

Knowledge Transfer Network Limited
(a company limited by guarantee)

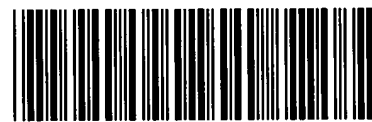
Report and Financial Statements

Year Ended

30 June 2016

Company Number 08705643

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Knowledge Transfer Network Limited

(a company limited by guarantee)

Report and financial statements for the year ended 30 June 2016

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Directors

C C Warkup
T C Sawyer
D K Lawrence
P M Finan
D W Prest
M J Scott
F H Wainwright
S Jones

Secretary and registered office

C Callow, Business Design Centre, 52 Upper Street, Islington, London, N1 0QH

Company number

08705643

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

Knowledge Transfer Network Limited

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Report of the directors for the year ended 30 June 2016

The directors present their report together with the audited financial statements for the year ended 30 June 2016.

Results and dividends

The statement of income is set out on page 5 and shows the surplus for the year.

Principal activity

The principal activity of the company during the year was the promotion of innovation within the UK.

Directors

The directors of the company during the year were:

D C Lockwood (resigned on 31 March 2016)
C C Warkup
T C Sawyer
D K Lawrence
P M Finan
D W Prest
M J Scott
R K Bryan (resigned on 31 March 2016)
F H Wainwright
S Jones

Directors' responsibilities

The directors are responsible for preparing 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 year. 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). 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; 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.

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Report of the directors for the year ended 30 June 2016 (*continued*)

Provision 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 have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

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

This report was approved by the board on ²⁸ February 2017 and signed on its behalf.



C C Warkup
Director

Knowledge Transfer Network Limited

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Independent auditor's report

TO THE MEMBERS OF KNOWLEDGE TRANSFER NETWORK LIMITED

We have audited the financial statements of Knowledge Transfer Network Limited for the year ended 30 June 2016 which comprise the statement of income and expenditure, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' Section 1A Small entities.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the directors' report.

Knowledge Transfer Network Limited

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Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

BDO LLP

Nick Gibb (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom

Date 7 March 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Knowledge Transfer Network Limited

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Statement of income for the year ended 30 June 2016

	Note	2016 £	2015 £
Turnover		392,056	209,017
Grant income		15,199,751	14,405,491
Administrative expenses		(15,428,169)	(14,492,322)
Surplus on ordinary activities before tax	3	163,638	122,186
Taxation	6	(36,649)	(39,204)
Surplus after tax		126,989	82,982

The results stated above are derived from continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

Knowledge Transfer Network Limited

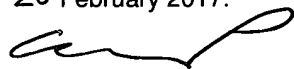
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Balance sheet at 30 June 2016

Company number 08705643	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	7		46,448		108,378
Current assets					
Debtors	8	1,749,693		2,509,476	
Cash at bank		3,295,515		1,463,986	
		<u>5,045,208</u>		<u>3,973,462</u>	
Creditors: amounts falling due within one year	9	(424,012)		(701,429)	
Net current assets			<u>4,621,196</u>		<u>3,272,033</u>
Total assets less current liabilities			<u>4,667,644</u>		<u>3,380,411</u>
Provisions for liabilities					
Deferred taxation	11		(7,536)		(14,848)
Other provisions	12		(76,815)		-
Deferred income	10		<u>(4,373,322)</u>		<u>(3,282,581)</u>
Net assets			<u>209,971</u>		<u>82,982</u>
Capital and reserves	16		<u>209,971</u>		<u>82,982</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2017.



C C Warkup
Director

The notes on pages 7 to 12 form part of these financial statements.

Knowledge Transfer Network Limited

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Notes forming part of the financial statements for the year ended 30 June 2016

1 Accounting policies

Knowledge Transfer Network Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the directors' report on pages 1 and 2.

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities.

Information on the impact of first-time adoption of section 1A in FRS 102 is given in note 18.

Basis of measurement

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

As permitted by the Companies Act, the statement of comprehensive income has been prepared as a statement of income and expenditure as the company is a not for profit organisation.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied:

Turnover

Turnover relates to income for activities or events and is recognised as and when the relevant activity or event takes place. Amounts that have been invoiced but the relevant activity or event has not taken place are included in deferred income.

Grant income

Income from grants is included to the extent of the expenditure incurred during the period and comprises grants recognised by the company, inclusive of irrecoverable Value Added Tax. Grants not recognised in the period are included in creditors as deferred income. Where income from grants is expected to be received by the company on expenditure incurred in the period such income is included in debtors as accrued income.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following basis:

- | | |
|-------------------------------|---|
| Leasehold improvements | - over the life of the period during which the company is expected to receive continued funding |
| Computer and office equipment | - expensed directly to the statement of income account in full in the year of acquisition as the useful economic life of these assets is not expected to exceed 12 months. It is the directors' intention to replace these on a regular basis |

Pensions

The company contributes to personal pensions on behalf of its employees and operates a defined contribution pension scheme. The pension charge represents the amounts payable by the company to the fund in respect of the period. The assets of the company's scheme are held separately from those of the company in an independently administered fund.

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Notes forming part of the financial statements for the year ended 30 June 2016 (*continued*)

1 Accounting policies (*continued*)

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Holiday accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and is carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date. The company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Impairment of debtors (see note 8)*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

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Notes forming part of the financial statements for the year ended 30 June 2016 (continued)

3 Operating surplus

	2016 £	2015 £
This has been arrived at after charging:		
Auditors' remuneration	13,500	11,400
Operating leases	485,444	313,118
Pension costs	1,165,222	577,503
	<u> </u>	<u> </u>

4 Staff costs

	2016 Number	2015 Number
The average monthly number of employees, including the directors, during the year was as follows:		
	157	140
	<u> </u>	<u> </u>

5 Directors' remuneration

	2016 £	2015 £
Directors' remuneration consists of:		
Aggregate remuneration	199,045	181,951
	<u> </u>	<u> </u>

During the year retirement benefits were accruing to 1 (2015 - 1) director in respect of defined contribution pension schemes.

6 Taxation

	2016 £	2015 £
Analysis of tax charge in the year		
<i>Current tax</i>		
UK corporation tax charge on surplus for the year	43,961	-
Adjustments in respect of prior periods	-	24,356
<i>Deferred tax (see note 11)</i>		
Origination and reversal of timing differences	(7,312)	14,848
	<u> </u>	<u> </u>
Tax on surplus on ordinary activities	36,649	39,204
	<u> </u>	<u> </u>

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Notes forming part of the financial statements for the year ended 30 June 2016 (continued)

7 Tangible fixed assets

	Leasehold improvements £
<i>Cost</i>	
At 1 July 2015 and at 30 June 2016	117,715
<i>Depreciation</i>	
At 1 July 2015	9,337
Depreciation	61,930
At 30 June 2016	71,267
<i>Net book value</i>	
At 30 June 2016	46,448
At 30 June 2015	108,378

8 Debtors

	2016 £	2015 £
Trade debtors	58,843	143,126
Prepayments and accrued income	1,680,348	2,363,033
Other debtors	10,502	3,317
	1,749,693	2,509,476

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	19,496	246,553
Other taxation and social security	14,704	956
Accruals and deferred income	345,851	453,383
Other creditors	-	537
Corporation tax liability	43,961	-
	424,012	701,429

There are no amounts included under 'creditors' which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years beginning with the day next following reporting date.

There are no amounts included under 'creditors' in respect of which any security has been given by the small entity.

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Notes forming part of the financial statements for the year ended 30 June 2016 (continued)

10 Deferred income

	2016 £	2015 £
Deferred income	4,373,322	3,282,581

11 Deferred taxation

	2016 £	2015 £
At beginning of year	14,848	-
Charge to statement of income and expenditure	(7,312)	14,848
At end of year	7,536	14,848

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Fixed asset timing differences	7,536	14,848

12 Other provisions

The movements in the provisions during the year were:

	Redundancy provision 2016 £
At 1 July 2015	-
Charge to statement of income and expenditure	76,815
At 30 June 2016	76,815

13 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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Notes forming part of the financial statements for the year ended 30 June 2016 (continued)

14 Pension commitments

The company contributes to personal pensions on behalf of its employees and operates a defined contribution scheme. The pension charge represents the amounts payable by the company to the personal pensions in respect of the year and amounted to £1,165,222 (2015 - £577,503). Contributions totalling £Nil (2015 - £Nil) including amounts payable on behalf of the employees were payable to the personal pensions and defined contribution pension scheme at the balance sheet date.

15 Operating lease commitments

At 30 June 2016 the company had total minimum commitments under non-cancellable operating leases as set out below:

	2016 £	2015 £
Operating lease commitments which are owed:		
Within one year	276,661	317,124
Between one and five years	7,729	43,726

16 Reserves

	Profit and loss account £
At 1 July 2015	82,982
Surplus for the year	126,989
At 30 June 2016	209,971

17 Related party transactions

During the year ended 30 June 2016, the company paid £12,778 (2015 - £39,222) to BPE Solicitors for legal and professional services provided on an arm's length basis on normal trading terms. R K Bryan, a director during the year, is a partner in BPE Solicitors.

At the year end the company owed BPE Solicitors £Nil (2015 - £Nil).

18 First time adoption of FRS 102

This is the first year that the company has prepared its financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The last financial statements prepared in accordance with accounting standards previously applicable in the United Kingdom and the Republic of Ireland were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. There are no changes to previously reported surplus and deficit and capital and reserves between the previous accounting framework and FRS 102.