

**BUSINESS IN FOCUS LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**



Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**BUSINESS IN FOCUS LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2018**

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**BUSINESS IN FOCUS LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2018**

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**DIRECTORS:**

D R Bevan  
C M Chamberlain  
N Chhabria  
G D Evans  
J M Good  
S D Hudd  
R W James  
J K S Jones  
G F Kelly  
N Phillips  
C M Richards  
J P Sheppard  
C E Smith  
K Thomas  
V Fisher

**REGISTERED OFFICE:**

Unit 14/15 Bocam Park  
Old Field Road  
Pencoed  
BRIDGEND  
CF35 5LJ

**REGISTERED NUMBER:**

02553654 (England and Wales)

**AUDITORS:**

Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**BANKERS:**

Svenska Handelsbanken AB  
Bocam Park  
3 Old Field Road  
Pencoed  
BRIDGEND  
CF35 5LJ

## **BUSINESS IN FOCUS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their strategic report for the year ended 31 March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company continues to be that of business support services.

#### **REVIEW OF BUSINESS**

Throughout the 2017-18 financial year our mission was one of continuing to deliver strongly whilst preparing plans for the future. The Leadership Team finalised their 5 year strategy and identified key stages and targets for its implementation in each successive year.

#### **Delivering strongly**

Our second year delivering the Business Wales services continued to improve its delivery model, providing some 4167 enterprises or individuals with in depth support, and information to more than 9000. Our and our partners' involvement supported the creation of 3777 jobs and £11.5 million investment in enterprises. We achieved excellent quality feedback from a Welsh Government conducted customer survey. This together with our swift response to delivery changes and our newly appointed National Contract Manager, means we are now pushing for more proactive measures to deliver service objectives and key performance indicators. We also established the first Business Wales Entrepreneurial Hub, based in Wrexham and opening its doors officially in April 2018.

In all of our Business Wales activities we are collaborating with key business partners. The main Business Wales contract is delivered through Growth Partnership Wales, a consortium of Antur Teifi and Serco, led by Business in Focus.

Our performance under the Welsh Government's Big Ideas Wales contract continued to be strong, supporting 342 young people of whom 50 started their own business. We also continued our work as the local delivery partner for the British Business Bank's Start Up Loan, supporting clients to draw down 255 loans with a total value of £3,109,240.

In October 2017, we concluded our refinancing review and have now changed our bankers to Handelsbanken. This required a further valuation of our investment property, the results of which are reflected in the increased value of our investment assets as set out under Financial Reporting Standard 102.

Our Property team delivered its target occupancy level of 98% (98% in 2016-17) for our wholly owned property. The property portfolio, whilst steady saw two changes during the year:

1. We acquired another managed centre, Vale Sports Arena in Penarth, and
2. We reached the end of our management agreement with Cardiff City Council for the Enterprise House building, successfully handing over tenants and refurbishing key service areas.

Our refinancing arrangement means we are actively searching for new property to increase our portfolio. We expect to purchase our next property within the first half of the new financial year.

#### **Plans for future**

Other corporate changes include the refresh of the website and a review of social media, plus an employer branding strategy to establish Business in Focus as an 'employer of choice', attracting applicants to Business in Focus and supporting our continued recruitment activity.

Our staffing levels remain high with plenty of recruitment activity over the year. We recruited for 40 positions including one senior leadership post, the new National Contract Manager for the Business Wales contract. Recruitment remained challenging as we operate within an increasingly flat employment market.

Other changes include upgrading our capability by implementing two systems, a new Client Relationship Management system and a new Human Resources system. We also concluded data security enhancements and refreshed all IT laptops, desktops and monitors, bringing ourselves right up to date with technological improvements.

Our staff are kept up-to-date with these plans and progress through the regular engagement of our quarterly update presentations and drop in sessions. We have launched a new ideas forum and electronic newsletters, both of which have been well received by our staff.

Under the new strategy we continue to seek new opportunities to extend our reach and generate new income.

**BUSINESS IN FOCUS LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2018**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The management of the business and the nature of the company's strategy are subject to a number of risks.

Given the nature of the business, the principal risk arises from the ability to sustain funding particularly through the UK exits from the European Union. Whilst we have assurances that our current EU funded contracts are not at any risk of being curtailed, the development of our five year strategy and its associated annual milestones is a key step to improving our success as we target new opportunities.

Business in Focus has management structures, policies and procedures designed to enable the achievement of our business objectives while managing the risks associated with the environment within which it operates. These are kept under regular review with a significant update required during the year to ensure our readiness for the new General Data Protection Regulation effective from 25 May 2018. We also completed the three year re-enrolment for pensions in August 2017 and have kept pace with the Living Wage increase.

**DEVELOPMENT**

The Strategic Working Party and the Board approved our five year strategy and the 2018-19 Business Plan. Our 2018-19 aim is to bring our Property and Business Support offers closer together, to make the most of our assets and expertise in both parts of the business, and to raise our profile on that basis.

Our work to develop this is already bringing the Leadership Team closer together. Over the year we expect this to filter further through the company, bringing in the wider teams to support strategic projects as appropriate.

To help us continue to deliver strongly throughout 2018-19, we are implementing a suite of improvements including:

- the rollout of a comprehensive training programme next year utilising the new HR system capabilities in e-learning modules. This ensures our employees' key skills are refreshed and enhanced; and
- progressing improvements to the internal financial reporting information for managers with commitment information available for key contracts and property income analysis.

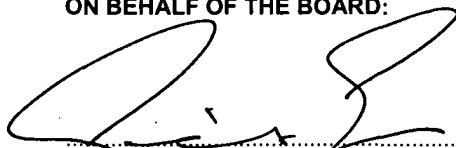
We are also currently undergoing Investors in People assessment under the new framework.

**KEY PERFORMANCE INDICATORS - FINANCIAL**

The financial performance indicators for the year were as follows:

	2018	2017
Turnover	£4,759,418	£4,433,063
Net profit before tax (excluding property valuation)	3.3%	5.5%
Property valuation September 2017	£11,035,000	
Property valuation September 2016	£10,615,000	

**ON BEHALF OF THE BOARD:**

  
.....  
G D Evans - Director

Date: 24-7-18

## **BUSINESS IN FOCUS LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their report with the financial statements of the company for the year ended 31 March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of business support services.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

D R Bevan  
C M Chamberlain  
N Chhabria  
G D Evans  
J M Good  
S D Hudd  
R W James  
J K S Jones  
N Phillips  
C M Richards  
J P Sheppard  
C E Smith  
K Thomas

Other changes in directors holding office are as follows:

J P Bevan - resigned 26 September 2017  
G F Kelly - appointed 8 June 2017  
V Fisher - appointed 25 July 2017

A M Jones ceased to be a director after 31 March 2018 but prior to the date of this report.

#### **DISCLOSURE IN THE STRATEGIC REPORT**

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

**BUSINESS IN FOCUS LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2018**

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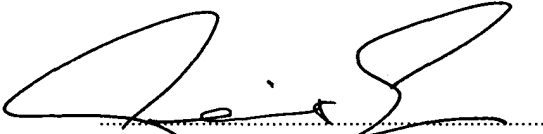
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



G D Evans - Director

Date: 24.7.18

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BUSINESS IN FOCUS LIMITED

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### Opinion

We have audited the financial statements of Business in Focus Limited (the 'company') for the year ended 31 March 2018 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
  - the financial statements are not in agreement with the accounting records and returns; or
  - certain disclosures of directors' remuneration specified by law are not made; or
  - we have not received all the information and explanations we require for our audit.
-



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BUSINESS IN FOCUS LIMITED**

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### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 the report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)  
for and on behalf of Watts Gregory LLP  
Chartered Accountants & Statutory Auditors  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

1 August 2018

**BUSINESS IN FOCUS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2018**

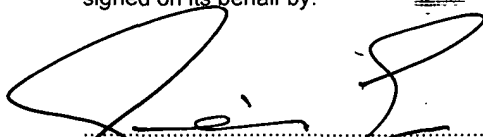
	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	4,759,418	4,433,063
Cost of sales		<u>(2,839,936)</u>	<u>(2,469,672)</u>
<b>GROSS PROFIT</b>		1,919,482	1,963,391
Administrative expenses		<u>(1,707,265)</u>	<u>(1,652,110)</u>
<b>OPERATING PROFIT</b>	5	212,217	311,281
Interest receivable and similar income		<u>27,617</u>	<u>48,734</u>
		239,834	360,015
Gain/loss on revaluation of investment property		<u>420,000</u>	<u>1,032,042</u>
		659,834	1,392,057
Interest payable and similar expenses	6	<u>(82,169)</u>	<u>(114,779)</u>
<b>PROFIT BEFORE TAXATION</b>		577,665	1,277,278
Tax on profit	7	<u>(6,355)</u>	<u>(213,044)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		571,310	1,064,234
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>571,310</u>	<u>1,064,234</u>

The notes form part of these financial statements

**BALANCE SHEET**  
31 MARCH 2018

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	8	229,194	192,387
Investments	9	2	2
Investment property	10	<u>11,035,000</u>	<u>10,615,000</u>
		<u>11,264,196</u>	<u>10,807,389</u>
<b>CURRENT ASSETS</b>			
Debtors	11	1,282,400	1,087,659
Cash at bank and in hand		<u>56,946</u>	<u>148</u>
		1,339,346	1,087,807
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(1,556,396)</u>	<u>(1,585,842)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(217,050)</u>	<u>(498,035)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		11,047,146	10,309,354
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(1,674,029)	(1,496,700)
<b>PROVISIONS FOR LIABILITIES</b>			
	17	<u>(453,555)</u>	<u>(464,402)</u>
<b>NET ASSETS</b>			
		<u>8,919,562</u>	<u>8,348,252</u>
<b>RESERVES</b>			
Revaluation reserve		5,272,214	5,151,147
Retained earnings		<u>3,647,348</u>	<u>3,197,105</u>
		<u>8,919,562</u>	<u>8,348,252</u>

The financial statements were approved for issue by the Board of Directors on 24 July 2018 and were signed on its behalf by:

  
G D Evans - Director

**BUSINESS IN FOCUS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

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	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1 April 2016</b>	3,006,418	4,277,600	7,284,018
<b>Changes in equity</b>			
Total comprehensive income	1,064,234	-	1,064,234
Revaluation of investment properties	(1,032,042)	1,032,042	-
Deferred tax on investment properties	<u>158,495</u>	<u>(158,495)</u>	<u>-</u>
<b>Balance at 31 March 2017</b>	<u>3,197,105</u>	<u>5,151,147</u>	<u>8,348,252</u>
<b>Changes in equity</b>			
Total comprehensive income	571,310	-	571,310
Revaluation of investment properties	(420,000)	420,000	-
Deferred tax on investment properties	(24,058)	24,058	-
Transfer	<u>322,991</u>	<u>(322,991)</u>	<u>-</u>
<b>Balance at 31 March 2018</b>	<u>3,647,348</u>	<u>5,272,214</u>	<u>8,919,562</u>

The notes form part of these financial statements

**BUSINESS IN FOCUS LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	29,345	190,435
Interest paid		(82,169)	(114,779)
Tax paid		(45,832)	(31,056)
Net cash from operating activities		<u>(98,656)</u>	<u>44,600</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(24,770)
Interest received		27,617	48,734
Net cash from investing activities		<u>27,617</u>	<u>23,964</u>
<b>Cash flows from financing activities</b>			
New loans in year		1,727,398	-
Loan repayments in year		(1,572,630)	(152,402)
Capital repayments in year		(19,952)	-
Net cash from financing activities		<u>134,816</u>	<u>(152,402)</u>
Increase/(decrease) in cash and cash equivalents		<u>63,777</u>	<u>(83,838)</u>
Cash and cash equivalents at beginning of year	2	(50,621)	33,217
Cash and cash equivalents at end of year	2	<u><u>13,156</u></u>	<u><u>(50,621)</u></u>

The notes form part of these financial statements

**BUSINESS IN FOCUS LIMITED****NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2018	2017
	£	£
Profit before taxation	577,665	1,277,278
Depreciation charges	58,109	43,305
Loss on disposal of fixed assets	15,359	-
Gain on revaluation of fixed assets	(420,000)	(1,032,042)
Finance costs	82,169	114,779
Finance income	(27,617)	(48,734)
	<u>285,685</u>	<u>354,586</u>
Increase in trade and other debtors	(194,741)	(275,623)
(Decrease)/increase in trade and other creditors	(61,599)	111,472
	<u>(256,340)</u>	<u>(164,151)</u>
<b>Cash generated from operations</b>	<u><u>29,345</u></u>	<u><u>190,435</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 March 2018**

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	56,946	148
Bank overdrafts	(43,790)	(50,769)
	<u>13,156</u>	<u>(50,621)</u>

**Year ended 31 March 2017**

	31/3/17	1/4/16
	£	£
Cash and cash equivalents	148	33,217
Bank overdrafts	(50,769)	-
	<u>(50,621)</u>	<u>33,217</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Business in Focus Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's functional and presentational currency in the financial statements is Sterling (£), rounded to the nearest pound.

The significant accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

There have been no material departures from Financial Reporting Standard 102.

**Going concern**

The company had net current liabilities at the reporting date of £217,050 (2017 - £498,035). The directors confirm that the company will have no issues in paying its liabilities and preparation of the financial statement on the going concern basis is appropriate.

**Preparation of consolidated financial statements**

The financial statements contain information about Business in Focus Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has chosen not to consolidate in accordance with S405(2) of the Companies Act 2006 on the basis that the inclusion of the subsidiaries is not material for the purpose of giving a true and fair view.

**Significant judgements and estimates**

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results. The estimates and assumptions that have significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

**Recognition of income**

Turnover represents the fair value of services provided during the year under review on client assignments. Turnover is recognised as contract activity progresses and the right to consideration is earned. This represents a risk as the turnover recognised is based on the company's assessment of the time spent, skills and expertise provided.

**Provision for impairment of trade debtors**

The financial statements include a provision for impairment of trade debtors based on management's estimation of recoverability. There is a risk that the provision will not match the trade debtors that ultimately prove to be irrecoverable.

**Depreciation**

Judgement is used to determine the useful economic lives and residual values of tangible fixed assets. The assets are depreciated down to their estimated residual values over their estimated useful lives.

**Property valuation**

Investment properties have been valued by an independent expert, based on knowledge of the local area and review of comparable properties within that area. This represents a risk as there is the possibility that the actual value of the properties will not match the actual valuation carried out.

**Turnover**

Turnover represents amounts receivable during the year in relation to property rental and business support services, exclusive of VAT.

2. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated

Plant and machinery	- 10 - 33.33% on cost
Fixtures and fittings	- 10 - 33.33% on cost

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Employee benefits**

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.



2. ACCOUNTING POLICIES - continued

**Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

**Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, trade and other creditors and interest free loans.

Unless otherwise stated, the carrying value of the company's financial assets and liabilities are a reasonable approximation of their fair values.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand. For the purpose of the cash flow statement, cash and cash equivalents are net of bank overdrafts which are repayable on demand.

**Interest rate swap**

Movement on the interest rate swaps are recognised in the profit and loss account in other income, with the liability being recognised in the balance sheet under creditors.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2018 £	2017 £
Rendering of services	3,449,127	3,177,501
Rental income	1,310,291	1,255,562
	<u>4,759,418</u>	<u>4,433,063</u>

4. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	2,450,712	2,186,633
Social security costs	250,679	222,730
Other pension costs	145,632	128,958
	<u>2,847,023</u>	<u>2,538,321</u>

The average number of employees during the year was as follows:

	2018	2017
Admin staff	<u>92</u>	<u>83</u>

## 4. EMPLOYEES AND DIRECTORS - continued

	2018	2017
	£	£
Directors' remuneration	81,639	82,763
Directors' pension contributions to money purchase schemes	6,302	6,229
	<u>          </u>	<u>          </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>          </u> 1	<u>          </u> 1
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With the exception of the Executive Director, no board members receive any remuneration.

## 5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	36,255	43,305
Depreciation - assets on hire purchase contracts	21,854	-
Loss on disposal of fixed assets	15,359	-
Auditors' remuneration	7,000	11,700
Operating lease rentals	145,084	139,283
	<u>          </u>	<u>          </u>

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	77,740	114,779
HP interest	4,429	-
	<u>          </u>	<u>          </u>
	82,169	114,779
	<u>          </u>	<u>          </u>

## 7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	17,202	45,832
Prior year underprovision	-	4,564
	<u>          </u>	<u>          </u>
Total current tax	17,202	50,396
Deferred tax	(10,847)	162,648
	<u>          </u>	<u>          </u>
Tax on profit	6,355	213,044
	<u>          </u>	<u>          </u>

**BUSINESS IN FOCUS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**7. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>577,665</u>	<u>1,277,278</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	109,756	255,456
Effects of:		
Expenses not deductible for tax purposes	-	39
Adjustments to tax charge in respect of previous periods	-	4,564
Effect of revaluation on investment properties	(50,043)	(22,572)
Change of deferred tax rate	<u>(53,358)</u>	<u>(24,443)</u>
Total tax charge	<u>6,355</u>	<u>213,044</u>

**8. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 April 2017	227,923	305,954	533,877
Additions	-	110,275	110,275
Disposals	<u>(3,442)</u>	<u>(35,397)</u>	<u>(38,839)</u>
At 31 March 2018	<u>224,481</u>	<u>380,832</u>	<u>605,313</u>
<b>DEPRECIATION</b>			
At 1 April 2017	135,547	205,943	341,490
Charge for year	16,474	41,635	58,109
Eliminated on disposal	<u>(2,266)</u>	<u>(21,214)</u>	<u>(23,480)</u>
At 31 March 2018	<u>149,755</u>	<u>226,364</u>	<u>376,119</u>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<u>74,726</u>	<u>154,468</u>	<u>229,194</u>
At 31 March 2017	<u>92,376</u>	<u>100,011</u>	<u>192,387</u>

**BUSINESS IN FOCUS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**8. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £
<b>COST</b>	
Additions	110,275
At 31 March 2018	<u>110,275</u>
<b>DEPRECIATION</b>	
Charge for year	21,854
At 31 March 2018	<u>21,854</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u><u>88,421</u></u>

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 April 2017 and 31 March 2018	<u>2</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u><u>2</u></u>
At 31 March 2017	<u><u>2</u></u>

The company owns 100% of the equity share capital of Cardiff & Vale Enterprise International Limited (2017: 100%), whose registered office is Enterprise House, 127 Bute Street, Cardiff Bay, Cardiff, CF10 5LE. Cardiff & Vale International Limited is a dormant company incorporated in the UK and at the year end the capital and reserves of the company were £nil (2017: £nil).

The company owns 100% of the equity share capital of Enterprise Taff Ely Ogwr Partnership Limited (2017: 100%), whose registered office is Enterprise Centre, Tondu, Bridgend, Mid Glamorgan, CF32 9BS. Enterprise Taff Ely Ogwr Limited is a dormant company incorporated in the UK and at the year end the capital and reserves of the company were £1 (2017: £1).

**10. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 April 2017	10,615,000
Revaluations	420,000
At 31 March 2018	<u>11,035,000</u>
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u><u>11,035,000</u></u>
At 31 March 2017	<u><u>10,615,000</u></u>

**BUSINESS IN FOCUS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**10. INVESTMENT PROPERTY - continued**

Fair value at 31 March 2018 is represented by:

Valuation in 2018	£ <u>11,035,000</u>
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If investment properties had not been revalued they would have been included at the following historical cost:

	2018	2017
	£	£
Cost	<u>5,305,358</u>	<u>5,305,358</u>

The company's investment properties (excluding one long leasehold property) were valued at a market value of £9,760,000 at 28 September 2017 by Savills (UK) Limited, Chartered Surveyors. The valuation was based on local knowledge, and the market value of similar properties within the area. The directors have reviewed the value of the long leasehold property at 31 March 2018, and consider the value of £1,275,000 to still be an accurate valuation for the financial statements.

Included within the net book value of the investment properties is capitalised interest costs of £119,773 (2017: £119,773).

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	259,479	208,024
Other debtors	976,491	854,089
Prepayments and accrued income	46,430	25,546
	<u>1,282,400</u>	<u>1,087,659</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	136,587	235,402
Hire purchase contracts (see note 15)	28,061	-
Trade creditors	323,586	227,686
Amounts owed to group undertakings	1	1
Corporation tax	17,202	45,832
Social security and other taxes	63,140	62,438
VAT	183,590	182,039
Other creditors	96,418	100,972
Accruals and deferred income	707,811	731,472
	<u>1,556,396</u>	<u>1,585,842</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Bank loans (see note 14)	1,611,767	1,365,163
Hire purchase contracts (see note 15)	62,262	-
Derivative financial liability	-	131,537
	<u>1,674,029</u>	<u>1,496,700</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	43,790	50,769
Bank loans	92,797	184,633
	<u>136,587</u>	<u>235,402</u>
Amounts falling due between two and five years:		
Bank loans	<u>401,845</u>	<u>860,877</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>1,209,922</u>	<u>504,286</u>

The following securities have been given on the bank loans and overdrafts in favour of Svenska Handelsbanken AB:

A legal charge over all assets of the company, dated 11 October 2017.

A debenture over all property, plant and machinery held by the company dated 25 May 2018.

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018 £	2017 £
Net obligations repayable:		
Within one year	28,061	-
Between one and five years	62,262	-
	<u>90,323</u>	<u>-</u>
	Non-cancellable operating leases	
	2018 £	2017 £
Within one year	127,046	131,585
Between one and five years	210,281	293,538
	<u>337,327</u>	<u>425,123</u>

**BUSINESS IN FOCUS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>1,292,917</u>	<u>1,062,261</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>2,876,170</u>	<u>2,660,696</u>
<b>Financial liabilities</b>		
Financial liabilities measured at fair value through profit and loss	<u>-</u>	<u>131,537</u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors, amounts owed to group undertakings and accruals.

Financial liabilities measured at fair value through the profit and loss comprise of derivative financial instruments. The fair value was determined by the market rate as at the year end. The total expense recognised in the profit and loss for the year is £27,617 (2017: £48,734).

**17. PROVISIONS FOR LIABILITIES**

	2018 £	2017 £
Deferred tax	<u>453,555</u>	<u>464,402</u>
		Deferred tax
		£
Balance at 1 April 2017		464,402
Credit to Profit and Loss Account during year		<u>(10,847)</u>
Balance at 31 March 2018		<u>453,555</u>

The deferred tax balance at the year end is represented as follows:

	2018 £	2017 £
Fixed asset timing differences	(3,873)	(17,083)
Revaluation of investment property	<u>457,428</u>	<u>481,485</u>
	<u>453,555</u>	<u>464,402</u>

**18. PENSION COMMITMENTS**

During the year the company contributed £145,632 (2017: £128,958) into defined contribution pension schemes. At 31 March 2018 there was £nil (2017: £nil) outstanding.

**BUSINESS IN FOCUS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2018**

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**19. RELATED PARTY DISCLOSURES**

During the year the company entered into the following transactions with its related parties:

<b>Related party</b>	<b>Nature of transaction</b>	<b>2018 £</b>	<b>2017 £</b>
Key management personnel	Remuneration	259,476	224,834
Other related parties	Professional fees	65,205	22,079
	Creditor	-	7,677
Entities under control of the entity	Creditor	1	1

Other related parties consist of transactions and balances with Morgan Denton Jones Limited (common director - J K S Jones), Capital Law LLP (common director - N Phillips) and Geldards LLP (common director - R W James).