

**New Anglia Local Enterprise Partnership
Limited**

Company Limited by Guarantee

Financial statements

For the year ended

31 March 2014

Company Registration Number 07685830

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Financial statements

Year ended 31 March 2014

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New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Company information

The board of directors

Mr J M Pendlington - Chairman
Mr R M Jeffries - Vice Chairman
Dr A Wood OBE
Ms B Arthur
Mr G Nobbs
Mr J Griffiths
Mr M Goodall
Mr D Marsh
Mrs E Clegg
Ms D Tanner
Mr E Acton
Mr J Fuller
Mr M Bee
Mr D Ellesmere

Company secretary

Mr R M Jeffries

Registered office

Mills & Reeve LLP
1 St James Court
Norwich
Norfolk
NR3 1RU

Auditor

Lovewell Blake LLP
Chartered Accountants
Statutory Auditor
Excelsior House
9 Quay View Business Park
Barnards Way
Lowestoft
NR32 2HD

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Strategic report

Year ended 31 March 2014

This has been a year of solid achievement and growing success. The New Anglia Local Enterprise Partnership is a young but fast-developing and influential organisation that is leading in economic growth, business development, job creation and skills - all essential for supporting the world-class industries, research parks, small businesses and entrepreneurs to flourish across Norfolk and Suffolk.

As George Osborne said earlier in the year: "this region is one of the fastest growing in the country and is establishing itself as a world leader in many sectors". Your LEP is right at the heart of helping to achieve that.

We are uncompromising in our ambition: to help create 95,000 new jobs and 10,000 more businesses in New Anglia by 2026. And this year we have built a solid foundation for that growth. We continued to secure millions of pounds of funding for projects right across New Anglia. This includes £18m from the Government's Growing Places Fund. This helped to unlock stalled infrastructure projects across the two counties from King's Lynn to Haverhill, and is already providing a powerful incentive for business expansion.

We have established our Growing Business Fund which is providing expansion finance to small and medium sized businesses, helping create hundreds of new jobs.

Growth depends on skills, and our new Skills Strategy sets out demanding but achievable targets for getting people of all ages and talents qualified and into work. This includes securing £10m investment in skills, £5 million for a New Anglia Skills Investment Fund and recruiting 5,000 more apprenticeships by 2020.

New Anglia is the only Local Enterprise Partnership to secure two City Deals in the country, one in Ipswich and one in Norwich. This gives the green light to negotiate plans with Government to create the powers and tools for Norwich and Ipswich to drive local economic growth.

We are also leading the country in the transition to a low carbon green economy. Our Green Economy Pathfinder (GEP) Manifesto, sponsored and supported by a number of government departments, provides a roadmap to achieving sustainable, low-carbon growth. This is critical in creating jobs and making our corner of the world more competitive globally.

Norfolk and Suffolk is the home for world class energy companies. Within the East of England Energy Zone we have created the Great Yarmouth and Lowestoft Enterprise Zone. During the year, companies including Seajacks and Nexus are benefitting from business rates relief of up to £275,000, simplified planning and superfast broadband. We have been active campaigners too, opposing the A14 toll, supporting the A47 upgrade and championing investment in upgrading rail services.

Throughout, we have relied on the support, strategic advice, dedication and sheer hard work of business leaders, local authorities, MPs, academics and business groups like the CBI, Chambers of Commerce and the FSB across the two counties. Together, we are a powerful force and influence as we work to promote economic growth and business development.

The coming year will bring new challenges, including the signing of our Growth Deal with Government which will help realise our growth ambitions. However, we have a strong foundation achieved this year that has made us all the stronger, confident and capable of facing-up to the many new and exciting challenges going into 2015.

Signed by order of the directors

Mr R M Jeffries
Company Secretary

Approved by the directors on 28 August 2014

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Directors' report

Year ended 31 March 2014

The directors present their report and the financial statements of the company for the year ended 31 March 2014.

Results

An operational surplus of £28,467 was generated on turnover of £1,016,647 in the year to 31st March 2014. In addition, Government grants and other income amounting to £141,517 were received during the period. This, less expenditure attributable to the Designated Projects, resulted in an after tax deficit of £408,223 for the year. The Directors take the view that Designated Project income should be accounted for separately from the operational activities of running the company and the accounts are presented on that basis.

The board is continuing to review the financial position of the company and its governance, ensuring that a prudent approach is taken to expenditure whilst recognising the growing role of LEPs and the greater demands being placed on directors and the executive team.

Directors

The directors who served the company during the year were as follows:

Mr J M Pendlington
Mr R M Jeffries
Dr A Wood OBE
Ms B Arthur
Mr G Nobbs
Mr J Griffiths
Mr M Goodall
Mr D Marsh
Mrs E Clegg
Ms D Tanner
Mr E Acton
Mr J Fuller
Mr M Bee
Mr D Ellesmere

Dr A Wood OBE stood down as Chairman of the board at the end of his three year term on 31 March 2014. He has been replaced in the role by Mr J M Pendlington.

Mr G Nobbs was appointed as a director on 29 May 2013.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 surplus or deficit of the company for that year.

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;

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Directors' report *(continued)*

Year ended 31 March 2014

- 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.

Strategic report

The company has prepared a strategic report in accordance with section 414C of the Companies Act 2006.

Auditor

Lovewell Blake LLP shall be deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Registered office:
Mills & Reeve LLP
1 St James Court
Norwich
Norfolk
NR3 1RU

Signed by order of the directors

Mr R M Jeffries
Company Secretary

Approved by the directors on 28 August 2014

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Independent auditor's report to the members of New Anglia Local Enterprise Partnership Limited

Year ended 31 March 2014

We have audited the financial statements of New Anglia Local Enterprise Partnership Limited for the year ended 31 March 2014 on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its deficit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

PAUL BRIDDON FCA BSC (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor
Lowestoft
1 September 2014

**New Anglia Local Enterprise Partnership Limited
Company Limited by Guarantee**

Income and expenditure account

Year ended 31 March 2014

	Designated Project Funding 2014 £	Operational Activity 2014 £	Note	Total 2014 £	Total 2013 £
Operational income	-	1,016,647		1,016,647	600,224
Grant and project income	<u>125,210</u>	-		<u>125,210</u>	<u>131,579</u>
	125,210	1,016,647		1,141,857	731,803
Grants issued	<u>(422,500)</u>	-		<u>(422,500)</u>	-
Gross surplus/(deficit)	(297,290)	1,016,647		719,357	731,803
Administrative expenses	<u>(152,446)</u>	<u>(988,180)</u>		<u>(1,140,626)</u>	<u>(621,961)</u>
Operating (deficit) / surplus	(449,736)	28,467	2	(421,269)	109,842
Interest receivable	16,107	200		16,307	22,740
(Deficit) / surplus on ordinary activities before taxation	<u>(433,629)</u>	<u>28,667</u>		<u>(404,962)</u>	<u>132,582</u>
Taxation	(3,261)	-	4	(3,261)	(4,548)
(Deficit) / surplus for the financial year	<u><u>(436,890)</u></u>	<u><u>28,667</u></u>		<u><u>(408,223)</u></u>	<u><u>128,034</u></u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 14 form part of these financial statements.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Balance sheet

31 March 2014

	Note	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	5		25,485		11,070
Current assets					
Debtors	6	175,809		132,110	
Investments	7	2,900,000		2,000,000	
Cash at bank and in hand	8	15,098,863		16,481,439	
		18,174,672		18,613,549	
Creditors: Amounts falling due within one year	9	(192,004)		(208,243)	
Net current assets			17,982,668		18,405,306
Total assets less current liabilities			18,008,153		18,416,376
Reserves	12				
Other reserves	13		17,828,024		18,264,914
Income and expenditure account	14		180,129		151,462
Members' funds			18,008,153		18,416,376

These financial statements were approved by the directors and authorised for issue on 28 August 2014, and are signed on their behalf by:

Mr J M Pendlington

Mr R M Jeffries

Company Registration Number: 07685830

The notes on pages 9 to 14 form part of these financial statements.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Cash flow statement

Year ended 31 March 2014

	Note	2014 £	£	2013 £	£
Net cash (outflow)/inflow from operating activities			(470,836)		170,113
Returns on investments and Servicing of finance					
Interest received		<u>16,307</u>		<u>22,740</u>	
Net cash inflow from returns on investments and servicing of finance			16,307		22,740
Taxation			(4,548)		–
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(23,499)		–	
Payment to acquire other current asset investments		<u>(900,000)</u>		<u>(2,000,000)</u>	
Net cash outflow for capital expenditure and financial investment			(923,499)		(2,000,000)
Decrease in cash	15		<u>(1,382,576)</u>		<u>(1,807,147)</u>
Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities					
			2014		2013
			£		£
Operating (deficit)/surplus			(421,269)		109,842
Depreciation			9,084		6,402
Increase in debtors			(43,699)		(125,021)
(Decrease)/increase in creditors			<u>(14,952)</u>		<u>178,890</u>
Net cash (outflow)/inflow from operating activities			<u>(470,836)</u>		<u>170,113</u>

The notes on pages 9 to 14 form part of these financial statements.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Income

Income arising in the year is analysed into either Operational Activity or Designated Project Funding. Operational Activity includes income received to cover the day to day core funding requirements of the LEP such as administration costs and staff remuneration. It also includes income to fund certain projects undertaken directly by the LEP. Designated Project Funding includes income received for specific projects which are then distributed by the LEP to third parties. They are generally funds provided by Government or other agencies. Costs directly attributable to designated projects are charged against this income and shown as an expense. Where the LEP incurs costs which may be partly attributable to Operational Activity and partly to designated projects then the Board allocate such expenditure based on a fair and reasonable assessment of the time and cost expended on each project.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	-	Straight line 3 years
Office Equipment	-	Straight line 5 years

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Pension costs

During the year, employees of the company accrued benefits under a defined benefit pension scheme. The scheme is operated by local government and includes their own employees. As such it is not possible to identify the company's share of the underlying assets and liabilities held within the scheme on a consistent and reasonable basis. The scheme has therefore been accounted for as a defined contribution scheme in accordance with FRS 17.

The company also operates a defined contribution scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

2. Operating (deficit)/surplus

Operating (deficit)/surplus is stated after charging:

	2014	2013
	£	£
Directors' remuneration	–	–
Depreciation of owned fixed assets	9,084	6,402
Auditor's remuneration		
- as auditor	4,500	4,500
- for other services	11,750	12,465
Operating lease costs:		
- Other	<u>24,968</u>	<u>24,819</u>

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2014	2013
	No	No
Directors (non-remunerated)	14	16
Operational staff	<u>13</u>	<u>8</u>
	<u>27</u>	<u>24</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	510,670	248,586
Social security costs	38,419	16,430
Other pension costs	<u>53,420</u>	<u>39,223</u>
	<u>602,509</u>	<u>304,239</u>

4. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014	2013
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	<u>3,261</u>	<u>4,548</u>
Total current tax	<u>3,261</u>	<u>4,548</u>

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

4. Taxation on ordinary activities *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (deficit)/surplus on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	2014	2013
	£	£
(Deficit)/surplus on ordinary activities before taxation	(404,962)	132,582
(Deficit)/surplus on ordinary activities by rate of tax	(80,992)	26,516
Non-taxable items	84,253	(21,968)
Total current tax (note 4(a))	<u>3,261</u>	<u>4,548</u>

5. Tangible fixed assets

	Computer Equipment	Office Equipment	Total
	£	£	£
Cost			
At 1 April 2013	19,215	–	19,215
Additions	7,519	15,980	23,499
At 31 March 2014	<u>26,734</u>	<u>15,980</u>	<u>42,714</u>
Depreciation			
At 1 April 2013	8,145	–	8,145
Charge for the year	7,871	1,213	9,084
At 31 March 2014	<u>16,016</u>	<u>1,213</u>	<u>17,229</u>
Net book value			
At 31 March 2014	<u>10,718</u>	<u>14,767</u>	<u>25,485</u>
At 31 March 2013	<u>11,070</u>	<u>–</u>	<u>11,070</u>

6. Debtors

	2014	2013
	£	£
Trade debtors	78,145	107,470
Other debtors	–	1,900
Prepayments and accrued income	97,664	22,740
	<u>175,809</u>	<u>132,110</u>

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

7. Investments

	2014 £	2013 £
Other investments	2,900,000	2,000,000

This relates to the company's interests in amounts advanced under the Growing Places Fund.

8. Cash at bank and in hand

	2014 £	2013 £
Cash at bank	122,326	88,827
Accountable Body funds	14,974,476	16,390,817
Paypal account	1,723	1,795
Cash in hand	338	-
	<u>15,098,863</u>	<u>16,481,439</u>

The Accountable Body funds are held on deposit on behalf of the Company by Suffolk County Council. These funds are attributable to the Growing Places, New Anglia Projects Income and Local Transport Body Income funds, and have been allocated to projects, with expenditure planned in future years.

9. Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	71,160	101,784
Corporation tax	3,261	4,548
Other taxation and social security	14,282	6,670
Other creditors	4,072	4,213
Accruals and deferred income	99,229	91,028
	<u>192,004</u>	<u>208,243</u>

10. Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2014 £	2013 £
Operating leases which expire: Within 2 to 5 years	<u>17,632</u>	<u>-</u>

11. Related party transactions

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

12. Company limited by guarantee

The company is limited by guarantee and accordingly does not have share capital. Every member of the company undertakes to contribute such amounts as may be required not exceeding £1 to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

13. Other reserves

Other reserves represent amounts received and held for specific long term projects as follows:

	Balance brought forward £	Surplus/ (deficit) transferred from Income and Expenditure Account £	Balance carried forward £
Growing Places Capital Income	15,720,004	(172,500)	15,547,504
Growing Places Revenue Income	212,025	19,653	231,678
New Anglia Projects Income	2,205,111	(250,000)	1,955,111
Enterprise Zone	(26,469)	(14,181)	(40,650)
Local Transport Body Income	131,579	(19,862)	111,717
Redundancy Reserve	22,664	–	22,664
	<u>18,264,914</u>	<u>(436,890)</u>	<u>17,828,024</u>

The annual movement on Other Reserves is an overall deficit, this reflects grants distributed from grant reserves in excess of the grant income received during the year.

The Growing Places Reserves represent funding received from HM Government for the purposes of providing financial support for infrastructure projects.

Of this balance approximately £6.5 million is scheduled to be advanced to committed projects during the next financial year, with a further £5.1m scheduled to be advanced the year after. This is in addition to the £2.9 million which has already been advanced to existing projects.

The Redundancy Reserve relates to monies received from sponsoring authorities on the transfer of the company's employees under Transfer of Undertakings Protection Employment regulations to fund any potential future redundancy expenditure in respect of those employees.

New Anglia Projects Income is funding from the Growing Places fund set aside to fund a range of economic development projects.

Local Transport Body Income is funding allocated by HM Government to support the Norfolk and Suffolk Local Transport Body.

Enterprise Zone relates to income and costs associated with the Great Yarmouth and Lowestoft Enterprise Zone.

In addition to the project reserves noted above the LEP is also contracted to undertake certain administrative and promotional activities associated with the Growing Business Fund. The Growing Business Fund is a mechanism for providing financial support to businesses in Norfolk and Suffolk. Spending decisions for the fund, which has fixed finite life and is held and accounted for by a separate Accountable Body, rest with a panel independent to the LEP. Accordingly the directors do not consider that it would be appropriate to account for this fund in the financial statements of the LEP.

New Anglia Local Enterprise Partnership Limited Company Limited by Guarantee

Notes to the financial statements

Year ended 31 March 2014

14. Income and expenditure account

	2014 £	2013 £
Balance brought forward	151,462	64,786
(Deficiency)/surplus for the financial year	(408,223)	128,034
Transfer from/(to) other reserves	436,890	(41,358)
Balance carried forward	<u>180,129</u>	<u>151,462</u>

15. Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Decrease in cash in the period	(1,382,576)	(1,807,147)
Movement in net funds in the period	(1,382,576)	(1,807,147)
Net funds at 1 April 2013	<u>16,481,439</u>	<u>18,288,586</u>
Net funds at 31 March 2014	<u>15,098,863</u>	<u>16,481,439</u>

16. Analysis of changes in net funds

	At 1 Apr 2013 £	Cash flows £	At 31 Mar 2014 £
Net cash:			
Cash in hand and at bank	16,481,439	(1,382,576)	<u>15,098,863</u>
Net funds	<u>16,481,439</u>	<u>(1,382,576)</u>	<u>15,098,863</u>