

**BUSINESS LINK (KENT) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST MARCH 2004**

**Company Registration Number 3000723**



**BURGESS HODGSON**  
Chartered Accountants & Registered Auditors  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

# **BUSINESS LINK (KENT) LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31ST MARCH 2004**

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# BUSINESS LINK (KENT) LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31ST MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2004.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was to improve the competitiveness of small and medium sized enterprises through the delivery of a variety of services and by providing access to the information, skills, knowledge and advice they need to succeed.

The company is also an active partner with a number of key entities in Kent and throughout the South East that seek to promote the economic prosperity of the region.

#### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Under the terms of the Memorandum and Articles of Association the company may not distribute profits to its members.

#### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 March 2004	1 April 2003 or later date of appointment
B W C Bond		3	3
C S Newell		—	—
A D Buddin		—	—
J E Baker	Resigned 15.12.03	—	—
P M Kitching	Resigned 21.06.04	—	—
Mrs C L Coday		—	—
R Plunkett		—	—
A C Bryant		—	—
J W Faulkner		2	2
R R Clewley		3	—
P Winter		2	—
Mrs J M Behl	Appointed 29.04.03	—	—
Ms A J Ledger	Appointed 03.11.03	—	—

The directors have a non-beneficial interest in the shares that they hold.

**BUSINESS LINK (KENT) LIMITED****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31ST MARCH 2004****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**AUDITORS**

A resolution to re-appoint Burgess Hodgson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
26 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4AE

Signed by order of the directors



C S NEWELL  
Company Secretary

Approved by the directors on 13/9/04.....

**BUSINESS LINK (KENT) LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST MARCH 2004**

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

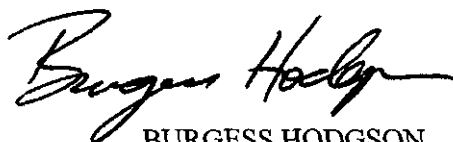
**BUSINESS LINK (KENT) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS** *(continued)*

**YEAR ENDED 31ST MARCH 2004**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2004 and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



BURGESS HODGSON  
Chartered Accountants  
& Registered Auditors

Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

*4 October 2004*

**BUSINESS LINK (KENT) LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST MARCH 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	10,508,609	9,421,963
Cost of sales		5,612,609	4,927,581
<b>GROSS SURPLUS</b>		4,896,000	4,494,382
Administrative expenses		4,995,229	4,282,766
<b>OPERATING (DEFICIT) / SURPLUS</b>	<b>3</b>	(99,229)	211,616
Interest receivable		50,484	32,521
<b>(DEFICIT) / SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(48,745)	244,137
Tax on surplus / (deficit) on ordinary activities	<b>6</b>	9,592	5,349
<b>DEFICIT FOR THE FINANCIAL YEAR</b>		<u>(58,337)</u>	<u>238,788</u>

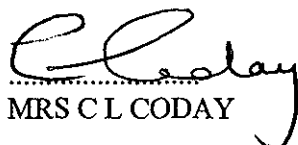
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

**BUSINESS LINK (KENT) LIMITED****BALANCE SHEET****31ST MARCH 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	7	121,216	97,679
<b>CURRENT ASSETS</b>			
Debtors	8	1,693,909	2,193,666
Cash at bank		1,922,178	1,170,170
		<u>3,616,087</u>	<u>3,363,836</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>2,505,058</u>	<u>2,170,933</u>
<b>NET CURRENT ASSETS</b>		<u>1,111,029</u>	<u>1,192,903</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,232,245</u>	<u>1,290,582</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	10	10
Other reserves	13	587,595	587,595
Income and expenditure account	13	644,640	702,977
<b>SHAREHOLDERS' FUNDS</b>	14	<u>1,232,245</u>	<u>1,290,582</u>

These financial statements were approved by the directors on the 13/09/04 and are signed on their behalf by:

  
MRS C L CODAY

  
R R CLEWLEY



**BUSINESS LINK (KENT) LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31ST MARCH 2004**

	Note	2004 £	2003 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	15	810,625	(351,420)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	15	50,484	32,521
TAXATION	15	(5,349)	(6,661)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	15	(103,752)	(102,512)
(DECREASE)/INCREASE IN CASH	15	<u>752,008</u>	<u>(428,072)</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Also included in turnover are grants received from UK and European governments

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 3 years straight line
Computer Equipment	- 3 years straight line

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the income and expenditure account.

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
United Kingdom	<u>10,508,609</u>	<u>9,421,963</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**3. OPERATING DEFICIT**

Operating deficit is stated after charging:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	79,195	85,419
Auditors' remuneration		
- as auditors	<u>5,000</u>	<u>6,000</u>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	<b>2004</b>	<b>2003</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	11	11
Number of management staff	11	11
Number of programme staff	85	63
	<u>107</u>	<u>85</u>

The aggregate payroll costs of the above were:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,977,753	2,499,250
Social security costs	309,165	257,214
Other pension costs	208,879	196,406
	<u>3,495,797</u>	<u>2,952,870</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	389,256	361,421
Value of company pension contributions to money purchase schemes	34,292	32,892
	<u>423,548</u>	<u>394,313</u>

**Emoluments of highest paid director:**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Total emoluments (excluding pension contributions):	117,653	101,925
Value of company pension contributions to money purchase schemes	12,408	11,000
	<u>130,061</u>	<u>112,925</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**5. DIRECTORS' EMOLUMENTS** *(continued)*

The number of directors who are accruing benefits under company pension schemes was as follows:

	2004	2003
	No	No
Money purchase schemes	<u>5</u>	<u>5</u>

**6. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19 % (2003 - 16.45%)	<u>9,592</u>	<u>5,349</u>
Total current tax	<u>9,592</u>	<u>5,349</u>

**7. TANGIBLE FIXED ASSETS**

	Furniture and Office Equipment	Computer Equipment	Total
	£	£	£
<b>COST</b>			
At 1st April 2003	39,893	228,707	268,600
Additions	10,362	93,390	103,752
Disposals	—	(18,022)	(18,022)
<b>At 31st March 2004</b>	<u>50,255</u>	<u>304,075</u>	<u>354,330</u>
<b>DEPRECIATION</b>			
At 1st April 2003	22,439	148,482	170,921
Charge for the year	15,187	64,008	79,195
Depreciation on Disposals	—	(17,002)	(17,002)
<b>At 31st March 2004</b>	<u>37,626</u>	<u>195,488</u>	<u>233,114</u>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2004</b>	<u>12,629</u>	<u>108,587</u>	<u>121,216</u>
At 31st March 2003	<u>17,454</u>	<u>80,225</u>	<u>97,679</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**8. DEBTORS**

	2004	2003
	£	£
Trade debtors	848,157	611,858
VAT recoverable	98,625	112,276
Other debtors	16,418	999,352
Prepayments and accrued income	730,709	470,180
	<u>1,693,909</u>	<u>2,193,666</u>

**9. CREDITORS: Amounts falling due within one year**

	2004	2003
	£	£
Trade creditors	152,781	261,373
Corporation tax	9,592	5,349
PAYE and social security	94,165	128,137
Accruals and deferred income	2,248,520	1,776,074
	<u>2,505,058</u>	<u>2,170,933</u>

**10. COMMITMENTS UNDER OPERATING LEASES**

At 31st March 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets Other Than Land &amp; Buildings</b>	
	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	1,285	—
Within 2 to 5 years	10,083	15,224
	<u>11,368</u>	<u>15,224</u>

**11. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under FRS 8.

**12. SHARE CAPITAL**

**Authorised share capital:**

	2004	2003
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>

**BUSINESS LINK (KENT) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2004****13. RESERVES**

	<b>Capital Reserve</b>	<b>Income and expenditure account</b>
	<b>£</b>	<b>£</b>
Balance brought forward	587,595	702,977
Retained surplus for the year	—	(58,337)
Balance carried forward	<u>587,595</u>	<u>644,640</u>

The Capital reserve represents a capital contribution from The Learning and Business Link Company Limited of £587,595.

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Deficit for the financial year	(58,337)	238,788
Opening shareholders' equity funds	1,290,582	1,051,794
Closing shareholders' equity funds	<u>1,232,245</u>	<u>1,290,582</u>

**15. NOTES TO THE STATEMENT OF CASH FLOWS****RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating (deficit) / surplus	(99,229)	211,616
Depreciation	79,195	85,419
Decrease/(increase) in stocks	—	4,473
Decrease/(increase) in debtors	499,757	(1,032,914)
Increase in creditors	329,882	379,986
Asset Disposals	1,020	—
Net cash (outflow)/inflow from operating activities	<u>810,625</u>	<u>(351,420)</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Interest received	50,484	32,521
Net cash inflow from returns on investments and servicing of finance	<u>50,484</u>	<u>32,521</u>