

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

**Annual Report and Financial Statements
Year Ended 31 March 2018**

Registration number: 07471437

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Cornwall & Isles of Scilly Local Enterprise Partnership Limited

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Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Company Information

Chairman M F Duddridge

Directors L K Edge
M A Goodwin
A N V Williams
E J Kell
P G Massey
R J H Tiplady
L F Rowe
J K Acornley
A R Paynter
R W Egerton
F M Grottick
P Seeva
D A J Walrond
S Caklais
F L Brennan
G Seabright
S C Jermy
R M Camp

Company secretary Foot Anstey Secretarial Limited

Registered office High Water House
Malpas Road
Truro
Cornwall
TR1 1QH

Auditors Grant Thornton UK LLP
Statutory Auditor
St John's House
Haslett Avenue West
Crawley
RH10 1HS

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Directors' Report

Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors of the company

The directors who held office during the year were as follows:

G R G Poole (resigned 17 June 2018)

J R R German (resigned 24 May 2017)

L K Edge

M A Goodwin

M F Duddridge - Chairman

S M Sims (resigned 19 July 2017)

A N V Williams

E J Kell

P G Massey

D J Pollard (resigned 24 May 2017)

S J Trethowan (resigned 21 October 2018)

R J H Tiplady

C Loughlin (resigned 31 January 2018)

L F Rowe (appointed 24 May 2017)

J K Acornley (appointed 24 May 2017)

A R Paynter (appointed 24 May 2017)

D Pugh (resigned 24 May 2017)

R W Egerton (appointed 19 July 2017)

F M Grottick (appointed 19 July 2017)

P Seeva (appointed 19 July 2017)

The following directors were appointed after the year end:

D A J Walrond (appointed 16 May 2018)

S Caklais (appointed 16 May 2018)

F L Brennan (appointed 16 May 2018)

G Seabright (appointed 16 May 2018)

S C Jermy (appointed 16 May 2018)

R M Camp (appointed 26 September 2018)

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Directors' Report

Year Ended 31 March 2018

Business review

The role of the Local Enterprise Partnership is to drive economic growth and the creation of quality jobs in Cornwall and the Isles of Scilly. We aim to facilitate sustained growth through long term, joined up investment in our People, our Places and through our Businesses.

2017/18 has been a year of change, with local elections and a General Election. It was also an important year in determining the future economic development landscape; with our revised capacity arrangements, engaging with Government on future economic development policy (detailed in the Industrial Strategy Green Paper) and continued detailed negotiations on the post-Brexit environment.

In support of our lead role in driving the economic growth of our region, we have secured substantial capital grant investment programmes over the period 2012/13 – 2019/20 which we are responsible for delivering through our Accountable Body arrangements with Cornwall Council. These investment funds are aligned to our Strategic Economic Plan: Vision 2030 outcomes and leverage significant other public and private investment across the programme. These funds include, Regional Growth Fund, Growing Places Fund, Local Growth Fund and Business Rates Growth Fund. In total these amounted to an expenditure in the year of £21.926m in support of prioritised projects.

Of the £76.000m total Local Growth Fund allocation to Cornwall and Isles of Scilly, £21.800m was paid out to projects in 17/18. An £8.400m investment to upgrade one of Goonhilly Earth Station's largest antennas was confirmed in February 2018. This investment will make a significant technical and economic contribution to European efforts in global space exploration and bring jobs and investments to Cornwall.

We have also continued to grow and develop our organisational structure, with resources provided by Cornwall Council, which has led to an increase in the expenditure figure relative to last year.

Going concern

The Directors have considered and approved an operating budget for the period 2018/19. This identifies approved core funding and grant income from central government, agreed management fees associated with the delivery of our programmes and operational funds held to meet the forecast operating costs of the company over this period. The Audit and Assurance Committee will continue to have oversight of forecasting and will monitor expenditure, performance and risk over the financial period to ensure we continue to meet our obligations. The Directors are therefore confident that sufficient funds are available to enable operations to continue at a sustainable level for a period of at least 12 months from the approval of the accounts. We can therefore fully demonstrate going concern status.

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Directors' Report

Year Ended 31 March 2018

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 29/11/18 and signed on its behalf by:



M F Duddridge
Chairman

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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). 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 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.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Independent Auditor's Report to the Members of Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Opinion

We have audited the financial statements of Cornwall & Isles of Scilly Local Enterprise Partnership Limited (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, Balance Sheet, and 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 FRS 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 result 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 Auditor's 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.

Who we are reporting to

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 an auditor's 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.

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 included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Independent Auditor's Report to the Members of Cornwall & Isles of Scilly Local Enterprise Partnership Limited

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 Directors' Report.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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 is 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.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Independent Auditor's Report to the Members of Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Auditor's 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 an auditor's report 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. This description forms part of our auditor's report.

Grant Thornton UK LLP

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Christian Heeger BSc FCA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley

Date: *29 November 2018*

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Profit and Loss Account

Year Ended 31 March 2018

	2018 £	2017 £
Turnover	1,581,519	1,314,511
Grant expenditure	<u>(1,581,519)</u>	<u>(1,314,511)</u>
Operating profit/(loss)	<u>-</u>	<u>-</u>
Profit/(loss) before tax	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year	<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 11 to 15 form an integral part of these financial statements.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Balance Sheet

31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors	3	1,627,902	1,620,284
Creditors: Amounts falling due within one year	4	<u>(1,627,902)</u>	<u>(1,620,284)</u>
Net assets/(liabilities)		<u>-</u>	<u>-</u>
Capital and reserves			
Total equity		<u>-</u>	<u>-</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 29/11/18 and signed on its behalf by:



M F Duddridge
Chairman

Company Registration Number: 07471437

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

High Water House
Malpas Road
Truro
Cornwall
TR1 1QH

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Judgements

For all capital and revenue grant programmes, Cornwall and Isles of Scilly LEP (the LEP) is acting as agent for Government, working with Cornwall Council, the Accountable Body, who are responsible for ensuring the handling, compliance and performance monitoring, and ultimately, should it prove necessary, the retrieval of funds based on non-performance. It is a key judgement therefore of the Cornwall and Isles of Scilly LEP Board that as the LEP is acting as an agent only in respect of these grant funds, they are not reflected on the balance sheet but are disclosed in the notes to the LEP's annual report and financial statements.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Income, expenditure and grant funding

Income receivable includes grant income, which is credited to the income and expenditure account according to the period to which it relates, with any deferred element being shown in creditors as deferred income.

Government grants are recognised based on the accrual model. Grant income receivable from government departments and related bodies for the furtherance of the company's objectives and principal activities is credited to the profit and loss account so as to match the relevant expenditure incurred during the period.

The company acts as agent and receives and pays out grants to claimants on receipt of grant claims. The accountable body for this process is Cornwall Council. These grants are excluded from the income and expenditure account and balance sheet and are disclosed separately in a note to the accounts. Grant income receivable by the company for the administration of the grants is credited to the income and expenditure account so as to match the expenditure incurred.

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category.

Due to the nature of the company's activities, the directors consider that it would be inappropriate to present the income and expenditure account in either of the standard formats recognised by the Companies Act 2006. The format adopted has been selected as it presents the categories of income and expenditure in the detail required by the members of the company.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term other debtors; and
- Deferred income.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Grant funding received but not utilised in the year is included within deferred income. The funds are held by Cornwall Council as accountable body on behalf of the company and therefore included in other debtors.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Notes to the Financial Statements

Year Ended 31 March 2018

3 Debtors

	2018 £	2017 £
Other debtors	1,588,422	1,620,284
Accrued income	39,480	-
	<u>1,627,902</u>	<u>1,620,284</u>

4 Creditors

Creditors: amounts falling due within one year

	2018 £	2017 £
Due within one year		
Accrued expenses	112,942	34,426
Deferred income	1,514,960	1,585,858
	<u>1,627,902</u>	<u>1,620,284</u>

5 Related party transactions

Summary of transactions with other related parties

Cornwall Council, as accountable body, receives funding from Central Government and other sources on behalf of the company. The company has delegated its financial and administrative functions to Cornwall Council and its subsidiaries.

During the year grant funding and payments made by the company to Cornwall Council and its subsidiaries for services provided and projects delivered was £1,074,920 (2017: £829,192).

During the year Cornwall Council provided grant funding to the company of £150,000 (2017: £150,000). At the end of the year £NIL (2017: £NIL) is included in deferred income.

At the year end, Cornwall Council held revenue funds on behalf of the company of £1,627,902 (2017: £1,620,284) which is included in debtors.

During the year a honorarium of £20,000 (2017: £20,000) was paid to the chairman.

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Notes to the Financial Statements

Year Ended 31 March 2018.

6 Capital grants

	Regional Growth Fund Summary 2017-18	Growth Deal Fund Summary 2017-18
Opening balance	199,060	7,375,375
In year transactions:		
Grant received		16,731,067
Repayment of grant	7,297	-
Grants paid	(110,000)	(21,806,241)
Interest received	2,022	210,250
Balance at 31 March 2018	<u>98,379</u>	<u>2,510,451</u>

7 Capital loan fund

	Growing Places Funds Summary 2017-18
Opening balance	2,987,950
In year transactions:	
Principal repayments	1,750,000
Interest received	119,540
Interest utilised	(221,430)
Balance at 31 March 2018	<u>4,636,060</u>

Cornwall & Isles of Scilly Local Enterprise Partnership Limited

Notes to the Financial Statements

Year Ended 31 March 2018

8 Business Rates Growth Fund (Enterprise Zone, Newquay Airport)

	Business Rates Growth Fund
Opening balance	581,230
In year transactions:	
Grants paid	(10,000)
Business growth	334,622
Balance at 31 March 2018	<u>905,852</u>

9 Company Status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.