

Registered number: 4410176

**East Kent Spatial Development Company**  
(A company limited by guarantee)

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**Directors' Report and Financial Statements**

**For the year ended 31 March 2007**

**East Kent Spatial Development Company**  
(A company limited by guarantee)

**Company information**

**Member organisations** South East England Development Agency (SEEDA)  
Kent County Council (KCC)  
Thanet District Council (TDC)  
Dover District Council (DDC)  
English Partnerships (EP)

<b>Directors</b>	<b>Name</b>	<b>Member Organisation</b>
	R Gough (chairman)	KCC
	D Tucker	SEEDA
	V Carter	SEEDA
	P Cusdin	SEEDA
	G Hawkins	SEEDA
	C Moore	SEEDA
	S Priest	SEEDA
	J Sadler	SEEDA
	K Sadler	SEEDA
	R Latchford	TDC
	C Smith	DDC
	D Ashworth	EP

**Secretary** D Tucker SEEDA

**Chief Executive Officer** D Spalding

**Company number** 4410176

**Registered office** Kent Innovation Centre  
Thanet Reach Business  
Park  
Broadstairs  
Kent  
CT10 2QQ  
Broadstairs  
Kent  
CT10 2QQ

**Auditors** Reeves + Neylan LLP  
Chartered Accountants  
& Registered Auditors  
37 St. Margarets Street  
Canterbury  
Kent  
CT1 2TU

**East Kent Spatial Development Company**  
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**Company information (continued)**

**Bankers**

NatWest Bank Plc  
11 The Parade  
Canterbury  
Kent CT1 2SQ

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**Contents**

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Statement of total recognised gains and losses</b>	6
<b>Balance sheet</b>	7
<b>Notes to the financial statements</b>	8 - 13

**East Kent Spatial Development Company**  
**(A company limited by guarantee)**

**Directors' Report**  
**For the year ended 31 March 2007**

The directors present their report and the financial statements for the year ended 31 March 2007.

**Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 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.

So far as each of the directors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Principal activities**

The company's principal activity is to promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council and Dover District Council which are the subject of receipt of Objective 2 and Transitional funding ("Target Area") including, without limitation:

- (a) primarily to undertake or procure the provision of infrastructure works and wider regeneration activities; and
- (b) subject thereto to promote, provide and procure the provision of economic development activities and to promote, provide and procure the provision of other appropriate support activities, including without limitation, advice and training, in each case within or for the benefit of the Target Area.

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**East Kent Spatial Development Company**  
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**Directors' Report**  
**For the year ended 31 March 2007**

**Directors**

The directors who served during the year were:

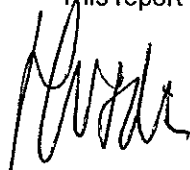
R Gough KCC (chairman) (appointed 05/09/06)  
G Gibbens KCC (resigned 04/09/06)  
D Tucker SEEDA  
V Carter SEEDA  
P Cusdin SEEDA  
K Glendinning SEEDA (resigned 05/05/06)  
G Hawkins SEEDA  
C Moore SEEDA  
S Priest SEEDA  
J Sadler SEEDA  
K Sadler SEEDA  
S Sadler SEEDA (resigned 23/03/07)  
R Latchford TDC  
C Smith DDC (appointed 01/07/06)  
P Watkins DDC (resigned 30/06/06)  
D Ashworth EP (appointed 01/08/06)  
D Innes EP (resigned 02/05/06)

**Auditors**

The auditors, Reeves + Neylan LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 24 October 2007 and signed on its behalf.



**P Cusdin**  
Director

**East Kent Spatial Development Company**  
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**Independent auditors' report to the members of East Kent Spatial Development Company**

We have audited the financial statements of East Kent Spatial Development Company for the year ended 31 March 2007 set out on pages 5 to 13. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing 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).

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.

**East Kent Spatial Development Company**  
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**Independent auditors' report to the members of East Kent Spatial Development Company**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit 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.

**Emphasis of matter – valuation of other debtors**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1.7 to the financial statements concerning the value of other debtors which is dependent upon performance criteria outside the company's control. The ultimate value of these other debtors cannot be presently determined.

**Reeves + Neylan LLP**

Chartered Accountants  
Registered Auditors

Canterbury

24 October 2007

**East Kent Spatial Development Company**  
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**Profit and loss account**  
**For the year ended 31 March 2007**

	Note	2007 £	As restated 2006 £
<b>Turnover</b>	1	<b>150,462</b>	141,082
Cost of sales		<b>(13,863)</b>	(21,981)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>136,599</b>	119,101
Administrative expenses		<b>(137,100)</b>	(117,368)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>	2	<b>(501)</b>	1,733
Interest receivable		<b>34,273</b>	90,465
Interest payable		<b>(122)</b>	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>33,650</b>	92,198
Tax on profit on ordinary activities	3	<b>8,509</b>	(35,024)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>	9	<b>42,159</b>	57,174
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 8 to 13 form part of these financial statements.

**East Kent Spatial Development Company**  
**(A company limited by guarantee)**

**Statement of total recognised gains and losses**  
**For the year ended 31 March 2007**

	Note	2007 £	As restated 2006 £
<b>Profit for the financial year</b>		42,159	57,174
Unrealised deficit on revaluation of other debtors		<u>(923,422)</u>	<u>(361,868)</u>
<b>Total recognised gains and losses relating to the year</b>		<u>(881,263)</u>	<u>(304,694)</u>
Prior year adjustment	10	<u>(55,435)</u>	
<b>Total gains and losses recognised since last financial statements</b>		<u><u>(936,698)</u></u>	

The notes on pages 8 to 13 form part of these financial statements.