



operating the Kentish MAN

**Kent MAN Limited**  
**(A company limited by guarantee)**  
**Annual report and accounts**  
**for the year ended 31 July 2007**

**Registered Number 04416782**

# Kent MAN Limited (a company limited by guarantee)

## Annual report and accounts

for the year ended 31 July 2007

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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)

Professor John Baldock

Mr Alan Broadaway

Dr Keith Gwilym

Mr Mike Hibbert

Mr Paul Kentish

Mr Grahame Ward

### **Secretary as at the date of the approval of the accounts**

Mrs Xanthia Ash

### **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 2007**

The directors present their report and the audited financial statements of the company for the year ended 31 July 2007.

### **Legal status**

The company is limited by guarantee. The members of the company are Higher Education Institutions in Kent, and from 15 November 2006, Kent County Council.

### **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, future developments and principal risks and uncertainties**

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 according to its Business Plan. The bandwidth of the core network has been increased to meet anticipated demand. Connectivity to JANET has been improved by the installation of new access points at both Chatham and Canterbury, giving added resilience, which has been tested successfully. The core of the network is due for reprocurement in 2009.

All risks of running 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. The Risk Register was substantially revised after the improvements to the core network and the additional access points to JANET had come into service. A Disaster Recovery Plan has also been devised and is currently under review.

The contract with JANET(UK) (RPAN 2.5 contract) to provide services to nominated sites is to be replaced from 1 October 2008 by the JANET Partner Agreement (JPA). This will introduce a new funding model and require the company to present itself as a JANET Partner when providing services for JANET(UK). A working party has also been set up to review the Memorandum of Agreement to provide the Network Operations Centre from the same date.

There are two key performance indicators identified in the current JANET(UK) contract. The first is a requirement of availability over a 12 month period of 99.0%. Kent Man Ltd achieved 99.99%. The second requirement is a maximum failure rate over a 12 month period of less than 1.0 failure per 1000 hours. Kent Man Ltd achieved 0.12 failures per 1000 hours.

### **Results for the year**

The company's expenditure equalled the income received during the year. No dividends were paid or proposed for the year (2005/6: no dividends paid or proposed).

### **Use of Public Funds**

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

### **Directors**

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

## **Kent MAN Limited (a company limited by guarantee)**

Dr John Shemilt (Chair of Board)  
Dr Robin Baker CMG (resigned 15 April 2007)  
Prof John Baldock (appointed 15 April 2007)  
Mr Adrian Bradish (resigned 1 November 2006)  
Mr Alan Broadaway (appointed 1 November 2006)  
Dr Keith Gwilym  
Mr Mike Hibbert  
Mr Paul Kentish  
Mr Grahame Ward (appointed 15 November 2006).

### **Company secretary**

The company secretaries who held office during the year and subsequently are given below  
Mr Martin Tallontire (resigned 13 September 2007)  
Mrs Xanthia Ash (appointed 13 September 2007)

### **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 period. In policies preparing those financial statements, the directors are required to:

- Select suitable accounting 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.

### **Statement as to disclosure of information to auditors**

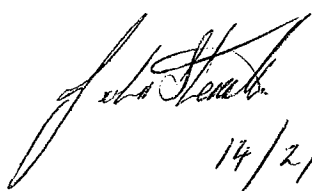
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each director has taken all steps that he ought to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **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 14 February 2008 and signed on its behalf by:

**Dr John Shemilt**  
**Chairman**



14/2/08.

# **Kent MAN Limited (a company limited by guarantee)**

## **Independent auditors' report to the members of Kent Man Limited**

We have audited the financial statements of Kent Man Limited for the year ended 31 July 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

# Kent MAN Limited (a company limited by guarantee)

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants and Registered Auditors**  
Gatwick

28 February 2008

## Kent MAN Limited (a company limited by guarantee)

### Profit and loss account for the year ended 31 July 2007

	Note	Year to 31 July 2007	Year to 31 July 2006
		£	£
Turnover – continuing operations	2	1,350,065	1,154,721
Administration expenses		(1,350,065)	(1,154,721)
<b>Profit on ordinary activities before taxation</b>	3	-	-
Tax on profit on ordinary activities	6	-	-
<b>Retained profit for the financial year</b>	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.

# Kent MAN Limited (a company limited by guarantee)

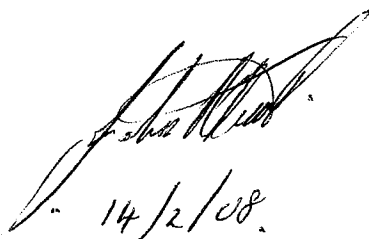
## Balance sheet as at 31 July 2007

	Note	2007	2006
		£	£
<b>Fixed assets</b>			
Computer equipment	7	213,411	242,598
<b>Current assets</b>			
Debtors	8	447,467	453,035
Cash at bank and in hand		-	-
<b>Creditors: amounts falling due within one year</b>	9	<b>(571,116)</b>	<b>(644,759)</b>
<b>Net current liabilities</b>		<b>(123,649)</b>	<b>(191,724)</b>
<b>Total assets less current liabilities</b>		<b>89,762</b>	<b>50,874</b>
<b>Creditors: amounts falling due after more than one year</b>	10	<b>(89,762)</b>	<b>(50,874)</b>
<b>Net Assets</b>		<b>-</b>	<b>-</b>
<b>Capital and reserves</b>			
Profit and loss account	12	-	-
<b>Total funds</b>		<b>-</b>	<b>-</b>

The notes on pages 8 to 14 are integral to the financial statements

The financial statements were approved by the board of directors on 14 February 2008 and were signed on its behalf by:

Dr John Shemilt  
Director



14/2/08

# **Kent MAN Limited (a company limited by guarantee)**

## **Notes to the financial statements for the year ended 31 July 2007**

### **1 Accounting policies**

These financial statements are prepared on the going concern basis, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **Basis of accounting**

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

#### **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 2006 and 2007, 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 cashflow statement under the terms of Financial Reporting Standard 1 (revised 1996).

# Kent MAN Limited (a company limited by guarantee)

## 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 2007	Year to 31 July 2006
	£	£
Amortisation of deferred capital grants	24,892	47,098
Grant funding	821,933	819,991
Membership subscriptions	476,380	205,565
Transit charge receipts	26,445	81,960
Miscellaneous receipts	415	107
	<b>1,350,065</b>	<b>1,154,721</b>

## 3 Profit on ordinary activities before taxation

	Year to 31 July 2007	Year to 31 July 2006
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation	92,968	92,838
Directors liability insurance	1,738	1,575
Auditors' fees	3,550	3,400

Fees paid to PricewaterhouseCoopers LLP for non-audit services in the UK were £nil (2006: £nil)

## 4 Directors' emoluments

None of the directors received emoluments during the year.

# Kent MAN Limited (a company limited by guarantee)

## 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 2007	Year to 31 July 2006
	£	£
<b>(a) Analysis of charge in the period</b>		
<u>Current tax:</u>		
UK corporation tax on profits for the period	-	-
Total current tax (note b)	-	-
<u>Deferred tax:</u>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
<b>Tax on profit on ordinary activities</b>	-	-

### (b) Factors affecting tax charge for the period

The tax charge for the period is lower (2005/6: lower) than the standard rate of corporation tax in the UK (30%) (2005/6: 30%). The differences are explained below:

	Year to 31 July 2007	Year to 31 July 2006
	£	£
Surplus / (loss) on ordinary activities before covenant payment	-	-
Surplus / (loss) on ordinary activities multiplied by the standard rate of corporation tax	-	-
Effects of:		
Capital allowances less than depreciation charge for the year	25,528	34,038
Losses not recognised	(25,528)	(34,038)
<b>Current tax charge for the period (note a)</b>	-	-

### (c) Factors affecting future tax charges

The company is non profit making and so is unlikely to incur a current tax charge for the foreseeable future

## Kent MAN Limited (a company limited by guarantee)

### 7 Fixed assets

	Computer Equipment £
Cost as at 1 August 2006	371,871
Additions	63,781
Disposals	-
Cost as at 31 July 2007	435,652
Accumulated depreciation as at 1 August 2006	129,273
Charge for year	92,968
Disposals	-
Accumulated depreciation as at 31 July 2007	222,241
Net book value at 31 July 2006	242,598
Net book value at 31 July 2007	213,411

### 8 Debtors

	2007	2006
	£	£
VAT	32,144	3,610
Other debtors	50,975	32,417
Canterbury Christ Church University	-	36,122
Prepayments and accrued income	364,348	380,886
	447,467	453,035

## Kent MAN Limited (a company limited by guarantee)

### 9 Creditors – amounts falling due within one year

	2007	2006
	£	£
Canterbury Christ Church University	86,096	-
Accruals and deferred income	238,387	351,337
Deferred revenue grants	221,741	268,530
Deferred capital grants due in less than one year	24,892	24,892
	<b>571,116</b>	<b>644,759</b>

### 10 Creditors – amounts falling due after more than one year

	2007	2006
	£	£
Deferred Capital Grants	89,763	50,874

# Kent MAN Limited (a company limited by guarantee)

## 11 Deferred Capital Grants

	Capital Grants £
Cost as at 1 August 2006	99,568
Additions	63,781
Disposals	-
Cost as at 31 July 2007	163,349
Accumulated amortisation as at 1 August 2006	23,802
Charge for year	24,892
Disposals	-
Accumulated amortisation as at 31 July 2007	48,694
Net book value at 31 July 2006	75,766
Net book value at 31 July 2007	114,655

## 12 Reserves

	Profit and loss account £
At 1 August 2006	-
Retained profit for the financial year	-
At 31 July 2007	-

## Kent MAN Limited (a company limited by guarantee)

### 13 Control

No one party has overall control of the company.

### 14 Related party transactions

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

	Year to 31 July 2007	Year to 31 July 2006
	£	£
Canterbury Christ Church University	99,996	64,662
Imperial College at Wye	27,399	17,977
University College for the Creative Arts at Canterbury, Epsom, Farnham, Maidstone & Rochester (Kent Institute of Art and Design in 2004/5)	80,197	51,930
University of Greenwich	106,596	68,906
University of Kent	53,797	51,930
Kent County Council	99,381	-
	<b>467,366</b>	<b>255,405</b>

An amount of £110,975 (2005/6:£119,989) is included within accruals and deferred income to be allocated against expenditure in the following year. An amount of £119,989 (2005/6: £70,149) is included within membership subscriptions as part of turnover for 2006/7, 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 £185,000 (2005/6: £147,653) were made to Canterbury Christ Church University during the year for this service.