

COMPANY REGISTRATION NUMBER 06937002

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE
UNAUDITED FINANCIAL STATEMENTS
30 SEPTEMBER 2016**

BURGESS HODGSON LLP

Chartered Accountants
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

CONTENTS	PAGE
Directors' report	1
Income and expenditure account	4
Balance sheet	5
Notes to the financial statements	6
The following pages do not form part of the financial statements	
Chartered accountants' report to the board of directors	11
Detailed income and expenditure account	12
Notes to the detailed income and expenditure account	13

CANTERBURY CONNECTED CIC COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2016

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2016.

BUSINESS REVIEW

The report reflects the activities of Canterbury Connected CIC in running the Canterbury Connected Business Improvement District (BID) in the second year of its five year term, from 1st October 2015 to 30th September 2016.

Income is derived from the BID levy; voluntary contributions from seven local organisations who are either not levy payers but wish to contribute as they support the BID in its ongoing activities (Lenleys, University of Kent, Canterbury Archaeological Trust, Club Chemistry & Kent Police), or who are levy payers and wish to increase their contribution to reflect their own commitment to what the BID does (Kings School & Canterbury Christ Church University); a Service Level Agreement with Canterbury City Council for the delivery of an agreed action plan (Purple Flag, monthly reporting, Destination Management Plan); and commercial income derived from the MyCanterbury marketing and loyalty platform.

The year's activities comprised the second year of delivering the BID Business Plan, which was voted on and endorsed at the BID Ballot in July 2014. Here are some highlights:

Strong Brand:

- Christmas marketing, lights and switch-on event (attended by 4,000 people) were successful in generating an estimated 5% increase in city centre turnover in December 2015.
- A Medieval Pageant was developed and launched in July 2016. This attracted 2,000 people to watch the Pageant parade and over 1,000 people to participate in the Family Trail around the city on the day.
- The city's second Hop Pocket race was held in September, comprising an evening of music alongside the event itself, attracting a large number of people into the city centre on the evening.
- The BID led a partnership of the City Council, Whitefriars Shopping Centre and The Canterbury Tales attraction to invest in the Visit Kent London campaign for the first time; the campaign received 23 million 'impressions' (views) and Canterbury image was one of the two most impactful with consumers in encouraging them to visit the county.

Superb Destination:

- The Ambassador team welcomed around 32,000 visitors to the city in the year, made over 3,000 business visits and reported 4,200 issues around the city (cracked pavements, graffiti, anti-social

CANTERBURY CONNECTED CIC COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

behaviour etc).

- The cleaning team steam cleaned paved surfaces across the city throughout the year
- The BID led the Canterbury in Bloom entry to both the South & South East in Bloom (4th time) and Britain in Bloom (1st time) competitions, winning Gold in both, as well as installing 300 hanging baskets (up from 245 in previous year) across the city centre for the summer.
- The BID led the city's assessment for the Purple Flag accreditation which was successful in December 2015; in April the BID hosted the city's first Evening & Night Time Economy Conference with over 50 businesses participating.

Great Centre for Business:

- The MyCanterbury platform has a strong penetration in the city, with 4,000 MyCanterbury plastic cards in circulation, 15,000 app users and 17,000 web users.
- BID Networking took place monthly in different venues in the city centre, attracting between 25 - 50 attendees on each occasion.

Connected City:

- The BID launched a Digital City Working Group and a Landlords' Forum to represent the interests of these sectors and influence partners' decision making to support them

In Year 2 of the BID, the budget was set to invest in a number of key projects, particularly Christmas lights, and use a portion of the surplus generated in Year 1; however, income exceeded plan by over £5,000 and expenditure was below plan by around £40,000 as follows. As a result the planned overall deficit for the year became a surplus of £28,386.

The Board have agreed the Year 3 Plan which is to invest £61,000 in on-going projects to benefit levy payers, with additional Christmas lights and budget for Event Development.

In order to support the business between the end of each year and when the levy for the new year is received, around £70,000 will be retained each year as working capital.

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2016

DIRECTORS

The directors who served the company during the year were as follows:

Mr A C Bateman
Mr I W Blackmore
Mr R J Brady
Mr E J Coates-Withers
Mr D J Grimwood
Mrs T A M Heslop
Mrs C Hicks
Mr D Hughes
Mr R C Jones
Mr M R L Keir
Mr D Kelly
Mr J P Licence
Mr D J Lilford
Mr C N Relf
Mr A T Ridings
Mr P J Scutt
Mrs P M Gillespie

Mrs P M Gillespie was appointed as a director on 14 September 2016.

Mr A C Bateman resigned as a director on 1 January 2017.

Mr E J Coates-Withers resigned as a director on 25 January 2017.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered office:
37 St. Margarets Street
Canterbury
Kent
United Kingdom
CT1 2TU

Signed on behalf of the directors



Mr R C Jones

Company Secretary

Approved by the directors on 27 February 2017

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 £	2015 £
TURNOVER		603,292	578,637
Expenditure on main activities		<u>392,699</u>	<u>263,448</u>
GROSS SURPLUS		210,593	315,189
Administrative expenses		<u>182,225</u>	<u>186,512</u>
OPERATING SURPLUS	2	28,368	128,677
Interest receivable		22	7
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>28,390</u>	<u>128,684</u>
Tax on surplus on ordinary activities		4	1
SURPLUS FOR THE FINANCIAL YEAR		<u>28,386</u>	<u>128,683</u>
Balance brought forward		<u>127,353</u>	<u>(1,330)</u>
Balance carried forward		<u>155,739</u>	<u>127,353</u>

The notes on pages 6 to 9 form part of these financial statements.

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

30 SEPTEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	3	<u>798</u>	<u>1,171</u>
CURRENT ASSETS			
Debtors	4	70,942	33,187
Cash at bank		<u>121,101</u>	<u>132,247</u>
		192,043	165,434
CREDITORS: Amounts falling due within one year	5	<u>37,102</u>	<u>39,252</u>
NET CURRENT ASSETS		<u>154,941</u>	126,182
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>155,739</u>	<u>127,353</u>
RESERVES	8		
Income and expenditure account		<u>155,739</u>	<u>127,353</u>
MEMBERS' FUNDS		<u>155,739</u>	<u>127,353</u>

For the year ended 30 September 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

These accounts were approved by the directors and authorised for issue on 27 February 2017, and are signed on their behalf by:



Mr P J Scutt
Director

Company Registration Number: 06937002

The notes on pages 6 to 9 form part of these financial statements.

CANTERBURY CONNECTED CIC COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover

BID Levy Income represents amounts invoiced to businesses who are liable to pay the levy. This income is collected for the company by a third party, and any invoiced amounts not collected within 12 months of the invoice date are shown in the accounts as irrecoverable.

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:

Equipment	-	5 Years straight line
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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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

2. OPERATING SURPLUS

Operating surplus is stated after charging:

	2016 £	2015 £
Directors' remuneration	45,788	44,411
Depreciation of owned fixed assets	373	373
Loss on disposal of fixed assets	–	2,148
	<u> </u>	<u> </u>

3. TANGIBLE ASSETS

	Equipment £
COST	
At 1 October 2015 and 30 September 2016	<u>1,863</u>
DEPRECIATION	
At 1 October 2015	692
Charge for the year	<u>373</u>
At 30 September 2016	<u>1,065</u>
NET BOOK VALUE	
At 30 September 2016	<u>798</u>
At 30 September 2015	<u>1,171</u>

4. DEBTORS

	2016 £	2015 £
Trade debtors	29,277	8,001
Other debtors	11,693	17,571
Prepayments and accrued income	<u>29,972</u>	<u>7,615</u>
	<u>70,942</u>	<u>33,187</u>

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2016

5. CREDITORS: Amounts falling due within one year

	2016		2015
	£	£	£
Trade creditors		30,731	14,248
Other creditors including taxation and social security:			
Corporation tax	4		1
PAYE and social security	2,880		3,644
Other creditors	–		6,000
Accruals and deferred income	3,487		15,359
		<u>6,371</u>	<u>25,004</u>
		<u>37,102</u>	<u>39,252</u>

6. PENSIONS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,562 (30 September 2015 - £2,700)

7. RELATED PARTY TRANSACTIONS

During the year services totalling £Nil (2015: £844) were provided to the company by Think Systems UK Ltd, a company of which A T Ridings is a director and controlling shareholder. No balances were outstanding at the year end.

Services totalling £18,053 (2015: £9,631) were provided to the company during the year by Think Agency Ltd, a company of which A T Ridings is both a director and majority shareholder. At the year end a balance of £42 (2015: £Nil) remained outstanding.

During the period, free services for website hosting and support have been provided by Think Agency Ltd in return for their logo being listed for free on Canterbury Connected's website as a sponsor of the CIC. These transactions arise as a result of A T Ridings' involvement with both companies.

During the year fees totalling £26,270 (2015: £20,521) were received from My Town My City Ltd, a company of which A T Ridings is a director and controlling shareholder. £7,274 (2015: £8,001) was outstanding at the year end. The CIC has an arrangement with My Town My City Ltd to receive 70% of the income generated from the MyTownMyCity app.

The surplus generated from the BID's use of this app is used to defray specific employment and overhead costs incurred.

During the year services totalling £3,985 (2015: £3,228) were provided by Kreston Reeves LLP, of which C N Relf is a partner. No balances were left unpaid at the year end.

During the year services totalling £1,719 (2015: £16,600) were provided to the company by Furley Page LLP, of which J P Licence is a partner. All of which was paid prior to the year end.

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2016**

8. COMPANY LIMITED BY GUARANTEE

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

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE
MANAGEMENT INFORMATION
YEAR ENDED 30 SEPTEMBER 2016**

The following pages do not form part of the statutory financial statements.

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF
DIRECTORS ON THE UNAUDITED ACCOUNTS OF CANTERBURY
CONNECTED CIC**

YEAR ENDED 30 SEPTEMBER 2016

In accordance with our terms of engagement, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Income and Expenditure Account, Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

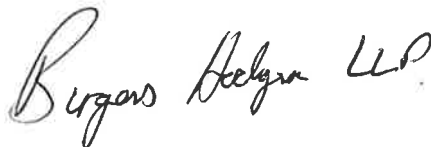
You have acknowledged on the balance sheet as at 30 September 2016 your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

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BURGESS HODGSON LLP
Chartered Accountants



**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	£	£
TURNOVER		
BID Levy Income	509,116	509,928
BID Income - Voluntary Contributions	23,269	24,169
Match Funding CCC	22,500	22,500
Grants and Contributions	16,067	4,917
Other Income - MyCanterbury	26,270	17,101
Other Income	6,070	22
	<u>603,292</u>	<u>578,637</u>
 EXPENDITURE ON MAIN ACTIVITIES		
Canterbury in Bloom	25,078	23,200
Cleaning and graffiti removal	77,465	77,279
Evening & Night Time Economy	3,808	528
A Safer City	1,293	383
MyCanterbury	20,460	9,757
City Centre Performance - footfall & surveys	1,200	4,450
B2B networking and training	5,299	950
BID Conferences	997	1,231
Christmas lights and events	96,742	52,900
Destination Management Plan	183	14,009
Canterbury Hop Pocket Race	10,670	8,467
Levy collection	11,204	27,729
Board member elections	-	745
Communication with levy payers	1,167	4,502
BID Membership	1,306	458
Medieval Festival	13,128	-
Visit Kent campaign	21,250	-
Event development	10,000	-
BID Ambassadors	91,449	36,860
	<u>392,699</u>	<u>263,448</u>
 GROSS SURPLUS	 <u>210,593</u>	 <u>315,189</u>
 OVERHEADS		
Administrative expenses	182,225	186,512
 OPERATING SURPLUS	 <u>28,368</u>	 <u>128,677</u>
Bank interest receivable	22	7
 SURPLUS ON ORDINARY ACTIVITIES	 <u>28,390</u>	 <u>128,684</u>

**CANTERBURY CONNECTED CIC
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2016

	2016		2015
	£	£	£
ADMINISTRATIVE EXPENSES			
Personnel costs			
Director's salary	45,788		44,411
Staff salaries	77,188		75,909
Staff pension costs - money purchase schemes	3,562		2,700
Staff recruitment	—		2,547
	<u> </u>	126,538	<u>125,567</u>
Establishment expenses			
Rent	11,568		10,868
Insurance	2,145		2,220
	<u> </u>	13,713	<u>13,088</u>
General expenses			
Travel and subsistence	1,242		726
Telephone and website costs	2,541		1,695
Computer costs	25		1,609
Office expenses	78		—
Printing, stationery and postage	531		617
Staff training	323		—
Staff welfare	146		—
Project funding	600		—
Sundry expenses	115		—
Trade subscriptions	289		565
Contributions to marketing campaigns	1,751		3,096
Legal and professional fees	2,450		15,490
Bookkeeping	5,180		5,340
Accountancy fees	2,125		3,240
Depreciation of Equipment	373		373
Loss on disposal of fixed assets	—		2,148
	<u> </u>	17,769	<u>34,899</u>
Financial costs			
Irrecoverable Levy	23,886		12,690
Bank charges	319		268
	<u> </u>	24,205	<u>12,958</u>
		<u>182,225</u>	<u>186,512</u>
INTEREST RECEIVABLE			
Bank interest receivable		<u>22</u>	<u>7</u>