



Kent MAN Limited
(A company limited by guarantee)
Annual report and accounts
for the year ended 31 July 2005

Registered Number 04416782

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for the year ended 31 July 2005
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Kent MAN Limited (a company limited by guarantee)

Directors and advisors

Directors as at the date of the approval of the accounts

Dr John Shemilt (Chair of Board)

Mr Adrian Bradish

Mr Paul Kentish

Professor Phillip Davies

Dr Keith Gwilym

Mr Mike Hibbert

Secretary

Mr Martin Tallontire

Auditors

PricewaterhouseCoopers LLP

First Point

Buckingham Gate

Gatwick

RH6 0PP

Solicitors

Vertex Law LLP

39 Kings Hill Avenue

Kings Hill

West Malling

Kent ME19 4SD

Registered office

Canterbury Christ Church University

North Holmes Road

Canterbury

Kent

CT1 1QU

Registered number

04416782

Kent MAN Limited (a company limited by guarantee)

Directors' report for the year ended 31 July 2005

The directors present their report and the audited financial statements of the company for the year ended 31 July 2005.

Legal status

The company is limited by guarantee. The members of the company are Higher Education Institutions in Kent.

Principal activities

The principal activity of the company is the provision of network facilities for further and higher education institutions in Kent.

Review of business and future developments

The directors consider the company's performance for the year and its financial position at the year end to be satisfactory.

During the past financial year the development of the Kentish MAN network has continued. The risks associated with the operation of the network are constantly under review and give weight to priorities when making proposals for funding to improve or extend the infrastructure. The Executive Committee reviews the risk register regularly and reports to the Board on its recommendations.

Significant income has been received from UKERNA under the SuperJANET4 funding stream to enhance the network bandwidth and reduce the dependency on radio links. The company also entered into a memorandum of understanding with Kent County Council to provide bandwidth to the Kent Community Network, providing a further income source.

Results for the year

The company's expenditure equalled the income received during the year.

Directors and their interests

The directors who held office during the year and subsequently are given below:

Dr John Shemilt (Chair of Board)
Professor Christopher Bounds (resigned 31 December 2005)
Mr Adrian Bradish (appointed 1 July 2005)
Professor Phillip Davies (appointed 1 August 2005)
Dr Keith Gwilym (appointed 1 January 2006)
Mr Mike Hibbert (appointed 10 January 2006)
Mr Paul Kentish
Mr Keith Mander (resigned 1 August 2005)
Mr Richard Mingo (resigned 9 January 2006)
Mr John Robinson (resigned 30 June 2005)

Use of Public Funds

The directors confirm that payments received either directly or through UKERNA from the higher and further education funding councils have been applied for the purposes for which they were provided.

Kent MAN Limited (a company limited by guarantee)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 July 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board of Directors on 30 March 2006 and signed on its behalf by:

Dr John Shemilt
Chairman

Kent MAN Limited (a company limited by guarantee)

Independent auditors' report to the members of Kent Man Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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 is not disclosed.

Basis of audit 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 at 31 July 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Gatwick

Kent MAN Limited (a company limited by guarantee)

Profit and loss account for the year ended 31 July 2005

	Note	Year to 31 July 2005	Year to 31 July 2004
		£	£
Turnover – continuing operations	2	1,521,611	334,394
Administration expenses		(1,521,611)	(334,394)
Profit on ordinary activities before taxation	3	-	-
Tax on profit on ordinary activities	6	-	-
Retained profit for the financial year	11	-	-

All results relate to continuing activities.

The company has no recognised gains or losses other than the result above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the result on ordinary activities before taxation and the result for the year stated above and their historical cost equivalents.

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Balance sheet as at 31 July 2005

	Note	2005	2004
		£	£
Fixed assets			
Computer equipment	7	305,948	67,617
Current assets			
Debtors	8	235,488	519,497
Cash at bank and in hand		-	-
Creditors: amounts falling due within one year	9	(496,138)	(537,420)
Net current liabilities		(260,650)	(17,923)
Total assets less current liabilities		45,298	49,694
Creditors: amounts falling due after more than one year	10	(45,298)	(49,694)
Net Assets		-	-
Capital and reserves			
Profit and loss account	11	-	-
Total funds		-	-

The financial statements were approved by the board of directors on 30 March 2006 and were signed on its behalf by:

Dr John Shemilt
Director

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Notes to the financial statements for the year ended 31 July 2005

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Research and development

The company had no expenditure on Research & Development in the year to 31 July 2005.

Fixed Assets

Fixed assets consist entirely of computer hardware and software, and are depreciated on a straight line basis over 4 years.

Government Grants

Grants received to finance the purchase of fixed assets are treated as deferred capital grants and amortised to the profit and loss account over the useful economic life of the related asset to offset the depreciation charge on the assets acquired. The amortisation of deferred capital grants to the profit and loss account is reflected within turnover. Grants received to finance the purchase of revenue assets are treated as revenue grants, being released to the profit and loss account when expenditure is incurred. Grants received but not allocated for the period are disclosed within the Creditors figure.

Cash flow statement

During the years ended 31 July 2004 and 2005, the company qualifies as a small company in accordance with the conditions and size criteria as stipulated in the Companies Act 1985. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

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2 Turnover

Turnover and profit are attributable to one class of business activity of the company undertaken in the United Kingdom. Turnover consists of:

	Year to 31 July 2005	Year to 31 July 2004
	£	£
Amortisation of deferred capital grants	21,522	4,074
Grant funding	1,420,456	292,555
Membership subscriptions	69,850	37,765
Transit charge receipts	9,017	-
Tender submission receipts	766	-
	1,521,611	334,394

3 Profit on ordinary activities before taxation

	Year to 31 July 2005	Year to 31 July 2004
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation	56,807	4,074
Directors liability insurance	1,575	1,575
Auditors' fees	3,200	3,100

Fees paid to PricewaterhouseCoopers LLP for non-audit services in the UK were £nil (2004: £nil)

4 Directors' emoluments

None of the directors received emoluments during the year.

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5 Employee information

The company did not employ any members of staff during the year.

6 Tax on profit on ordinary activities

	Year to 31 July 2005	Year to 31 July 2004
	£	£
Taxation on the profit for the year		
UK corporation tax at 0%	-	-
Deferred tax	-	-
Prior year under/(over) provision	-	-
	-	-

7 Fixed Assets

	Computer Equipment £
Cost as at 1 August 2004	71,691
Additions	295,138
Cost as at 31 July 2005	366,829
Accumulated depreciation as at 1 August 2004	4,074
Charge for year	56,807
Accumulated depreciation as at 31 July 2005	60,881
Net book value at 31 July 2004	67,617
Net book value at 31 July 2005	305,948

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8 Debtors

	2005	2004
	£	£
VAT	546	-
Other debtors	15,892	-
Canterbury Christ Church University	131,167	448,207
Prepayments and accrued income	87,883	71,290
	235,488	519,497

9 Creditors – amounts falling due within one year

	2005	2004
	£	£
VAT	-	21,006
Accruals and deferred income	252,742	269,638
Deferred revenue grants	219,764	228,853
Deferred capital grants due in less than one year	23,632	17,923
	496,138	537,420

10 Creditors – amounts falling due after more than one year

	2005	2004
	£	£
Deferred Capital Grants	45,298	49,694

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11 Reserves

	Profit and loss account
	£
At 1 August 2004	-
Retained profit for the financial year	-
At 31 July 2005	-

12 Related party transactions

The company received income in the form of members' subscriptions from the following organisations during the year:

	Year to 31 July 2005	Year to 31 July 2004
	£	£
Canterbury Christ Church University	35,412	8,768
Imperial College at Wye	11,588	4,046
Kent Institute of Art and Design	38,059	7,419
University of Greenwich	22,176	4,046
University of Kent	32,765	6,070
	140,000	30,349

An amount of £70,149 is included within accruals and deferred income to be allocated against expenditure in the following year. An amount of £7,416 is included within membership subscriptions as part of turnover for 2003/4, but not shown in the table above as these were carried forward from the previous year.

Canterbury Christ Church University is contracted by Kent Man Limited to run its Network Operation Centre. Amounts totalling £132,887 (2003/4: £85,000) were made to the University College during the year for this service.