



GREATER LINCOLNSHIRE LOCAL ENTERPRISE PARTNERSHIP LIMITED

(A COMPANY LIMITED BY GUARANTEE)

Registered number: 09223395

ANNUAL FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 MARCH 2019

COMPANY INFORMATION

DIRECTORS (at year end)	Ursula Lidbetter David Dexter Mary Stuart Pat Doody Herman Kok Chris Baron Steve Middlebrough Colin Davie Rob Waltham Dean Fathers Richard Metcalf Craig Leyland Peter Wheatley Debbie Barnes Zoe Easey Sarah Louise Fairburn Gary Headland Nick Worboys
DIRECTORS (in period)	Richard Wills (retired 12.11.18) Keith Ireland (incorporated 21.09.18/retired 04.12.18)
COMPANY SECRETARY	Wilkin Chapman LLP The Maltings, 11-15 Brayford Wharf E, Lincoln LN5 7AY
ACCOUNTABLE BODY	Lincolnshire County Council County Offices, Newland, Lincoln, LN1 1YL
REGISTERED NUMBER	09223395
REGISTERED OFFICE	Greater Lincolnshire LEP County Offices, Newland, Lincoln, LN1 1YL
Auditors	Duncan & Toplis 4 Henley Way Doddington Road Lincoln LN6 3QR

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INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL SUMMARY 2018/19

<i>INCOME</i>	<i>Note</i>		<i>18/19</i>		<i>17/18</i>
Core Funding	1,2	£	500,000	£	500,000
Other Core contributions	1	£	370,000	£	70,000
Department of Transport		£	-	£	-
Invest and Grow	3	£	839,426	£	290,109
Growth Hub	5	£	246,000	£	246,000
Single Local Growth Fund	4	£	12,333,858	£	15,843,689
Gross interest (on Cash Balances)		£	126,792	£	108,877
Total Income		£	14,416,076	£	17,058,675

<i>EXPENDITURE</i>	<i>Note</i>		<i>18/19</i>		<i>17/18</i>
Core Funding	1,2	£	500,016	£	481,398
Other Core contributions	1	£	117,959	£	28,850
Department of Transport		£	-	£	-
Invest and Grow (Loan)		£	-	£	600,000
Invest and Grow (Other)	3	£	-	£	10,090
Feasibility	3	£	98,299	£	87,811
Business Investment Fund	3	£	165,502	£	15,000
Growth Hub	5	£	246,000	£	246,000
Single Local Growth Fund	4	£	8,840,354	£	15,687,335
Total Expenditure		£	9,968,130	£	17,156,484

BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019

The closing year cash balances as per the agreed policy are:

<i>CASH BALANCES</i>			<i>YEAR END CLOSING BALANCE</i>	
	<i>Note</i>		<i>18/19</i>	<i>17/18</i>
Invest to Grow Fund	3	£	3,121,038	£ 2,251,643
Other cash balances		£	649,862	£ 397,485
Capacity 2 Fund		£	-	£ 28,600
Core Reserve		£	296,840	£ 296,855
Business Investment Fund	3	£	2,819,498	£ 2,985,000
Feasibility Fund	3	£	221,439	£ 288,171
Single Local Growth Fund	4	£	3,649,858	£ 156,354
Net Interest Received	6	£	-	£ 33,270
Gross Interest received	6	£	126,792	N/A
Total		£	10,885,328	£ 6,437,378
Long term loan investments		£	4,300,000	£ 4,900,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

- Net credit on the account is (£4,447,946)

	£
Core Cost net spend	16
Other Core contributions	(252,041)
Invest To Grow payback	(839,426)
Feasibility Fund drawdown	98,299
Business Investment Fund drawdown	165,502
SLGF	(3,493,504)
Gross Interest	(126,792)
Net balance	(£4,447,946)

The following notes provide more detail on the values shown on page 1.

Note 1: Core Funding Breakdown

AREA - DESCRIPTION	ACTUAL SPEND (£)
Executive Team	225,004
Operational	275,012
TOTAL	500,016

There is a small overspend of £16 and this money has been drawn down from the LEP core reserves.

Within the year the LEP received the following additional income contributions:-

- £40,000 as part repayment of court costs following a successful Judicial review challenge.
- £155,000 to support manufacturing growth in Greater Lincolnshire.
- £75,000 contribution to move forward the skills advisory panels.
- £100,000 to support the work of implementing the recommendations of the LEP Review.

Within year £117,959 of committed reserves have been used as follows:-

AREA - DESCRIPTION	ACTUAL SPEND (£)
Judicial Review legal cost transfer	40,000
Enterprise Co-ordinator	21,249
Energy strategy	41,710
Housing and Growth Deal evidence base	15,000
TOTAL	£117,959

Note 2: Match funding (including voluntary board contribution)

There is a requirement for the LEP to match fund £250,000 of the core budget with a further £250,000 of match funding. Analysis has shown that match funding of £316,784.48 has been achieved supporting the delivery of the LEP core function.

These costs are made up of:-

• Board Directors Voluntary Time (Equivalent Value)	£ 56,042.28
• LCC officer support (Non Accountable Body)	£ 200,925.44
• Consultancy Shared service	£ 12,044.86
• Events	£ 47,771.90

Note 3: Invest and Grow

The balance as at 1st April 2018 was £2,281,612 (with applied interest).

Within the year we have received one loan repayment of £600,000 from the Stokes Café investment. Loan interest received in period was £239,426. This resulted in an increase of the loan fund (not including cash balance interest) to £3,121,038.

Long term investment Loans as at 31st March 2019 amounted to £4,300,000 as follows:

- £3,500,000 - Chestnut Homes - Boston Quadrant
- £800,000 - The Lincolnshire Bomber Command Memorial.

Within the Invest to Grow cash balance 2 other funds have been created:

Note 4: Feasibility Pot

The total feasibility pot at the beginning of the financial year was £288,172. Within the year £31,566 was added to create a larger feasibility pot of £319,738. This was split into 2 distinct funds:

• Feasibility fund committed	£215,714
• Feasibility fund commissioned	£104,024

Overall 9 contracts have been awarded to a value of £306,500. Within the year 1 contract has withdrawn to a value of 50K and 1 project remains uncontracted 20K. Other projects have underspent against their agreed contractual values.

£98,299 has been paid to contracts within the financial year and estimated spend in 2019/20 will be £51,560.40.

As at the 31st March 2019 the two funds have been realigned and now are:

• Feasibility fund committed	£51,560
• Feasibility fund commissioned	£169,879

Note 5: Business Investment Fund

The Greater Lincolnshire Growth Fund was launched in October 2017 and here has been significant interest in the fund. The fund is promoted through the Greater Lincolnshire website and administered through a contract with Greenborough Ltd (Business Growth and Project Management service). Within 2018/19 5 projects have been approved and contracted:

Company	Location	Project Summary	Grant
Tong Engineering Ltd	Spilsby	To create a new production facility, enabling the company to consolidate their two existing sites in to one; safeguarding the future of the company by ensuring the business meets its growth aspirations.	£500,000
SDG Access Ltd	Navenby	To build a new bespoke business premises, enabling the company to consolidate their two existing sites in to one; safeguarding the future of the company by enabling the company to deliver against their growth aspirations	£151,346
Wolds Manufacturing Services Ltd	Louth	To build a new manufacturing facility, enabling the company to significantly improve production efficiency ensuring they have the capacity to meet increasing customer demand and deliver against future growth plans.	£327,653
SBS Ltd	Heckington	To buy/build a new premise to house the full manufacturing facility to meet increasing orders	£329,349
WISE Software Ltd	Saxilby	The company will develop a 'goods to picker' warehouse automation system, a new robotics arm to their software business.	£218,806
Total grant award			£1,527,154

Within the year Project management costs and 2 grant payments have been made:

- SDG Access Ltd - £18,443
- Wolds Manufacturing Services Ltd - £117,059
- Greenborough Ltd - £30,000

Note 6: Single Local Growth Fund

We currently hold contracts with an agreed grant contribution of £101,375,322. The LEP is 82% contracted against its total growth Deal allocation of £123,647,638.

Within the year we received our third tranche of growth deal monies to the sum of £8,733,858. The table below shows how the monies were distributed across the growth deal projects.

PROJECT NAME	Single local Growth Fund
Boston Quadrant	268,327
Unlocking Rural Housing	65,306
Lincoln Transport Hub	179,336
Normanby Enterprise Park	294,159
Agri-food Centre of Excellence	600,000
Holbeach Peppermint Junction	53,585
Scunthorpe Town Centre	3,465,000
Grantham Technology and Innovation Centre	1,800,000
Gainsborough Growth Phase 1	1,440,000
Hemswell Food Enterprise Zone	129,906
Europarc Food Enterprise Zone	33,641
South Humber Infrastructure Investment Programme Phase 2	487,879
Due diligence costs	23,215
Total Programme	£8,840,354

Within year £3,600,000 was paid back from the Skegness Countryside Business Park project following a substantial project change. These monies have been placed on the reserve for future allocation. £156,354 had previously been paid back from the withdrawal of the Grantham College project. £106,496 of this was utilised this year leaving a committed reserve of £3,649,858

Note 7: Growth Hub

The Greater Lincolnshire LEP secured £246,000 of revenue funding from BEIS to continue the operation of the Growth Hub service during 2018-2019.

The Business Lincolnshire Growth Hub has continued:

- To provide a service that meets the identified needs of businesses
- To align business support offers
- Developing greater intelligence to deliver an added value offer
- To Develop and implement a segmented service offer
- Investigating future sustainability options
- Developing strong partnerships with professional intermediaries

A detailed report on growth Hub activity will be submitted to government on the 31st May 2019.

Note 8: Interest

All interest has been applied as per the cash balance and interest policy. It will be requested that Interest gained on the Single Local Growth Fund be offset with £67,791.09 of agreed Accountable Body running costs.

Any deposits held within the Council's cash balance, that it holds on a daily basis, on behalf of another body or party is allocated interest at a daily average yield rate, compounded quarterly over the year.

Note 9: Net Interest:

Cash Balance 1	Core Funding, Reserves and other cash balances	£7,977
Cash Balance 2	Growing Places Fund (Invest to grow)	£49,170
Cash Balance 3	Single Local Growth Fund	£69,646*

***As part of year end procedures the Accountable Body reviewed interest calculations and identified an adjustment for an additional £23,763 for Cash balance 3. This will be added within the 19/20 financial year.**

Note 10: Cash Balances

As recommended by the Finance and Audit Committee and agreed by LEP board the Accountable Body will hold three distinct cash balances on account. The table below shows the closing cash balances for the year 18/19

Cash Balance 1	Core Funding, Reserves and other cash balances	£954,679
Cash Balance 2	Growing Places Fund (Invest to grow)	£6,211,145
Cash Balance 3	Single Local Growth Fund	£3,719,504

The total cash balance as at 31st March 2019 held on behalf of the LEP by the Accountable body is £10,885,328.

END