

**Locate in Kent Limited
(Limited by Guarantee)**

**Directors' report and financial
statements**

Registered number 3230721

31 March 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2001.

Principal activities

The company's aim is to encourage companies to relocate to Kent and Medway from the UK and overseas, thereby increasing the prosperity of the area through economic development and employment opportunities. The company actively markets the area and provides a competitive support package for potential investors.

Business review

On 23 June 2000, the company became fully independent of The Learning and Business Link Company Limited who resigned its membership in connection with that company's planned cessation of activities.

During the year the company relocated office premises. The company is now fully independent and, in consequence of the relocation, some additional costs have been incurred. However, the company is in a strong position to continue to move forward and achieve its objectives.

The results for the year are set out in the Income and Expenditure account on page 4.

Directors and directors' interests

The directors who held office during the year were as follows:

	Appointed	Resigned
Sir Graeme Odgers*	Chairman	
P Wookey*	Chief Executive	
Sir A Hunter	Deputy Chairman	
M G Evans*		
A Freudman		
A King		
D Wilson*		
R Pyle		
P Hudson		
R J Thompson	17 November 2000	
S P Norton	13 February 2001	
Sir J Gurgeon	5 May 2000	24 April 2001
T Bentley		24 April 2001
M Hume	9 August 2000	7 March 2001
M Allan*		1 March 2001
S Kingsman		9 August 2000
S Hohler		5 May 2000

* Members of the Finance and Remuneration Committee

Directors' report *(continued)*

Corporate Governance Policy

The Board meets quarterly and currently comprises 10 non-executive directors and the Chief Executive. The Finance and Remuneration Committee meets at least quarterly, between the board meetings, in order to monitor the financial position of the company. The core business is managed by the Chief Executive and his Senior Management Team, who provide day to day control over the business operations.

Political and charitable contributions

There were no political or charitable donations made during the year.

Statement of 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 and of the surplus or deficit for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



Mark Smith
Secretary

6 July 2001

26 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4AE



PO BOX 548
Maidstone
Kent
ME15 6GP

Report of the auditors to the members of Locate in Kent Limited (Limited by Guarantee)

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
*Chartered Accountants
Registered Auditors*

6 July 2001

Income and Expenditure account
for the year ended 31 March 2001

	Note	2001 £	2000 £
Income			
Contributions from members	2	912,581	874,818
Sponsorship and other income		357,107	150,000
Bank interest		24,478	21,821
		1,294,166	1,046,639
Expenditure			
Marketing expenses		456,525	444,830
Administration expenses		339,932	103,966
Wages and salaries	4,5	473,231	476,022
		1,269,688	1,024,818
Surplus of income over expenditure before taxation	3	24,478	21,821
Taxation	6	(4,896)	(4,364)
Surplus of income over expenditure for the year		19,582	17,457
Reserves at the beginning of the year		16,378	(1,079)
Reserves at the end of the year		35,960	16,378

The company had no recognised gains or losses other than those shown above, all of which are derived from continuing activities. The notes on pages 6 to 10 form part of these financial statements.

Balance Sheet
(Limited by Guarantee)
at 31 March 2001

	<i>Note</i>	2001 £	2000 £	£
Fixed assets				
Tangible assets	7	9,973		14,205
Current assets				
Debtors	8	47,522	96,971	
Cash at bank and in hand		207,935	241,987	
		<u>255,457</u>	<u>338,958</u>	
Creditors: amounts falling due within one year	9	<u>(229,470)</u>	<u>(336,785)</u>	
Net current assets		<u>25,987</u>		2,173
Net assets		<u>35,960</u>		16,378
Capital and reserves				
Accumulated funds		<u>35,960</u>		16,378

These financial statements were approved by the board of directors on
were signed on its behalf by:

6 July 2001

and

Paul Wookey

Paul Wookey
Director

Mike Gens

Coranne Edges

Notes

(forming part of the financial statements)

1 Company status

The company is limited by guarantee and has no issued share capital. The members of the company at 31 March 2001 were Kent County Council, Kent Developers Group and Sir Graeme Odgers. The liability of the members shall not exceed £1.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Contributions

Contributions have been received from the members for the company to apply as it sees fit. Under the Memorandum of Association, revised 5 May 2000, these contributions can only be used to further the objectives of the company. To the extent that contributions received exceed expenditure in the period, the excess is carried forward to meet expenditure in a future period.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer Equipment - 2 years

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company does not operate a pension scheme for its employees. Contributions are made to employees' personal pension plans and are charged to the income and expenditure account as incurred.

Taxation

The charge for taxation is based on the surplus for the year.

Notes (continued)

3 Surplus of income over expenditure on ordinary activities before taxation

	2001 £	2000 £
<i>Surplus on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration	6,750	6,500
Depreciation and other amounts written off tangible fixed assets	9,230	12,354
Exchange losses	38	-
Hire of plant and machinery	30,658	34,480

4 Remuneration of directors

	2001 £	2000 £
Directors' emoluments	-	24,487
Company contributions to money purchase pension schemes	-	2,166
Amounts paid to Kent County Council in respect of a director's services	83,457	61,631
	83,457	88,284

The non-executive directors do not receive payment for their services as Directors.

5 Staff numbers and costs

The average number of persons engaged by the company (including the Chief Executive) during the year, was 13 (2000: 13) with an aggregated payroll cost as follows:

	2001 £	2000 £
Wages and salaries	406,268	410,303
Social security costs	34,516	36,460
Other pension costs	32,447	29,259
	473,231	476,022

Notes (continued)

6 Taxation

	2001 £	2000 £
<i>UK corporation tax</i>		
Current tax on income for the period	4,896	4,364

7 Tangible fixed assets

	Computer Equipment £
<i>Cost</i>	
At beginning of year	30,846
Additions	5,423
Disposals	(600)
At end of year	35,669
<i>Depreciation</i>	
At beginning of year	16,641
Charge for year	9,230
Disposals	(175)
At end of year	25,696
<i>Net book value</i>	
At 31 March 2001	9,973
At 31 March 2000	14,205

8 Debtors

	2001 £	2000 £
Trade debtors	10,550	-
Other debtors	24,909	94,672
Prepayments and accrued income	12,063	2,299
	47,522	96,971

Notes (continued)

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	24,510	1,206
Corporation tax	4,896	4,364
Amounts owed to parent company	-	21,964
Taxation and social security	10,288	-
Other creditors	24,391	-
Accruals and deferred income	165,385	309,251
	<u>229,470</u>	<u>336,785</u>

10 Commitments

(a) Annual commitments under non-cancellable operating leases are as follows:

	2001 Land and buildings £	Other £	2000 Land and buildings £	Other £
Operating leases which expire:				
Within one year	-	-	-	10,683
In the second to fifth years inclusive	-	27,585	-	7,672
Over five years	-	-	-	-
	<u>-</u>	<u>27,585</u>	<u>-</u>	<u>18,355</u>

11 Related Party Transactions

Until 23 June 2000, the company was a wholly owned subsidiary of The Learning and Business Link Company Limited, and has chosen not to disclose related party transactions with other group companies under the exemption granted under Financial Reporting Standard 8.

From 23 June 2000 the company has been independent with three new members. The following transactions with the members have occurred during the year.

Member	Nature of transaction	Amount £
Kent Developers Group	Sponsorship	140,000
Kent County Council	Contribution	762,523
Kent County Council	Recharge of Director's services	83,457
Kent County Council	Provision of premises	22,233

Notes *(continued)*

12 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company was a subsidiary undertaking of The Learning and Business Link Company Limited, which is incorporated in England and Wales. On 23 June 2000, The Learning and Business Link Company Limited resigned its membership of the company, with three new members accepted in its place. From that date the company is independent.

The financial statements for The Learning and Business Link Company Limited are available to the public and may be obtained from 26 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4AE.