

**BUSINESS LINK (KENT) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR**  
**31ST MARCH 2003**

**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 2003**

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# **BUSINESS LINK (KENT) LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31ST MARCH 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2003.

#### **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:

		<b>Ordinary Shares of £1 each</b>	
		<b>At</b>	<b>At</b>
		<b>31 March 2003</b>	<b>1 April 2002 or later date of appointment</b>
B W C Bond		3	3
C S Newell		—	—
A D Buddin		—	—
J E Baker		—	—
P M Kitching		—	—
Mrs C L Coday		—	—
R Plunkett		—	—
A C Bryant		—	—
J W Faulkner		2	2
R R Clewley	(Appointed 27 November 2002)	—	—
P Winter	(Appointed 23 October 2002)	—	—
A T Porter	(Resigned 8 July 2002)	—	—
J Leigh Pemberton CBE	(Resigned 25 March 2003)	—	—

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 2003

#### 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.

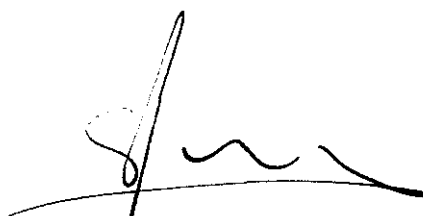
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding 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 29/9/03.....

**BUSINESS LINK (KENT) LIMITED****INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST MARCH 2003**

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.

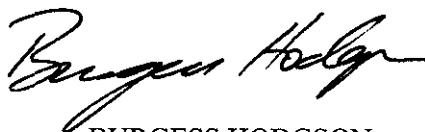
**BUSINESS LINK (KENT) LIMITED**

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

**YEAR ENDED 31ST MARCH 2003**

**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 2003 and of its surplus 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

*1st October 2003*

**BUSINESS LINK (KENT) LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31ST MARCH 2003**

	Note	2003 £	2002 £
<b>TURNOVER</b>	<b>2</b>	9,421,963	9,509,716
Cost of sales		4,927,581	4,670,214
<b>GROSS SURPLUS</b>		4,494,382	4,839,502
Administrative expenses		4,282,766	4,437,709
<b>OPERATING SURPLUS</b>	<b>3</b>	211,616	401,793
Interest receivable		32,521	35,162
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		244,137	436,955
Tax on surplus on ordinary activities	<b>6</b>	5,349	6,661
<b>RETAINED SURPLUS FOR THE FINANCIAL YEAR</b>		238,788	430,294

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 2003**

	Note	2003 £	£	2002 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		97,679		80,586
<b>CURRENT ASSETS</b>					
Stocks	8	—		4,473	
Debtors	9	2,193,666		1,160,752	
Cash at bank		1,170,170		1,598,242	
		<u>3,363,836</u>		<u>2,763,467</u>	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>2,170,933</u>		<u>1,792,259</u>	
<b>NET CURRENT ASSETS</b>			1,192,903		971,208
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,290,582</u>		<u>1,051,794</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	13		10		10
Other reserves	14		587,595		587,595
Income and expenditure account	14		702,977		464,189
<b>SHAREHOLDERS' FUNDS</b>	15		<u>1,290,582</u>		<u>1,051,794</u>

These financial statements were approved by the directors on the 29th Sep 2003 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 2003**

	Note	2003 £	£	2002 £	£
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>16</b>		<b>(351,420)</b>		<b>1,441,573</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>16</b>		<b>32,521</b>		<b>35,162</b>
<b>TAXATION</b>	<b>16</b>		<b>(6,661)</b>		<b>—</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>16</b>		<b>(102,512)</b>		<b>(128,493)</b>
<b>(DECREASE)/INCREASE IN CASH</b>	<b>16</b>		<b>(428,072)</b>		<b>1,348,242</b>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2003**

**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>9,421,963</u>	<u>9,509,716</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2003**

**3. OPERATING SURPLUS**

Operating surplus is stated after charging:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	85,419	85,502
Auditors' remuneration		
- as auditors	<u>6,000</u>	<u>5,020</u>

**4. PARTICULARS OF EMPLOYEES**

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

	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	11	12
Number of management staff	11	6
Number of programme staff	<u>63</u>	<u>67</u>
	<u>85</u>	<u>85</u>

The aggregate payroll costs of the above were:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,499,250	2,299,927
Social security costs	257,214	206,331
Other pension costs	<u>196,406</u>	<u>163,394</u>
	<u>2,952,870</u>	<u>2,669,652</u>

**5. DIRECTORS' EMOLUMENTS**

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	361,421	310,403
Value of company pension contributions to money purchase schemes	<u>32,892</u>	<u>22,660</u>
	<u>394,313</u>	<u>333,063</u>

**Emoluments of highest paid director:**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Total emoluments (excluding pension contributions):	101,925	96,376
Value of company pension contributions to money purchase schemes	<u>11,000</u>	<u>10,500</u>
	<u>112,925</u>	<u>106,876</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2003**

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

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

	2003	2002
	No	No
Money purchase schemes	<u>5</u>	<u>5</u>

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

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 16.45% (2002 - 18.95%)	<u>5,349</u>	<u>6,661</u>
Total current tax	<u>5,349</u>	<u>6,661</u>

**7. TANGIBLE FIXED ASSETS**

	Furniture and Office Equipment	Computer Equipment	Total
	£	£	£
<b>COST</b>			
At 1st April 2002	27,423	138,665	166,088
Additions	12,470	90,042	102,512
<b>At 31st March 2003</b>	<u>39,893</u>	<u>228,707</u>	<u>268,600</u>
<b>DEPRECIATION</b>			
At 1st April 2002	9,141	76,361	85,502
Charge for the year	13,298	72,121	85,419
<b>At 31st March 2003</b>	<u>22,439</u>	<u>148,482</u>	<u>170,921</u>
<b>NET BOOK VALUE</b>			
<b>At 31st March 2003</b>	<u>17,454</u>	<u>80,225</u>	<u>97,679</u>
At 31st March 2002	<u>18,282</u>	<u>62,304</u>	<u>80,586</u>

**8. STOCKS**

	2003	2002
	£	£
Work in progress	<u>—</u>	<u>4,473</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2003**

**9. DEBTORS**

	2003	2002
	£	£
Trade debtors	611,858	466,909
VAT recoverable	112,276	134,796
Other debtors	999,352	208,137
Prepayments and accrued income	470,180	350,910
	<u>2,193,666</u>	<u>1,160,752</u>

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

	2003	2002
	£	£
Trade creditors	261,373	103,934
Corporation tax	5,349	6,661
PAYE and social security	128,137	69,239
Accruals and deferred income	1,776,074	1,612,425
	<u>2,170,933</u>	<u>1,792,259</u>

**11. COMMITMENTS UNDER OPERATING LEASES**

At 31st March 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets Other Than Land &amp; Buildings</b>	
	2003	2002
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>27,929</u>	<u>10,083</u>

**12. RELATED PARTY TRANSACTIONS**

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

**13. SHARE CAPITAL**

**Authorised share capital:**

	2003	2002
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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

	2003		2002	
	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 2003**

**14. RESERVES**

	<b>Capital Reserve</b>	<b>Income and expenditure account</b>
	<b>£</b>	<b>£</b>
Balance brought forward	587,595	464,189
Retained surplus for the year	—	238,788
Balance carried forward	<u>587,595</u>	<u>702,977</u>

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

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Surplus for the financial year	238,788	430,294
Opening shareholders' equity funds	1,051,794	621,500
Closing shareholders' equity funds	<u>1,290,582</u>	<u>1,051,794</u>

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating surplus	211,616	401,793
Depreciation	85,419	85,502
Decrease/(increase) in stocks	4,473	(4,473)
Increase in debtors	(1,032,914)	(704,492)
Increase in creditors	379,986	1,663,243
Net cash (outflow)/inflow from operating activities	<u>(351,420)</u>	<u>1,441,573</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Interest received	<u>32,521</u>	<u>35,162</u>
Net cash inflow from returns on investments and servicing of finance	<u>32,521</u>	<u>35,162</u>

**BUSINESS LINK (KENT) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2003**

**16. NOTES TO THE STATEMENT OF CASH FLOWS** *(continued)*

**TAXATION**

	2003 £	2002 £
TAXATION	<u>(6,661)</u>	<u>—</u>

**CAPITAL EXPENDITURE**

	2003 £	2002 £
Payments to acquire tangible fixed assets	<u>(102,512)</u>	<u>(128,493)</u>
<b>Net cash outflow from capital expenditure</b>	<u><b>(102,512)</b></u>	<u><b>(128,493)</b></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2003 £	2002 £
(Decrease)/Increase in cash in the period	<u>(428,072)</u>	<u>1,348,242</u>
Movement in net funds in the period	<u>(428,072)</u>	<u>1,348,242</u>
Net funds at 1 April 2002	<u>1,598,242</u>	<u>250,000</u>
Net funds at 31 March 2003	<u><b>1,170,170</b></u>	<u><b>1,598,242</b></u>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Apr 2002 £	Cash flows £	At 31 Mar 2003 £
Net cash:			
Cash in hand and at bank	<u>1,598,242</u>	<u>(428,072)</u>	<u>1,170,170</u>
Net funds	<u><b>1,598,242</b></u>	<u><b>(428,072)</b></u>	<u><b>1,170,170</b></u>