)

j) Tangible assets (continued)

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 other 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 group 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 statement of comprehensive income and included in administrative expenses.

k) Borrowing costs

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

3. Summary of significant accounting policies (continued)

l) Leased assets

At inception the group 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 statement of comprehensive income 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 statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

m) Investments – company

Investments in subsidiary companies are held at cost less accumulated impairment losses.

n) 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 statement of comprehensive income. 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 statement of comprehensive income.

o) 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)

p) Provisions and contingencies

i. Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even of the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

In particular provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in provision due to passage of time is recognised as a finance cost.

ii. Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

3. Summary of significant accounting policies (continued)

q) Financial instruments

The group 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)

r) Share capital

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

s) Distributions to equity holders

Dividends and other distributions to the group'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.

t) Related party transactions

The group does not disclose related party transactions in accordance with FRS 102 paragraph 33.11 in relation to:

i. Kent County Council; and
ii. entities that are related parties because they are controlled by Kent County Council.

4. Turnover

Analysis of turnover by category:

	2018	2017
	£000	£000
Sales of goods	**858**	1,910
Services	**49,703**	61,886
	50,561	63,796

5. Other operating income

	2018	2017
	£000	£000
Rent received	**279**	271
Service charge receivable	**361**	349
	640	620

6. Operating profit

Operating profit is stated after charging:

	Note	**2018 £000**	2017 £000
Wages and salaries		**18,268**	20,804
Social security costs		**1,579**	1,797
Other pension costs	16	**1,267**	1,464
Total staff costs		**21,114**	24,065
Amounts capitalised	10	**(361)**	(411)
Staff costs charged to profit and loss		**20,753**	23,654
Loss on disposal of tangible assets		**1**	-
Impairment of trade receivables		**9**	(124)
Operating lease charges		**3,109**	3,257
Fees payable to the company's auditor and its associates for the audit of the parent company and the group's consolidated financial statements		**6**	6
Fees payable to the company's auditor and its associates for other services:			
- The audit of the company's subsidiaries		**25**	24
- Audit related assurance services		**-**	20
- Tax compliance services		**-**	5
- Other services		**-**	15
Total amount payable to the company's auditor and its associates		**31**	70

7. Employees and directors

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

	2018 No.	2017 No.
Temporary staff	269	336
Administration staff	94	92
Direct services	240	258
Landscape services	97	116
Vehicle maintenance services	17	27
Recruitment	54	68
Other	34	37
	805	934

7. Employees and directors (continued)

Directors
The directors' emoluments were as follows:

	2018 £000	2017 £000
Aggregate emoluments	470	365
Post-employment benefits	37	29
Sums paid to third parties for directors' services	35	168
Compensation for loss of office	-	136
	542	698

Post-employment benefits are accruing for 3 directors (2017: 5) under defined contribution schemes. No directors (2017: none) were members of group defined benefits schemes.

Highest paid director
The highest paid director's emoluments were as follows:

	2018 £000	2017 £000
Aggregate emoluments	167	165
Post-employment benefits	16	15
	183	180

Key management compensation
The directors comprise the key management. The compensation paid or payable to key management for employee services is £507,000 (2017: £394,000).

8. Net interest expense

a) Interest receivable and similar income

	2018 £000	2017 £000
Bank interest received	4	8
Total interest receivable and similar income	4	8

b) Interest payable and similar charges

	2018 £000	2017 £000
Interest expense on related party loans	286	387
Total interest payable and similar charges	286	387

9. Income tax

a) Tax expense included in profit or loss

	2018 £000	2017 £000
Current tax:		
- UK corporation tax on profits for the year	**(3)**	36
- Adjustment in respect of prior periods	**(33)**	-
Total current tax	**(36)**	36
Deferred tax:		
- Origination and reversal of timing differences	**38**	193
- Adjustment in respect of prior periods	**5**	-
- Impact of change in tax rate	**(26)**	-
Total deferred tax	**17**	193
Tax on profit on ordinary activities	**(19)**	229

b) Reconciliation of tax charge

Tax assessed for the period is lower (2017: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	**259**	1,100
Profit multiplied by the standard rate of tax in the UK of 19% (2017: 20%)	**49**	220
Effects of:		
- Unrecognised deferred tax	**(30)**	-
- Expenses not deductible for tax purposes	**16**	9
- Adjustments to tax charge in respect of prior years	**(28)**	-
- Re-measurement of deferred tax – change in UK tax rate	**(26)**	-
Tax (credit)/charge for year	**(19)**	229

c) Tax rate changes

The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rates to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Intangible assets

Group	Computer software £000	Software development £000	Total £000
At 31 March 2017			
Cost	1,220	3,762	4,982
Accumulated amortisation	(379)	(311)	(690)
Net book amount	841	3,451	4,292
Year ended 31 March 2018			
Opening net book amount	**841**	**3,451**	**4,292**
Additions	**64**	**17**	**81**
Additions – internally generated	**184**	**177**	**361**
Amortisation	**(242)**	**(438)**	**(680)**
Closing net book amount	**847**	**3,207**	**4,054**
At 31 March 2018			
Cost	**1,468**	**3,956**	**5,424**
Accumulated amortisation	**(621)**	**(749)**	**(1,370)**
Net book amount	**847**	**3,207**	**4,054**

The group's bill validation and invoicing software is included in software development and has a carrying value of £2,787,000 and is being amortised over 10 years.

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

Company
The company had no intangible assets at 31 March 2018 (2017: £nil).

11. Tangible assets

Group	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
At 31 March 2017				
Cost	2,512	319	3,107	5,938
Accumulated depreciation	(240)	(107)	(1,195)	(1,542)
Net book amount	2,272	212	1,912	4,396
Year ended 31 March 2018				
Opening net book amount	**2,272**	**212**	**1,912**	**4,396**
Additions	**-**	**1**	**10**	**11**
Disposals	**-**	**(1)**	**-**	**(1)**
Depreciation	**(62)**	**(65)**	**(360)**	**(487)**
Closing net book amount	**2,210**	**147**	**1,562**	**3,919**
At 31 March 2018				
Cost	**2,512**	**318**	**3,117**	**5,947**
Accumulated depreciation	**(302)**	**(171)**	**(1,555)**	**(2,028)**
Net book amount	**2,210**	**147**	**1,562**	**3,919**

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

	2018 £000	2017 £000
Long leasehold	**593**	593
Carrying amount	**593**	593

Company
The company had no tangible assets at 31 March 2018 (2017: £nil).

12. Inventories

Group	2018 £000	2017 £000
Raw materials and consumables	**24**	**21**
Work in progress	**76**	**135**
	100	**156**

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

12. Inventories (continued)

Company
The company had no inventories at 31 March 2018 (2017: £nil).

13. Debtors

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Trade debtors	**3,856**	3,364	-	-
Corporation tax	**3**	-	-	-
Other receivables	**223**	2,257	**500**	1,300
Prepayments	**1,777**	1,873	-	-
Accrued income	**2,523**	4,010	-	-
	8,382	11,504	**500**	1,300

Trade debtors are stated after provisions for impairment of £299,000 (2017: £386,000).

14. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Trade creditors	**837**	871	-	-
Corporation tax	-	36	-	-
Other taxation and social security	**1,370**	1,391	-	-
Other creditors	**706**	1,366	-	-
Accruals and deferred income	**4,004**	4,792	-	-
Dividends payable	**500**	1,300	**500**	1,300
	7,417	9,756	**500**	1,300

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

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Amounts falling due between one and five years				
Related party loans	**4,846**	5,398	-	-
	4,846	5,398	-	-

The related party loans carry interest at 4.73% and are due for repayment on 31 March 2030.

16. Post-employment benefits

Group
The group 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:

	2018 £000	2017 £000
Current period contributions	**1,267**	1,464

Company
The company had no post-employment benefits at 31 March 2018 (2017: £nil).

17. Provision for other liabilities

Group
The group had the following provisions during the year:

	Deferred tax provision £000	Total £000
At 1 April 2017	**520**	**520**
Amount charged to profit or loss	**17**	**17**
At 31 March 2018	**537**	**537**

Deferred tax

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

	2018 £000	2017 £000
Acquired intangible assets	**585**	681
Capital allowances	**125**	170
Unused tax losses	**(118)**	(254)
Other timing differences	**(55)**	(77)
	537	520

Unused tax losses amount to £624,000 (2017: £1,271,000).

17. Provision for other liabilities (continued)

Deferred tax (continued)

The net deferred tax liability expected to reverse in 2018 is £29,000. 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.

Company
The company had no deferred tax provision at 31 March 2018 (2017: £nil).

18. Financial instruments

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Financial assets that are debt instruments measured at amortised cost				
- Trade receivables	**3,856**	3,364	-	-
- Other receivables	**2,746**	6,267	**500**	**1,300**
- Cash and cash equivalents	**3,008**	2,211	-	-
	9,610	11,842	**500**	**1,300**
Financial liabilities measured at amortised cost				
- Related party loans	**(4,846)**	(5,398)	-	-
- Trade creditors	**(837)**	(871)	-	-
- Accruals	**(2,536)**	(3,154)	-	-
- Other creditors	**(706)**	(1,366)	-	-
- Dividends payable	**(500)**	(1,300)	**(500)**	**(1,300)**
	(9,425)	(12,089)	**(500)**	**(1,300)**
Net financial instruments	**185**	(247)	-	-

19. Share capital and other reserves

Ordinary shares of £1 each	**Group and Company**	
Allotted and fully paid	**Number**	**£000**
At 1 April 2017	**4,000,002**	**4,000**
At 31 March 2018	**4,000,002**	**4,000**

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

19. Share capital and other reserves (continued)

Dividends

Equity - Ordinary	2018 £000	2017 £000
Interim	**500**	1,300
	500	1,300

The dividend is included in the current year financial statements as it was approved by the members on 26th February 2018.

20. Notes to the cash flow statement

	2018 £000	2017 £000
Profit for the financial year	**278**	871
Adjustments for:		
Tax on profit on ordinary activities	**(19)**	229
Net interest expense	**282**	379
Operating profit	**541**	1,479
Amortisation of intangible assets	**680**	476
Depreciation of tangible assets	**487**	470
Loss on disposal of tangible assets	**1**	-
Working capital movements:		
- Decrease in inventories	**56**	1
- Decrease in debtors	**3,125**	3,074
- (Decrease)/increase in payables	**(1,354)**	598
Cash flow from operating activities	**3,536**	6,098

Analysis of changes in net debt

	At 1 April 2017 £000	Cash flows £000	Non-cash changes £000	At 31 March 2018 £000
Cash at bank and in hand	2,211	797	-	3,008
Cash and cash equivalents	**2,211**	**797**	**-**	**3,008**
Related party loans	(5,398)	552	-	(4,846)
Total	**(3,187)**	**1,349**	**-**	**(1,838)**

21. Capital and other commitments

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

Payments due	2018 £000	2017 £000
Not later than one year	**2,822**	2,865
Later than one year and not later than five years	**5,741**	5,174
Later than five years	**11,757**	12,514
	20,320	20,553

The group had no other off-balance sheet arrangements.

Company
The company had no capital or other commitments at 31 March 2018 (2017: £nil).

22. Related party transactions

See note 7 for disclosure of director's remuneration and key management compensation.

The group's other related party transactions were with Kent County Council or entities controlled by Kent County Council and so have not been disclosed under FRS 102 paragraph 33.11.

23. Controlling party

Group and Company
The immediate and 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.

24. Subsidiaries and related undertakings

Company	2018 £000	2017 £000
Cost and net book value	**4,000**	4,000

The subsidiaries and related undertakings of Kent County Trading Limited are:

Name	Country of incorporation	Nature of business	Interest
Commercial Services Kent Limited	UK	Recruitment, waste and back office services	100% ordinary shares
Commercial Services Trading Limited	UK	Fleet procurement, landscape services and engineering	100% ordinary shares
Kent Top Temps Limited	UK	Non-trading	100% ordinary shares

All the above subsidiaries are directly owned and included in the consolidation.

COMPANIES HOUSE

GEN² Property Limited

Report and Financial Statements for the year ended 31 March 2018

Registration number 09834851

GEN² Property Limited

Company Information

Directors	SJ Hardwick- Chairman (Non-Executive) DJ Markey - CEO A Lattimer - (Non-Executive) DA Avery - (Non-Executive) D Smith - (Non-Executive) NPA Vickers - (Non-Executive)
Registered Number	09834851
Registered Office	Sessions House County Road Maidstone Kent ME14 1XQ
Independent Auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
Company Secretary	G Singh

GEN² Property Limited

Contents

GEN² Property Limited
Strategic Report
For the year ended 31 March 2018

Introduction

The Directors present their strategic report for the year ended 31 March 2018.

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. This is the second trading period for the company.

The directors are pleased with the performance of the company in the 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 31 October 2018 and signed on its behalf.

S.J Hardwick

Simon Hardwick
Chairman

GEN² Property Limited
Directors' Report
For the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Results and Dividends

The profit for the year after taxation, amounted to £935k (2017 : £1,093k)

A dividend of £541,739 was paid during year ended 31 March 2018

Directors

The Directors who served during the period were:

SJ Hardwick- Chairman (Non-Executive)
A Lattimer - (Non-Executive)
DA Avery - (Non-Executive)
D Smith - (Non-Executive)
CM Head - (Non-Executive) (Resigned 29 June 2017)
TI Mitchell – CEO (Resigned 25 August 2017)
RJ Hallett (Resigned 25 May 2017)
KM Stansfield – (Resigned 30 November 2017)
NPA Vickers – (Appointed 22 June 2017)
D Markey (Appointed 23 August 2017)

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.

GEN² Property Limited
Directors' Report
For the year ended 31 March 2018

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 31 October 2018 and signed on its behalf.

S.J. Hardwick

Simon Hardwick
Chairman

GEN² Property Limited
Directors' Responsibilities Statement
For the year ended 31 March 2018

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".
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.

Independent auditor's report to the members of Gen2 Property Limited

Opinion

We have audited the financial statements of Gen2 Property Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

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 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 in relation to which 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

Responsibilities of directors for the financial statements

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

Richard Hagley BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date 1 November 2018

GEN² Property Limited

Statement of Comprehensive Income for the year ended 31 March 2018

	Notes	2018	2017
		£000s	£000s
Turnover		8,251	7,788
Cost of sales		(5,452)	(5,278)
Gross profit		2,799	2,510
Administrative expenses/overheads		(1,861)	(1,419)
Profit from operations		938	1,091
Interest receivable		1	2
Profit on ordinary activities before taxation		939	1,093
Tax on profit on ordinary activities	6	(4)	-
Profit for the year		935	1,093

The notes on pages 14-19 form part of these financial statements

GEN² Property Limited

Statement of Financial Position as at 31 March 2018

	Notes	2018 £'000s	2017 £'000s
CURRENT ASSETS			
Trade debtors		78	138
Amounts due from parent undertaking		1,021	-
Cash at bank & in hand		1,687	1,887
TOTAL CURRENT ASSETS		2,786	2,025
CURRENT LIABILITIES			
Trade creditors		(668)	(703)
Other creditors	7	(632)	(229)
TOTAL CURRENT LIABILITIES		(1,300)	(932)
NET CURRENT ASSETS		1,486	1,093
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account		1,486	1,093
TOTAL CAPITAL AND RESERVES		1,486	1,093

These financial statements were approved by the Directors on 31 October 2018
and are signed on their behalf by:

P.J Hardwick

Simon Hardwick
Chairman

Registration number 09834851

GEN² Property Limited

Statement of Changes in Equity for the year

	Share Capital £'000s	Profit and loss account £'000s	Total equity £'000s
At 21 Oct 2015	-	-	-
Profit for the period	-	1,093	1,093
Total comprehensive income for the year	-	1,093	1,093
Total Transactions with owners – Issue of Shares	-	-	-
At 31 March 2017	-	1,093	1,093
Profit for the period	-	935	935
Total comprehensive income for the year	-	935	935
Dividend paid in year	-	(542)	(542)
At 31 March 2018	-	1,486	1,486

GEN² Property Limited

Notes to the financial statements for the year

1. **Statutory information**

GEN² 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 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.

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. Kent County Council have confirmed to the directors that it will provide financial support for at least 12 months from the date of approval of these financial statements. The directors are confident 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:

	2018 No.	2017 No.
Directors *	1	1
Employees	105	96
Total	**106**	**97**

* 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).

Notes to the financial statements for the year (Cont.)

4.2 Employment costs (excluding agency staff)

	2018	2017
	£'000	**£'000**
Salaries	3,709	2,821
National Insurance	366	287
Pensions	428	409
Total costs	**4,503**	**3,517**

4.3 Directors' remuneration

	2018	2017
	£'000	**£'000**
Remuneration *	361	241
Pension	19	10
Total	**380**	**251**

* Includes payments to third parties of ££114k (2017 : £131k)

4.4 Highest paid Director £116k (2017 : £131k)

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 £302k for the 17/18 year (2017 : £386k). Contributions owed as at 31 March 2018 are £nil (2017 : £31k).

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 £126k for the 17/18 year (16/17 : £23k) Contributions owed as at 31 March 2018 are £13k (2017 : £5k)

6 Tax on profit on ordinary activities

Corporation Tax	2018 £'000s	2017 £'000s
Current tax on profits for the period	178	219
Adjustment regarding ALMO Status of Company	(176)	(219)
Adjustments in respect of previous periods	2	-
Total Current tax	4	-
Deferred tax		
Origination and reversal of timing differences	-	-
Changes to tax rates	-	-
Effect of tax rate change on opening balance	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	4	0

GEN² Property Limited

Notes to the financial statements for the year (Cont.)

	2018 £'000s	2017 £'000s
Profit on ordinary activities before tax	939	1,093
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 19% (2017 : 20%)	178	219
Effects of:		
ALMO Status of Company	(176)	(219)
Adjustments to tax charge in respect of prior periods	2	-
Deferred taxation movement to be provided for	-	-
Total tax charge for the year	**4**	**0**

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.

GEN² Property Limited

Notes to the financial statements for the year (Cont.)

7 **Other creditors**

	2018	2017
	£'000	£'000
PAYE and NIC	65	89
Pensions contributions	53	53
Accruals	149.5	-
Performance related pay	-	44
Corporation Tax	5.5	-
VAT	359	43
Total	**632**	**229**

8 **Share Capital** **2018**

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

9 **Related party transactions**

PropVie Services Limited and Gen2 Property Limited are related parties by virtue of PropVie Services Limited being controlled by Lisa Charles, who is a member of key management personnel. During the period, the Company purchased services in the ordinary course of business from PropVie Services Limited totalling £85,896 (2017: Nil). As at 31 March 2018, the Company owed PropVie Services Limited £13,365 (2017: Nil).

10 **Dividend**

A dividend of £541,739 was paid during the year

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.

Invicta Law Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

THURSDAY
L7L6SBRH
LD8 20/12/2018 #26
COMPANIES HOUSE

Company Registration No. 10079679

Contents	**Page**

Officers and professional advisers

Directors
Amanda Baldwin
Christopher Digby-Bell
John Evans
Richard Hallett
Hedley Mayor
James Pigott
Guy Record

Company Secretary
Philip Paterson

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
2nd 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 year ended 31st March 2018. The company started trading on 1st June 2017.

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 year were as follows:
Amanda Baldwin
Christopher Digby-Bell
John Evans
Richard Hallett
Hedley Mayor
James Pigott
Guy Record
Geoffrey Wild (resigned 17th April 2018)

The directors are pleased with the progress that has been made by the compamy during its first ten months of trading, as the company made the transformation from an in house legal team to a commercial legal firm. The challenges over the first ten months of trading have been many, however the directors are pleased that the last three months of trading in the financial year were all profitable, and the trend has continued in April and May 2018.

The results do include costs in the first two months of the year where no income was received, as Invicta Law started to trade on the 1 June 17. The company was profit making for the last three months of the financial year, has significant cash reserves and a supportive shareholder. The directors fully expect to meet their profitable business plan for the forthcoming year and look forward to building on the solid foundations that have been laid in the first ten months of trading.

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.

Directors' report (continued)

Disclosure of information to Auditor

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 further losses being incurred for the year ended 31 March 2018, the company has become profitable with February and March showing a profit of £18k and £84k respectively. 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 therefore adopted the going concern basis in preparing the financial statements for the year ended 31 March 2018.

Each of the persons who are directors at the time when the 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 continue to be the company's auditor for the financial year ended 31 March 2018 covering the financial and SRA requirements. It will be proposed that they continue for next financial year at the next Annual General Meeting.

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.

Directors' report (continued)

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 FRS102 "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

21 June 2018

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

Opinion

We have audited the financial statements of Invicta Law Limited (the 'company') for the period ended 31 March 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 year for which the financial statements are prepared is consistent with the financial statements; and
- 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 material misstatements in the directors' report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements
As explained more fully in the directors' responsibilities statement pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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: 21 June 2018.

Invicta Law Limited
Profit and Loss Account
For the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover		**6,968,101**	**-**
Cost of sales		**(4,751,079)**	**-**
Gross profit		**2,217,022**	**-**
Administrative expenses		**(2,961,849)**	**(518,783)**
Operating Loss		**(744,827)**	**(518,783)**
Interest payable and similar expense	3	**(54,000)**	**(444)**
Loss on ordinary activities before taxation	4	**(798,827)**	**(519,227)**
Tax on loss on ordinary activities		**-**	**-**
Loss for the financial year attributable to the equity shareholders of the company		**(798,827)**	**(519,227)**

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 year other than as stated in the profit and loss account. No other comprehensive income was recognised.

The notes on pages 11-21 form part of these financial statements.

Invicta Law Limited
Balance Sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	6	429,266	158,717
Tangible assets	7	198,814	190,045
		628,080	348,762
Current assets			
Debtors	8	1,707,021	351,675
Cash at bank and in hand		1,619,461	1,825,859
		3,326,482	2,177,534
Creditors: amounts falling due within one year	9	(1,472,616)	(1,245,522)
Net current assets		1,853,866	932,012
Total assets less current liabilities		2,481,946	1,280,774
Creditors: amounts falling due after more than one year	10	(1,800,000)	(1,800,000)
Net assets/(liabilities)		681,946	(519,226)
Capital and reserves			
Called up share capital	11	200,000	1
Share premium account		1,800,000	-
Profit and loss account	12	(1,318,054)	(519,227)
		681,946	(519,226)

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 21 June 2018.

They were signed on its behalf by:

Hedley Mayor
Director

The notes on pages 11-21 form part of these financial statements.

Invicta Law Limited
Company Statement of Changes in Equity
As at 31 March 2018

	Called-up share capital	Share premium account	Profit and loss account	Total
	£ '000	£ '000	£ '000	£ '000
At 23 March 2016	1	-	-	1
Loss and total comprehensive income for the year	-	-	(519,227)	(519,227)
Issue of shares	-	-	-	-
Dividends paid	-	-	-	-
At 31 March 2017	1	-	(519,227)	(519,226)
Loss and total comprehensive income for the year	-	-	(798,827)	(798,827)
Issue of shares	199,999	-	-	199,999
Share premium reserve movements		1,800,000	-	1,800,000
Dividends paid	-	-	-	-
At 31 March 2018	**200,000**	**1,800,000**	**(1,318,054)**	**681,946**

1 Accounting policies

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

General information and basis of accounting

The Company is a private company limited by shares and is registered in England. 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 2006.

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 further losses being incurred for the year the company has become profitable with February and March showing a profit of £18k and £84k respectively, 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 therefore adopted the going concern basis in preparing the financial statements for the year ended 31 March 2018.

1. Accounting Policies (continued)

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.

If the net fair value of the identifiable assets and liabilities acquired exceeds the costs of a business combination, the excess up to the fair value of the 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 benefited.

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

1. Accounting Policies continued

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 year 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 recognised as above) is recognised in the period when the contingent event occurs.

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.

1. Accounting Policies (continued)

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.

1. Accounting Policies (continued)

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.

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 instrument 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 cost 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.

1. Accounting Policies (continued)

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.

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.

2. Critical accounting judgements (continued)
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

	2018	2017
	£	£
Other interest payable	54,000	444

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:	2018	2017
	£	£
Depreciation of tangible assets	63,512	3,650
Amortisation of intangible assets	36,902	-
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	29,000	7,500
Fees payable to the Company's auditor for services pursuant to legislation (SRA accounts rules)	20,000	-

5. Staff costs

(a) Total staff costs, including Directors

	2018	2017
	£	£
Wages and salaries	3,816,657	-
Social security costs	402,161	-
Pension costs	493,933	-
	4,712,751	-

The average monthly number of employees, including directors, during the period was 139 (2017: Nil).

(b) Directors' remuneration

	2018	2017
	£	£
Aggregate remuneration	327,183	-
Pension contributions paid to defined contribution schemes	44,395	-

Three directors received emoluments for their services during the year (2017: Nil) and were accruing benefits under defined contribution pension schemes.

The highest paid director was paid a salary of £134,167 along with pension benefits of £22,138.

6. Intangible assets

	Software development costs
	£
Cost	
At 1 April 2017	158,717
Additions	307,451
At 31 March 2018	**466,168**
Accumulated amortisation	
At 1 April 2017	-
Charge for the period	36,902
At 31 March 2018	36,902
Net book value	
At 31 March 2018	**429,266**
Net book value	
At 31 March 2017	158,717

7. Tangible fixed assets

	Leasehold improvements	Fixtures & equipment	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 April 2017	20,040	135,672	37,983	**193,695**
Additions	-	18,109	54,172	**72,281**
At 31 March 2018	**20,040**	**153,781**	**92,155**	**265,976**
Depreciation				
At 1 April 2017	334	2,261	1,055	**3,650**
Depreciation charge for the period	4,008	29,624	29,880	**63,512**
At 31 March 2018	**4,342**	**31,885**	**30,935**	**67,162**
Net book value				
At 31 March 2018	**15,698**	**121,896**	**61,220**	**198,814**
Net book value				
At 31 March 2017	19,706	133,411	36,928	190,045

8. Debtors

	2018	2017
	£	£
Trade Debtors	246,134	-
Prepayments	225,999	286,075
Accrued income	109,678	-
Amounts due from parent undertaking	1,112,666	-
Other Debtors	12,544	-
Tax receivable	-	65,600
	1,707,021	351,675

The amounts due from parent undertaking relate to trade debtors with the parent and are all due to be received in April 2018.

9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade Creditors	97,777	30,500
Social security and other taxes	465,455	-
Other Creditors	139,536	-
Accruals	349,954	49,332
Amount owed to the parent undertaking	419,894	1,165,690
	1,472,616	1,245,522

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

	2018	2017
	£	£
Amount owed to parent undertaking	1,800,000	1,800,000

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. Invicta Law has the right to repay all or part of the debt at any time for its carrying amount by giving 28 days notice to the lender.

11. Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid:		
Ordinary shares of £1 each	200,000	1

In February 2018 the company received £2m from Kent County Council to satisfy the issue of 1,999,990 new 10 pence shares.

12. Reserves

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

13. Financial commitments

At 31 March 2018, the company had total future commitments under non-cancellable operating leases as follows:	2018	2017
	£	£
Land and Buildings		
Within one year	215,840	215,840
Between two to five years	647,520	863,360
	863,360	1,079,200

14. Capital commitments

The company had no capital or other commitments at 31 March 2018.

15. Events after the end of the Reporting Period

There are no reportable post balance sheet events.

16. Related party transactions

During the year the company purchased goods and services amounting to £411,150 (2017: nil) from Kent County Council. During the year the company sold services to the value of £6,657,982 (2017: nil) to Kent County Council.

17. Controlling party

The ultimate controlling party of the company is Kent County Council who own 100% of the issued share capital.