

Canterbury Connected CIC
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2019

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 2019

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Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report

Year ended 30 September 2019

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2019.

Directors

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

Mr D J Grimwood

Ms C Hicks

Mr D Hughes

Mr M R L Keir

Mr D J Lilford

Mr C N Relf

Mr A T Ridings

Mr P J Scutt

Ms P M Gillespie

Mr J P Fitter-Harding

Mr B R McCaskill

Mr K W Elliott

Ms C C Millett

Mr D M Redgate

Mr P L Turner

Mr A J Edwards

Mr I W Blackmore

Ms T A M Heslop

(Appointed 28 November 2018)

(Appointed 6 March 2019)

(Resigned 11 November 2018)

(Resigned 16 January 2019)

Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 30 September 2019

Business review

The report reflects the activities of Canterbury Connected CIC in running the Canterbury Connected Business Improvement District (BID) in the fifth year of its five year term, from 1st October 2018 to 30th September 2019.

Income is derived from the BID levy, voluntary contributions from five 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, Distinctive Bars), or who are levy payers and wish to increase their contribution to reflect their own commitment to what the BID does (Kings School and 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); commercial income derived from the MyCanterbury marketing and loyalty platform; and sponsorship or contributions to events and projects (Christmas marketing, Green Heritage Conference for Canterbury in Bloom, Lost Words Workshops for Canterbury in Bloom, Medieval Pageant).

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

Supporting business:

- 617 enjoyed 13 free networking sessions (expanding to both lunch and evening events)
- Six free training sessions provided: Visual Display, SEO, Management, Employment and Social Media Law, Digital Content Strategy, Business Rates
- Introduced vinyling on vacant units
- Ambassadors made 3,155 visits to businesses, reporting 1,292 environmental, antisocial and cleaning issues and welcoming 23,242 visitors

Improving the City:

- Christmas lights totalling 5 miles of illuminations across the city centre
- Purple Flag accreditation for the 8th year
- Awarded GOLD for South and South East in Bloom Competition
- Hosted a Green Heritage Conference which influenced the Council's Heritage Strategy
- 380 hanging floral baskets on display (May - September)
- Deep-cleaned the High Street, distributed free graffiti wipes and tackled 4 graffiti hot spots, cleaning and treating with anti-graffiti paint

Promoting Canterbury: Marketing and Events:

- Christmas Lights Switch-On: 6,000 in attendance, free Park and Ride negotiated plus late-night shopping evening
- Hosted a press and bloggers event to promote Canterbury at Christmas
- Organised a countywide Christmas marketing campaign
- Medieval Pageant grew to include an encampment, 250 strong procession and over 7,000 visitors
 - to local heritage venues
- 70 Christmas Window entrants with 27 winning gold and 3 overall winners
- Summer marketing campaign in London (May - September) encouraging overnight stays
- Organised or supported events that brought over 110,000 people to the city (Pride, City Sound Project, Canterbury Festival, Vegan Market, bOing, King's Mile Gin Fling and Trick or Treat)
- National and international marketing through England's Historic Cities partnership
- 45,000 MyCanterbury city guides printed and distributed across the county
- 10,000 new Canterbury Shopping Maps printed and distributed across the city

Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 30 September 2019

Representing your voice:

- Lobbied for businesses interests at 17 steering groups & forums (including road works, transport & access, rough sleepers, night time economy, graffiti, heritage, marketing)
- Represented Canterbury at an All Party Parliamentary group for Town Centres on the reform of Business Rates
- CEO Lisa Carlson is now Chair of ATCM South East Network

Small company provisions

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

This report was approved by the board of directors on 11 March 2020 and signed on behalf of the board by:



Mr C N Relf
Director



Mr P L Turner
Director

Registered office:
Camburgh House
27 New Dover Road
Canterbury
Kent
United Kingdom
CT1 3DN

Canterbury Connected CIC
Company Limited by Guarantee
Statement of Income and Retained Earnings
Year ended 30 September 2019

	Note	2019 £	2018 £
Turnover		581,732	593,396
Cost of sales		363,232	444,886
Gross profit		218,500	148,510
Administrative expenses		219,517	189,701
Operating loss		(1,017)	(41,191)
Other interest receivable and similar income		118	28
Loss before taxation	7	(899)	(41,163)
Tax on loss		22	5
Loss for the financial year and total comprehensive income		(921)	(41,168)
Retained earnings at the start of the year		107,115	148,283
Retained earnings at the end of the year		106,194	107,115

All the activities of the company are from continuing operations.

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

Canterbury Connected CIC
Company Limited by Guarantee
Statement of Financial Position

30 September 2019

	Note	2019 £	£	2018 £
Fixed assets				
Tangible assets	8		1,038	1,902
Current assets				
Debtors	9	13,653		42,563
Cash at bank and in hand		107,049		91,004
		<u>120,702</u>		<u>133,567</u>
Creditors: amounts falling due within one year	10	<u>15,546</u>		<u>28,354</u>
Net current assets			<u>105,156</u>	<u>105,213</u>
Total assets less current liabilities			<u>106,194</u>	<u>107,115</u>
Net assets			<u>106,194</u>	<u>107,115</u>
Capital and reserves				
Profit and loss account			<u>106,194</u>	<u>107,115</u>
Members funds			<u>106,194</u>	<u>107,115</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 September 2019 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 financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 11 March 2020, and are signed on behalf of the board by:



Mr C N Relf
Director



Mr P L Turner
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 *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. 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.

5. Staff salaries

The directors have chosen to include salary and pension costs relating to the CEO within staff salaries and pension costs.

The directors salary and pensions costs shown in the prior year relate to the former CEO who was also a director.

6. Employee numbers

The average number of persons employed by the company during the year amounted to 5 (2018: 5).

Canterbury Connected CIC

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

7. Profit before taxation

Profit before taxation is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	<u>1,419</u>	<u>1,419</u>

8. Tangible assets

	Equipment £	Total £
Cost		
At 1 October 2018	5,413	5,413
Additions	555	555
At 30 September 2019	<u>5,968</u>	<u>5,968</u>
Depreciation		
At 1 October 2018	3,511	3,511
Charge for the year	1,419	1,419
At 30 September 2019	<u>4,930</u>	<u>4,930</u>
Carrying amount		
At 30 September 2019	<u>1,038</u>	<u>1,038</u>
At 30 September 2018	<u>1,902</u>	<u>1,902</u>

9. Debtors

	2019	2018
	£	£
Trade debtors	944	22,327
Other debtors	12,709	<u>20,236</u>
	<u>13,653</u>	<u>42,563</u>

10. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	4,505	21,937
Corporation tax	22	5
Social security and other taxes	3,064	3,053
Credit card	444	558
Other creditors	7,511	<u>2,801</u>
	<u>15,546</u>	<u>28,354</u>

Canterbury Connected CIC

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

11. Related party transactions

Services totalling £28,440 (2018: 29,980) were provided to the company during the year by Think Systems UK Ltd, a company of which A T Ridings is both a director and majority shareholder. At the year end a balance of £227 (2018: £1,427) remained outstanding.

During the period, free services for website hosting and support have been provided by Think Systems UK Ltd (trading as CloudSpace). These transactions arise as a result of A T Ridings' involvement with both companies.

During the year, the company raised invoices totalling £25,189 (2018: £30,084) to My Town My City Ltd, a company of which A T Ridings is a director and controlling shareholder. £644 was outstanding at the year end. The company has an arrangement with My Town My City Ltd to receive 100% of the income generated from the My Town My City platform.

The income generated from the BID's use of this platform is used to defray the costs of printing the city guides and running the website.

During the year, the company supported the following events in the city centre with which some BID directors had a declared interest: Canterbury Wine Festival (£800), Pride Canterbury (£2,500), City Sound Project in the Park (£2,500) and the Marlowe Theatre (£750).

During the year Canterbury City Council paid the company £19,000 (2018: £19,000) to carry out the following services: reporting on vacancy rates, footfall, visitor and shopper feedback and sales performance; co-ordinating and delivering of the Destination Management Plan; and managing of the Purple Flag accreditation process.

Canterbury Connected CIC
Company Limited by Guarantee
Management Information
Year ended 30 September 2019

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

Canterbury Connected CIC

Company Limited by Guarantee

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Canterbury Connected CIC

Year ended 30 September 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Canterbury Connected CIC for the year ended 30 September 2019, which comprise the statement of income and retained earnings, statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Canterbury Connected CIC, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of Canterbury Connected CIC and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Canterbury Connected CIC and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Canterbury Connected CIC has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Canterbury Connected CIC. You consider that Canterbury Connected CIC is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Canterbury Connected CIC. 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 statutory financial statements.

BURGESS HODGSON LLP
Chartered accountants

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN



4 June 2020

Canterbury Connected CIC

Detailed Income Statement

Year ended 30 September 2019

	2019 £	2018 £
Turnover		
BID Levy Income	503,393	507,508
BID Income - Voluntary Contributions	20,743	21,229
Match Funding CCC	19,000	19,000
Grants and Contributions	10,426	11,575
Other Income - MyCanterbury	25,189	30,084
Other Income	2,981	4,000
	<u>581,732</u>	<u>593,396</u>
Cost of sales		
Canterbury in Bloom	34,511	29,315
Cleaning and graffiti removal	11,020	8,717
Evening & Night Time Economy	1,405	4,730
A Safer City	273	728
MyCanterbury	32,666	38,957
City Centre Performance - footfall & surveys	7,343	3,520
B2B networking and training	5,496	6,597
BID Conferences	609	1,248
Christmas lights and events	111,852	119,607
Strong Brand - Destination Management Plan	–	30,000
Levy collection	11,204	11,204
Project funding	–	3,375
Communication with levy payers	27,268	28,589
BID Membership	1,481	1,779
Medieval Festival	17,882	19,896
Visit Kent campaign	9,995	15,000
Event development	14,568	14,374
England's Historic Cities (EHC)	1,750	10,250
BID Ambassadors	73,909	97,000
	<u>363,232</u>	<u>444,886</u>
Gross profit	<u>218,500</u>	<u>148,510</u>
Overheads		
Administrative expenses	219,517	189,701
Operating loss	<u>(1,017)</u>	<u>(41,191)</u>
Other interest receivable and similar income	118	28
Loss before taxation	<u>(899)</u>	<u>(41,163)</u>

Canterbury Connected CIC

Notes to the Detailed Income Statement

Year ended 30 September 2019

	2019	2018
	£	£
Administrative expenses		
Director's salary	–	8,616
Director's pension costs - money purchase schemes	–	62
Staff salaries	152,276	75,411
Staff pension costs - money purchase schemes	6,075	2,963
Staff recruitment	80	161
CEO salary	–	45,688
CEO pension costs - money purchase schemes	–	2,055
Rent	11,317	10,808
Insurance	2,564	1,901
Travel and subsistence	1,954	1,610
Telephone and website costs	3,252	2,905
Computer costs	2,177	2,904
BID Admin Support	–	4,223
Printing, stationery and postage	1,046	1,574
Staff training	1,069	2,741
Staff welfare	150	90
Sundry expenses	485	830
Legal and professional fees	880	1,855
Bookkeeping	5,620	5,523
Accountancy fees	3,117	2,846
Depreciation of Equipment	1,419	1,419
Irrecoverable Levy	25,746	13,200
Bank charges	290	316
	<u>219,517</u>	<u>189,701</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>118</u>	<u>28</u>

To ease comparison of the BID team's employment costs between 2018 and 2019, it should be noted that for 2019 the various costs have been aggregated.