

Canterbury Connected CIC
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2020

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 2020

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Canterbury Connected CIC
Company Limited by Guarantee
Directors' Report
Year ended 30 September 2020

The directors present their report and the unaudited financial statements of the company for the year ended 30 September 2020.

Directors

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

Mr D J Grimwood	
Ms C Hicks	
Mr M R L Keir	
Mr D J Lilford	
Mr C N Relf	
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 J L Turner	
Mr M R Stuart	(Appointed 1 July 2020)
Mr D Hughes	(Resigned 31 December 2019)
Mr A T Ridings	(Resigned 29 February 2020)
Mr P J Scutt	(Resigned 31 January 2020)
Mr A J Edwards	(Resigned 30 June 2020)

Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 30 September 2020

Business review

The report reflects the activities of Canterbury Connected CIC in running the Canterbury Business Improvement District (BID) in the first year of its second five-year term, from 1st October 2019 to 30th September 2020.

Income is derived from the BID levy, voluntary contributions from local organisations who are either not levy payers but wish to contribute as they support the BID in its ongoing activities; 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 and Canterbury in Bloom); and this year, due to Covid, the following additional grants: Covid-19 Furlough Grant, Covid-19 Grant for BIDs and the Reopening the High Street Safely (RHSS) grant.

The Covid crisis began in March 2020, just over five months into this financial year. Canterbury BID acted quickly to protect the interests of its levy payers by moving all engagement and training sessions online and by ensuring all projects and activities were adapted to the changing nature of the crisis and the needs of businesses. Some activity was deferred during lockdown to enable the work to take place when it would benefit levy payers. The BID is dedicated to supporting businesses through recovery and timing projects and activity in line with government guidelines and for the best impact for the levy payers. The BID Business Plan, outlining the activity promised during this five-year term (2019-2024), is available on the BID website, along with the BID's Covid Recovery Plan.

The year's activities comprised the first year of the BID's second 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:

Since the Covid crisis began, Canterbury BID:

- Managed resources so the BID levy could be invested when it would benefit levy payers.
- Furloughed three members of the team plus the Ambassadors during lockdown and postponed projects and activities, so they can be reinstated to help with recovery.
- Lobbied on behalf of businesses for grants and additional Covid-related support and additional cleaning throughout the city, and signposting businesses directly to the support that was needed.
- Listened to the ideas and concerns of businesses at 16 BID-run industry support sessions between October 2019 and September 2020, attended by 359 people representing 316 businesses, and re-watched on YouTube a total of 315 times.
- Won additional funding to promote Covid-secure measures for businesses through the Re-opening the High Street Safely Fund for 2020-21.
- Paid for additional cleaning (graffiti removal, jet washing and street cleaning) to help make Canterbury a beautiful and clean place to visit.
- Vyniled vacant units with colourful reminders of our heritage, culture, and green open space and also including exhibitions and bespoke artwork.
- Moved the Medieval Pageant to a virtual event which attracted over 20,000 views from around the world and featured in the Heritage Open Days virtual weekend.

Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report *(continued)*

Year ended 30 September 2020

- Launched a new Gift Card to help put money in your tills and promoting the city through our MyCanterbury website, emails and social media channels, where engagement has more than doubled.
- Produced a new film to promote Canterbury as a safe, relaxing, enjoyable and welcoming place to visit.
- Animated the city with colourful hanging floral baskets from June to October and festive lights from November to January, helping to reassure visitors that the city is open for business and ready to welcome them. The festive lights scheme was extended to include St Mary de Casto Garden, Guildhall St, Best Lane and two trees on Longmarket and outside Fenwick.
- Produced a special film for the virtual lights switch on, which included the Lord Mayor, The Marlowe Theatre Panto Dame, Nurse Nellie and a bespoke song by local band Kids of Yesterday (in aid of the Lord Mayor's Christmas Gift Appeal) - viewed by over 21,000 people.
- The major events of the spring and summer were postponed due to Covid, but three smaller events took place, all sponsored by the BID: Canterbury Pride Exhibition at The Beaney, City Feast on Guildhall Street and the Marlowe's Love Your Theatre event. The 2019 Canterbury Festival was also funded in this budget year, as well as the virtual Medieval Pageant in July 2020 and activity to welcome students back in September 2020.
- Hosted two visits from BBC South East including a full 'staycation' episode dedicated to Canterbury in August, and appeared in numerous newspaper articles and radio programmes, promoting Canterbury and lobbying for business support.
- Continued to provide footfall reports and city centre performance reports throughout the year, demonstrating Canterbury's strong performance in the face of the pandemic over the summer.
- Retained Purple Flag status as safe city for the evening and night time socialising (the only one in Kent) and Gold in South & South East in Bloom; and received a special certificate by Britain in Bloom acknowledging the city's efforts during lockdown.

During this period, we also:

- Joined a select group of BIDs chosen for their good governance to develop new best practise criteria for BIDs with The BID Foundation.
- Through the High Streets Task Force, took part in a pilot with social media agency Maybe* to help raise the profile of Canterbury across the country.
- BID Chief Executive, Lisa Carlson, was appointed Chair of the UK's Placemaking organisation, the Association of Town and City Management and she also sits on the All Party Parliamentary Group for Town and City Centres because it's our priority to ensure your voice is heard at a local, regional and national level.

Canterbury Connected CIC

Company Limited by Guarantee

Directors' Report *(continued)*

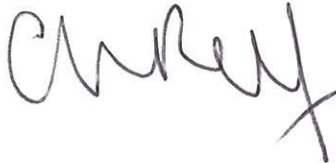
Year ended 30 September 2020

Small company provisions

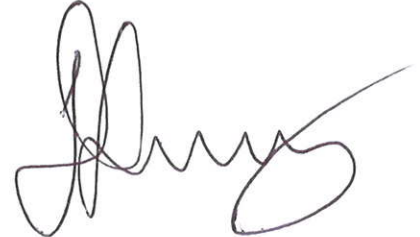
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 24/2/2021 and signed on behalf of the board by:

Mr C N Relf
Director



Mr P J 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 2020

	Note	2020 £	2019 £
Turnover		528,537	581,732
Cost of sales		245,399	363,232
Gross profit		283,138	218,500
Administrative expenses		257,946	219,517
Other operating income		25,170	—
Operating profit/(loss)		50,362	(1,017)
Other interest receivable and similar income		54	118
Profit/(loss) before taxation	6	50,416	(899)
Tax on profit/(loss)		10	22
Profit/(loss) for the financial year and total comprehensive income		50,406	(921)
Retained earnings at the start of the year		106,194	107,115
Retained earnings at the end of the year		156,600	106,194

All the activities of the company are from continuing operations.

The notes on pages 8 to 11 form part of these financial statements.

Canterbury Connected CIC
Company Limited by Guarantee
Statement of Financial Position
30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	7	2,143	1,038
Current assets			
Debtors	8	14,763	13,653
Cash at bank and in hand		210,619	107,049
		<u>225,382</u>	<u>120,702</u>
Creditors: amounts falling due within one year	9	<u>56,925</u>	<u>15,546</u>
Net current assets		<u>168,457</u>	<u>105,156</u>
Total assets less current liabilities		<u>170,600</u>	<u>106,194</u>
Provisions			
Other provisions		14,000	—
Net assets		<u>156,600</u>	<u>106,194</u>
Capital and reserves			
Profit and loss account		156,600	106,194
Members funds		<u>156,600</u>	<u>106,194</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 Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 30 September 2020 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.

The statement of financial position
continues on the following page.
The notes on pages 8 to 11 form part of these financial statements.

Canterbury Connected CIC

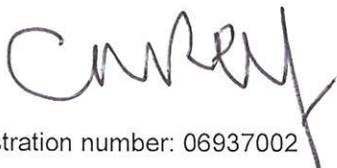
Company Limited by Guarantee

Statement of Financial Position *(continued)*

30 September 2020

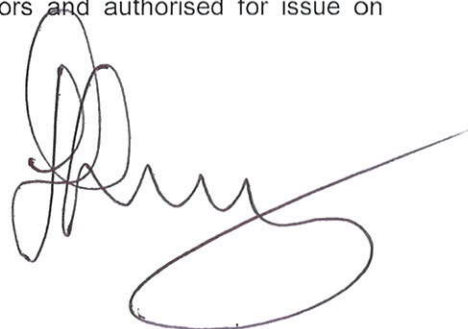
These financial statements were approved by the board of directors and authorised for issue on ~~24.12.2020~~ and are signed on behalf of the board by:

Mr C N Relf
Director



Company registration number: 06937002

Mr P J L Turner
Director



The notes on pages 8 to 11 form part of these financial statements.

Canterbury Connected CIC
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 30 September 2020

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

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.

Income tax

The taxation expense represents the aggregate amount of current tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment	- 33% straight line
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Canterbury Connected CIC
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

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. Employee numbers

The average number of persons employed by the company during the year amounted to 6 (2019: 5).

This increase was due to maternity cover.

Canterbury Connected CIC
Company Limited by Guarantee
Notes to the Financial Statements *(continued)*
Year ended 30 September 2020

6. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	<u>1,555</u>	<u>1,419</u>

7. Tangible assets

	Equipment £	Total £
Cost		
At 1 October 2019	5,968	5,968
Additions	2,660	2,660
At 30 September 2020	<u>8,628</u>	<u>8,628</u>
Depreciation		
At 1 October 2019	4,930	4,930
Charge for the year	1,555	1,555
At 30 September 2020	<u>6,485</u>	<u>6,485</u>
Carrying amount		
At 30 September 2020	<u>2,143</u>	<u>2,143</u>
At 30 September 2019	<u>1,038</u>	<u>1,038</u>

8. Debtors

	2020	2019
	£	£
Trade debtors	4,300	944
Other debtors	10,463	12,709
	<u>14,763</u>	<u>13,653</u>

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	31,678	4,505
Corporation tax	10	22
Social security and other taxes	16,114	3,064
Credit card	421	444
Other creditors	8,702	7,511
	<u>56,925</u>	<u>15,546</u>

10. Social security and other taxes

This balance includes the VAT liability for the quarter to 31 March 2020 which was deferred in line with the HMRC Covid-19 payment deferral business support scheme.

Canterbury Connected CIC

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

11. Related party transactions

Services totalling £1,134 (2019: 28,440) 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 (2019: £227) 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 supported the following events in the city centre with which some BID directors had a declared interest: Canterbury Pride Exhibition at The Beaney (£1,200), City Feast on Guildhall Street (£1,200) and the Marlowe's 'Love Your Theatre' events (£1,200).

During the year Canterbury City Council paid the company £19,000 (2019: £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 2020

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 2020

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 2020, 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 profit 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

Canterbury Connected CIC

Detailed Income Statement

Year ended 30 September 2020

	2020 £	2019 £
Turnover		
BID Levy Income	490,339	503,393
BID Income - Voluntary Contributions	3,661	20,743
Match Funding CCC	19,000	19,000
Grants and Contributions	7,202	10,426
Other Income - MyCanterbury	8,335	25,189
Other Income	—	2,981
	<u>528,537</u>	<u>581,732</u>
Cost of sales		
Canterbury in Bloom	28,217	34,511
Cleaning and graffiti removal	1,340	11,020
Evening & Night Time Economy	1,274	1,405
A Safer City	546	273
Marketing (Including MyCanterbury)	14,212	32,666
City Centre Performance - footfall & surveys	5,170	7,343
B2B networking and training	3,448	5,496
BID Conferences	—	609
Christmas lights and events	89,056	111,852
Vyniling vacant units	21,774	—
Levy collection*	16,490	11,204
Communication with levy payers	7,602	27,268
BID Membership	1,245	1,481
Medieval Festival	—	17,882
Visit Kent campaign	350	9,995
Event development	8,843	14,568
England's Historic Cities (EHC)	—	1,750
BID Ambassadors	45,832	73,909
	<u>245,399</u>	<u>363,232</u>
Gross profit	<u>283,138</u>	<u>218,500</u>
Overheads		
Administrative expenses	257,946	219,517
Other operating income		
Government grant income	25,170	—
Operating profit/(loss)	<u>50,362</u>	<u>(1,017)</u>
Other interest receivable and similar income	54	118
Profit/(loss) before taxation	<u>50,416</u>	<u>(899)</u>

*Levy collection includes initial one-off set up costs for the first year of second BID term.

Canterbury Connected CIC

Notes to the Detailed Income Statement

Year ended 30 September 2020

	2020 £	2019 £
Administrative expenses		
Staff salaries	147,921	152,276
Staff pension costs - money purchase schemes	6,157	6,075
Staff recruitment	340	80
Rent	11,773	11,317
Insurance	1,960	2,564
Repairs and maintenance	5,677	—
Travel and subsistence	940	1,954
Telephone and website costs	2,672	3,252
Computer costs	4,187	2,177
Printing, stationery and postage	1,665	1,046
Staff training	199	1,069
Staff welfare	100	150
Sundry expenses	397	485
Legal and professional fees	1,624	880
Bookkeeping	5,528	5,620
Accountancy fees	3,000	3,117
Depreciation of Equipment	1,555	1,419
Levy not yet recovered	62,000	25,746
Bank charges	251	290
	<u>257,946</u>	<u>219,517</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>54</u>	<u>118</u>