

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

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FOR THE YEAR ENDED 31 MARCH 2020**

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**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020**

DIRECTORS:

C E Hayward
R J Mee
S K Kinsey
G M Bristow
J A Downes
C J Hindley
R L Bowden
C J Browne
Dr P Broxton
N J Dunbar
L C Gittins
N C Newton
A B Robinson
T J Brocklebank
Professor E A Simmons

REGISTERED OFFICE:

Floor 1
Wyvern House
The Drummer
Winsford
Cheshire
CW7 1AH

REGISTERED NUMBER:

04453576 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

Michael Benson

AUDITORS:

Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their Strategic report, together with the Directors' report, the financial statements and auditors' report, for Cheshire & Warrington Local Enterprise Partnership ("the Company") for the year ended 31 March 2020.

BUSINESS REVIEW

This is my first opportunity to report, as Chair, on the LEPs activities and to present our financial accounts for the year 2019/20. I have taken on the role Chair in unprecedented times. If we think back to the start of the year, 2019/20 was already going to be a significant year, presenting both challenges and opportunities. Planning for and supporting local businesses through Brexit was the priority and the draft Local Industrial Strategy was in its final stages towards publication. The LIS highlights Cheshire and Warrington's core economic strengths of Advanced Manufacturing, Clean Energy, Life Sciences, Financial Services and Logistics and the importance of ensuring that our workforce of today and tomorrow has the skills necessary to thrive in an increasingly digital world. Despite the setback of Covid-19 these remain the pillars on which recovery will be built, and the LEP's ambition to deliver a £50Bn economy by 2040 remains in place. The current crisis provides an opportunity to re-think and re-imagine and the LEP Board has therefore concluded that as Cheshire and Warrington emerges from the Covid crisis, it wants the sub-region to become the fastest growing, healthiest, most sustainable and most inclusive regional economy in the UK, ensuring that we develop a better future for all.

Before reviewing the overall year of 2019/20, it perhaps goes without saying the emergence of Covid-19 has, for the past few months, dominated the LEP agenda. The LEP is a body, largely funded from the public sector, responsible for supporting economic resilience and growth. As such, Government and local partners have looked to the LEP as a channel to communicate information, initiate and support local responses and to assist in the development of strategy and policy to meet the immediate challenges and plan for longer term recovery. The LEP funding has therefore remained secure during this period and continues for 2020/21. Since the lockdown, LEP staff have worked almost entirely from home, using video conferencing and other digital tools to continue to deliver its agenda. The Board has met more frequently, for discussions, to keep abreast of the fast pace of change and to help ensure a cohesive response across the sub-region. In these unprecedented circumstances the LEP staff, board and committee members and stakeholders have all demonstrated an unswerving commitment to help minimise the impacts of Covid-19 on the local economy, businesses and residents. What has been evident during this period is the powerful partnerships we have we all our partners within the public, private and voluntary sectors.

The LEP has continued to develop the breadth of its activities during 2019/20 and was exceptionally well placed to perform these functions. In October 2018, the LEP brought the Growth Hub in house and with its business support services we are providing direct advice and support to local businesses. This function has become firmly embedded within the LEP operations during 2019/20. It focussed in the early part of the year on Brexit readiness, and latterly on business support in respect of Covid-19. Working closely with many stakeholders, it has firmly established itself as a trusted source of information regarding government support schemes and offering support to businesses more generally, reaching out to over 40,000 local businesses. During the year additional funds, over and above the core funding from BEIS, were provided to the Growth Hub to bolster that support, and additional funding is also expected in 2020/21.

The LEP has significantly expanded its work on the development of skills strategies, skills delivery and on the links between employers and educational establishments. Ensuring a sufficient, highly skilled workforce to meet employer needs is a key strand of the Local Industrial Strategy. The LEP has successfully bid for funding to establish a Skills Advisory Panel. We are one of only six recipients of funding for a Digital Skills Partnership and have expanded "the Pledge" to all areas of the sub-region. The LEP partnered with the University of Chester to form Accelerate, to deliver a programme of digital skills learning to 19,000 adult learners over the next 3 years. This flagship programme, part funded by European Social Fund money, represents almost £30M of subsidised training. £1M of this fund now provides entirely free training to people who are furloughed, this is an element of the LEP Board's response to Covid-19.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The Cheshire Science Corridor Enterprise Zone continued to realise its growth potential in 2019/20 and continues to deliver significant new investment to drive further growth. Since its' creation in 2016 it has attracted 50 new business and over 1,000 new jobs and generated over £30million in new direct private sector investment. Key to the success is that the local sub-region retains the additional business rates generated by the Enterprise Zone providing funding to support the implementation of the local industrial strategy, e.g. infrastructure development, business case development and skills funding. In 2019/20 retained business rates amounted to £918k. Negotiations with our three Local Authority partners to establish a £30Million loan facility to accelerate development in the Enterprise Zone have advanced during 2019/20. The loan will provide project funding and will be repaid from the future business rate receipts.

2019/20 was the penultimate year of the Local Growth Fund. Many schemes are reaching completion and delivering the anticipated economic benefits in terms of new and refurbished office space, housing developments or improved travel. During 2019/20 the LEP launched calls for Energy and Skills projects amounting in total to £9Million. Overall, in 2019/20 over £25Million was invested in projects bringing the total over the life of the programme so far to over £200Million. That investment has secured £997Million of public and private funding. Contracted outputs achieved to date include: 2635 business benefitting, 703k sqm of new commercial space and 16,200 jobs. Virtually all the remaining £25Million, to be invested in 2020/21, is contracted.

In 2019, Marketing Cheshire became part of the LEP group of companies. Marketing Cheshire, maintains its' activities as a Destination Management Organisation for Tourist Information and Visitor Services and is broadening its remit to cover all aspects of marketing Cheshire and Warrington to people and businesses including inward investment marketing, with the aim of retaining and attracting business and people to our region.

In its role as a member of the Northern Powerhouse 11 LEPs, the LEP holds the funds and employs the staff of NP11, providing some policy advice and accounting and governance support.

The new activities and funding streams are increasing the financial scale and complexity of the LEP, and this is reflected in the annual accounts which form part of this report. The LEP company, for which these are the operational accounts, also manages several funds which do not form part of the legal entity report. Cheshire East Borough Council remains the LEP Accountable Body and continues to hold funds on behalf of the LEP. Investments from those funds approached £36M in 2019-20. These accounts apply to the legal entity which reported turnover of £3.3M and an operating surplus for the year of £26,242 which has been transferred to reserves (2019: £20,599).

We also cannot let this opportunity pass without acknowledging that on 31/3/2020, Christine Gaskell and Tim Wheeler, respectively Chair and Deputy Chair of the LEP, reached the end of their maximum terms and stood down from the Board. They have been part of the LEP almost from its inception and steered the organisation into a position of strength, regionally and nationally. In addition, Ged Barlow stood down and, following local elections in May 2019, we saw changes to the leaders of our three local authority partners, and therefore a change of board members. The Board wishes to record here its thanks to all of them for their enormous contributions to the LEP and Cheshire & Warrington over the years. Consequently, after various highly competitive recruitment campaigns, the LEP appointed eight new directors during the year. The Board has also established a Youth Board recruiting, initially, seven members aged between 20 and 27 from across the sub-region to help ensure the views and opinions of this generation become embedded in our policies and plans for the long term. We extend a very warm welcome to all our new directors and sub-committee members.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Company arises from reliance on national and local government funding.

The Company's senior management regularly review this risk and the potential impact on the Company and take mitigating action as necessary.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

ON BEHALF OF THE BOARD:

C E Hayward - Director

15 July 2020

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

DIVIDENDS

As the company is limited by guarantee it makes no distributions by dividends or any other means.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

C E Hayward
R J Mee
S K Kinsey
G M Bristow
J A Downes
C J Hindley

Other changes in directors holding office are as follows:

C A Gaskell - resigned 31 March 2020
T J Wheeler - resigned 31 March 2020
G A Barlow - resigned 31 March 2020
T P O'Neill - resigned 3 January 2020
S K Dixon - resigned 4 June 2019
R Bailey - resigned 4 June 2019
R L Bowden - appointed 1 July 2019
C J Browne - appointed 1 July 2019
Dr P Broxton - appointed 2 September 2019
N J Dunbar - appointed 2 September 2019
L C Gittins - appointed 1 July 2019
N C Newton - appointed 2 September 2019
A B Robinson - appointed 8 September 2019

T J Brocklebank and Professor E A Simmons were appointed as directors after 31 March 2020 but prior to the date of this report.

EMPLOYMENT POLICIES

The company is committed to the principle of equal opportunities in employment and to ensuring that all employees receive fair treatment irrespective of their sex, religion, ethnic origin, or disability. The company is committed to improving the skills of its people. Through training and development and nurturing a culture in which they feel valued, the company encourages them to work to their full potential. The company has regular and open communication channels to involve staff in business developments.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and meets regularly. Certain matters are reserved for the Board's approval including the overall strategy for the company, annual budgets and business plans, major items of expenditure on projects and funding requirements from key stakeholders. To ensure detailed discussion, evaluation and representation, the Board has delegated responsibilities to the following committees, formally constituted with terms of reference:

Strategy Committee
Skills & Education Committee
Enterprise Zone Board
Local Transport Board
Appointments & Remuneration Committee
Finance & Audit Committee
Performance & Investment Committee
Business Growth Committee
Marketing Cheshire

In a commitment to transparency, many of the meetings are open to the public, and the LEP publishes the dates and papers of its meetings on its website along with other details of its operations.

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 surplus or deficit 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2020**

AUDITORS

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

ON BEHALF OF THE BOARD:

C E Hayward - Director

15 July 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

Opinion

We have audited the financial statements of Cheshire & Warrington Local Enterprise Partnership (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, 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 2020 and of its surplus 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, except to the extent otherwise explicitly stated in our report, 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 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHESHIRE & WARRINGTON LOCAL ENTERPRISE PARTNERSHIP

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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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. 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 this report, or for the opinions we have formed.

Michael Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

15 July 2020

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 2020 £ | 2019 £ |
|---------------------------------------|-------|-----------|-----------|
| TURNOVER | | 3,297,088 | 2,244,921 |
| Administrative expenses | | 3,270,846 | 2,227,322 |
| OPERATING SURPLUS | 4 | 26,242 | 17,599 |
| Other finance income | | - | 3,000 |
| SURPLUS BEFORE TAXATION | | 26,242 | 20,599 |
| Tax on surplus | 5 | - | - |
| SURPLUS FOR THE FINANCIAL YEAR | | 26,242 | 20,599 |

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|---------------|------------------|
| SURPLUS FOR THE YEAR | | 26,242 | 20,599 |
| OTHER COMPREHENSIVE INCOME | | | |
| Actuarial gain/(loss) on retirement benefit scheme | | - | (110,000) |
| Income tax relating to other comprehensive income | | - | - |
| | | <u>-</u> | <u>-</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | | <u>-</u> | <u>(110,000)</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>26,242</u> | <u>(89,401)</u> |

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**BALANCE SHEET
31 MARCH 2020**

| | Notes | 2020 | | 2019 | |
|--|-------|------------------|-----------------------|----------------|-----------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible assets | 6 | | 121,826 | | 162,435 |
| Tangible assets | 7 | | 46,325 | | 6,027 |
| Investments | 8 | | 1 | | - |
| | | | <u>168,152</u> | | <u>168,462</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 9 | 608,717 | | 394,592 | |
| Cash at bank | | 946,632 | | 246,805 | |
| | | <u>1,555,349</u> | | <u>641,397</u> | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 10 | 1,427,348 | | 524,948 | |
| | | | <u>128,001</u> | | <u>116,449</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>296,153</u> | | <u>284,911</u> |
| PENSION LIABILITY | | | - | | (15,000) |
| NET ASSETS | | | <u><u>296,153</u></u> | | <u><u>269,911</u></u> |
| RESERVES | | | | | |
| Income and expenditure account | 12 | | 296,153 | | 269,911 |
| | | | <u><u>296,153</u></u> | | <u><u>269,911</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 15 July 2020 and were signed on its behalf by:

C E Hayward - Director

C J Hindley - Director

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Retained earnings £ | Total equity £ |
|---------------------------------|---------------------------|-----------------------|
| Balance at 1 April 2018 | 359,312 | 359,312 |
| Changes in equity | | |
| Total comprehensive income | (89,401) | (89,401) |
| Balance at 31 March 2019 | <u>269,911</u> | <u>269,911</u> |
| Changes in equity | | |
| Total comprehensive income | 26,242 | 26,242 |
| Balance at 31 March 2020 | <u><u>296,153</u></u> | <u><u>296,153</u></u> |

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | 744,500 | (31,650) |
| Net cash from operating activities | | <u>744,500</u> | <u>(31,650)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | (45,544) | (6,069) |
| Purchase of fixed asset investments | | (1) | - |
| Sale of tangible fixed assets | | 872 | - |
| Net cash from investing activities | | <u>(44,673)</u> | <u>(6,069)</u> |
| Increase/(decrease) in cash and cash equivalents | | <u>699,827</u> | <u>(37,719)</u> |
| Cash and cash equivalents at beginning of year | 2 | 246,805 | 284,524 |
| Cash and cash equivalents at end of year | 2 | <u><u>946,632</u></u> | <u><u>246,805</u></u> |

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

1. RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 2020 | 2019 |
|---------------------------------------|----------------|-----------------|
| | £ | £ |
| Surplus before taxation | 26,242 | 20,599 |
| Depreciation and amortisation charges | 44,983 | 41,624 |
| Release of pension liability | (15,000) | - |
| Finance income | - | (3,000) |
| | <u>56,225</u> | <u>59,223</u> |
| Increase in trade and other debtors | (214,125) | (335,121) |
| Increase in trade and other creditors | 902,400 | 244,248 |
| | <u>744,500</u> | <u>(31,650)</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 2020

| | 31.3.20 | 1.4.19 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Cash and cash equivalents | <u>946,632</u> | <u>246,805</u> |

Year ended 31 March 2019

| | 31.3.19 | 1.4.18 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Cash and cash equivalents | <u>246,805</u> | <u>284,524</u> |

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.19 | Cash flow | At 31.3.20 |
|-----------------|----------------|----------------|----------------|
| | £ | £ | £ |
| Net cash | | | |
| Cash at bank | 246,805 | 699,827 | 946,632 |
| | <u>246,805</u> | <u>699,827</u> | <u>946,632</u> |
| Total | <u>246,805</u> | <u>699,827</u> | <u>946,632</u> |

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Cheshire & Warrington Local Enterprise Partnership 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.

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.

Preparation of consolidated financial statements

The financial statements contain information about Cheshire & Warrington Local Enterprise Partnership as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Turnover

Turnover represents income from grants and funding receivable in respect of projects carried out during the relevant year, excluding Value Added Tax.

Grant and other income which has been received to fund projects in future accounting periods is carried forward under deferred income.

Intangible assets

Intangible assets are stated at cost less amortisation.

Amortisation is charged by equal annual instalments, commencing with the period in which income first begins to be generated by the asset, so as to write off the cost over its useful economic life.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is being charged by equal annual instalments, commencing with the period in which the assets are first available for use, so as to write off each asset's cost, less any residual value, over its expected useful economic life. The following rates of depreciation have been used:-

| | |
|---------------------|-----------------------|
| Computer equipment | - 33.3% Straight line |
| Fixtures & Fittings | - 20% Straight line |

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

The company is a grant aided local agency organisation and its economic advisory activities are wholly maintained by contributions from altruistic member organisations. As a result the net surplus arising from these activities is treated as non-trading by virtue of Section 79 of the Income and Corporation Taxes Act 1988. The company is liable to corporation tax on bank interest and other investment income.

Deferred tax

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

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.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

3. EMPLOYEES AND DIRECTORS

| | | |
|-----------------------|------------------|------------------|
| | 2020 | 2019 |
| | £ | £ |
| Wages | 1,336,983 | 955,027 |
| Social security costs | 143,845 | 87,306 |
| Other pension costs | 68,085 | 54,536 |
| | <u>1,548,913</u> | <u>1,096,869</u> |

Of the above salary expense a total of £633,058 (2019: £225,011) was recharged for work on the delivery of projects.

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

| | | |
|-----------|-----------|-----------|
| | 2020 | 2019 |
| Employees | <u>26</u> | <u>13</u> |

Senior Employees

The LEP has chosen to disclose the remuneration of senior employees. These include the statutory officers and any person having responsibility for the management of the LEP, to the extent that the person has power to direct or control the major activities of the LEP. The figures below relate to 2019/20:

| Job Title | Salary, Fees, Allowances & Bonuses £ | Employer's Pension Contributions £ | Expenses Allowances £ | Total £ |
|------------------------|---|---|----------------------------------|--------------------|
| Chief Executive | 148,584 | 991 | - | 149,575 |
| Deputy Chief Executive | 79,365 | 7,692 | - | 87,057 |
| Finance Director | 84,150 | 3,336 | - | 87,486 |
| | <u>312,099</u> | <u>12,019</u> | <u>-</u> | <u>324,118</u> |

The directors' remuneration shown below is paid to the chair of the LEP.

| | | |
|-------------------------|---------------|---------------|
| | 2020 | 2019 |
| | £ | £ |
| Directors' remuneration | <u>25,500</u> | <u>25,000</u> |

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

4. OPERATING SURPLUS

The operating surplus is stated after charging:

| | 2020 | 2019 |
|------------------------------|-------------------|-------------------|
| | £ | £ |
| Depreciation - owned assets | 4,374 | 1,015 |
| Enterprise Zone amortisation | 40,609 | 40,609 |
| Auditors' remuneration | 4,700 | 3,428 |
| Accountancy | 10,421 | 10,580 |
| | <u> </u> | <u> </u> |

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2020 nor for the year ended 31 March 2019.

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:

| | 2020 | 2019 |
|--|-------------------|-------------------|
| | £ | £ |
| Surplus before tax | 26,242 | 20,599 |
| | <u> </u> | <u> </u> |
| Surplus multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 20%) | 4,986 | 4,120 |
| Effects of: | | |
| Income not chargeable | (4,986) | (4,120) |
| | <u> </u> | <u> </u> |
| Total tax charge | - | - |
| | <u> </u> | <u> </u> |

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2020.

| | Gross | 2019 Tax | Net |
|--|-------------------|-------------------|-------------------|
| | £ | £ | £ |
| Actuarial gain/(loss) on retirement benefit scheme | (110,000) | - | (110,000) |
| | <u> </u> | <u> </u> | <u> </u> |
| | (110,000) | - | (110,000) |
| | <u> </u> | <u> </u> | <u> </u> |

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

6. INTANGIBLE FIXED ASSETS

| | Enterprise Zone £ |
|--------------------------------------|-------------------------|
| COST | |
| At 1 April 2019 and 31 March 2020 | 203,044 |
| AMORTISATION | |
| At 1 April 2019 | 40,609 |
| Amortisation for year | 40,609 |
| At 31 March 2020 | 81,218 |
| NET BOOK VALUE | |
| At 31 March 2020 | 121,826 |
| At 31 March 2019 | 162,435 |

The amount capitalised in respect of the Enterprise Zone represents costs incurred by the company on marketing and development. The company is benefitting from an income stream derived from a proportion of the zone's business rates. The directors anticipate that the present value of the future income will significantly exceed the capitalised costs.

7. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|----------------------------------|----------------------------|-------------|
| COST | | | |
| At 1 April 2019 | 5,122 | 39,460 | 44,582 |
| Additions | 5,702 | 39,842 | 45,544 |
| Disposals | - | (1,162) | (1,162) |
| At 31 March 2020 | 10,824 | 78,140 | 88,964 |
| DEPRECIATION | | | |
| At 1 April 2019 | 5,122 | 33,433 | 38,555 |
| Charge for year | 158 | 4,216 | 4,374 |
| Eliminated on disposal | - | (290) | (290) |
| At 31 March 2020 | 5,280 | 37,359 | 42,639 |
| NET BOOK VALUE | | | |
| At 31 March 2020 | 5,544 | 40,781 | 46,325 |
| At 31 March 2019 | - | 6,027 | 6,027 |

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

8. FIXED ASSET INVESTMENTS

During the year the company became the sole Member of CWTB, a company limited by guarantee, which is known operationally as Marketing Cheshire. Its principal activity is the promotion of Cheshire and Warrington nationally and internationally to investors, business and leisure visitors and those who live and study in the area.

At 31 March 2020 its net assets totalled:£297,705 and its surplus for the year then ended was £13,932.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 404,322 | 243,753 |
| Other debtors | - | 377 |
| Prepayments and accrued income | 204,395 | 150,462 |
| | <u>608,717</u> | <u>394,592</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---------------------------------|------------------|----------------|
| | £ | £ |
| Trade creditors | 416,952 | 141,583 |
| Social security and other taxes | 72,151 | 64,179 |
| Other creditors | 6,834 | 2,795 |
| Accruals and deferred income | 931,411 | 316,391 |
| | <u>1,427,348</u> | <u>524,948</u> |

11. LEASING AGREEMENTS

The following operating lease payments are committed to be paid:

| | Other operating leases | |
|----------------------------|------------------------|---------------|
| | 2020 | 2019 |
| | £ | £ |
| Expiring: | | |
| Within one year | 6,596 | 25,621 |
| Between one and five years | - | 6,310 |
| | <u>6,596</u> | <u>32,217</u> |

12. RESERVES

| | Income and expenditure account £ |
|----------------------|--|
| At 1 April 2019 | 269,911 |
| Surplus for the year | 26,242 |
| At 31 March 2020 | <u>296,153</u> |

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2020**

13. RELATED PARTY DISCLOSURES

During the year the company entered into transactions in the normal course of business with the following member organisations, in which common directors have non financial interests, to deliver the economic development services in the Cheshire and Warrington sub region.

Contributions received towards operating costs:

| | |
|-----------------------------------|---------|
| Warrington Borough Council | £41,667 |
| Cheshire East Council | £41,667 |
| Cheshire West and Chester Council | £41,667 |
| Marketing Cheshire | £49,999 |

Government Core Funding and Growing Places Fund operating costs totalling £3,116,049 (2019 - £1,988,162) was also received through Cheshire East Council in its role as the accountable body.

Amounts paid for projects in year:

| | |
|-----------------------------------|---------|
| Warrington Borough Council | £49,945 |
| Cheshire East Council | £69,231 |
| Cheshire West and Chester Council | £50,791 |
| Marketing Cheshire | £59,268 |

The amounts outstanding from/(to) member organisations by the company are summarised as follows:

| | | |
|---------------------------------|-----------|--------------------|
| Warrington Borough Council | £(17,848) | (2019 - £(34,361)) |
| Cheshire East Council | £378,557 | (2019 - £127,232) |
| Cheshire West & Chester Council | £nil | (2019 - £50,000) |
| Marketing Cheshire | £3,449 | (2019 - £nil) |

14. LIMITED LIABILITY

Liability is limited by guarantee to £1 per member. The number of members at the period end was three.

15. RETIREMENT BENEFITS

Prior to this year the company contributed to a defined benefit pension scheme on behalf of a small number of previous employees.

The scheme has now been transferred back into the remit of the Local Authority and the company has no future actual or potential liabilities in respect of this scheme.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | 2020 | | 2019 | |
|---|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| LA subscriptions | 125,002 | | 125,000 | |
| LEP Core Funding | 407,538 | | 500,000 | |
| Growing Places Fund - professional fees | - | | 216,431 | |
| Growing Places Fund - Supplementary | | | | |
| Revenue Grant | 124,140 | | 72,297 | |
| Growth Hub | 314,671 | | 287,000 | |
| Sundry income | 3,698 | | 783 | |
| Local Growth Fund - Supplementary | | | | |
| Revenue Grant | 119,442 | | 202,003 | |
| EU technical assistance | (500) | | 47,074 | |
| Local Growth Fund - management | | | | |
| fee | 108,200 | | 108,200 | |
| Enterprise Zone - income | 792,590 | | 439,050 | |
| Enterprise Zone - grant | 40,610 | | 40,610 | |
| Enterprise Zone - Supplementary Revenue | | | | |
| Grant | 7,788 | | 6,118 | |
| DiT Contribution | 62,527 | | 68,212 | |
| Careers Enterprise Company | 64,549 | | 18,563 | |
| Kickstart income | 20,555 | | 980 | |
| ESF income and work placements | 184,727 | | 11,077 | |
| Northern Powerhouse 11 | 601,986 | | 36,546 | |
| MHCLG Additional funding | - | | 64,977 | |
| Skills Advisory Panel | 75,000 | | - | |
| Digital skills partnership | 59,505 | | - | |
| EZ Retained business rates | 78,019 | | - | |
| Accelerate funding | 11,550 | | - | |
| Management fee recovered | 95,491 | | - | |
| | <hr/> | 3,297,088 | <hr/> | 2,244,921 |
| Expenditure | | | | |
| Rent | 27,710 | | 12,376 | |
| Insurance | 4,158 | | 2,765 | |
| Directors' salaries | 25,500 | | 25,000 | |
| Directors' social security | 2,328 | | 2,287 | |
| Wages | 754,324 | | 728,517 | |
| Social security | 86,237 | | 85,018 | |
| Pensions | 47,466 | | 31,036 | |
| Recruitment costs | 69,507 | | 53,473 | |
| Telephone | 6,664 | | 2,543 | |
| Post, stationery and consumables | 7,823 | | 5,594 | |
| Consultancy and third party support | 115,763 | | 177,384 | |
| Travel and subsistence | 28,919 | | 35,292 | |
| IT support | 40,086 | | 17,699 | |
| Subscriptions | 18,156 | | 18,964 | |
| Training and development | 3,197 | | 12,219 | |
| Kickstart costs | 20,555 | | 980 | |
| Bank charges | 211 | | 166 | |
| Internal meetings | 5,201 | | 993 | |
| ESF costs | 184,727 | | 11,077 | |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Carried forward | 1,448,532 | 3,297,088 | 1,223,383 | 2,244,921 |

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**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | 2020 | | 2019 | |
|---|-----------|----------------------|----------------------|------------------|
| | £ | £ | £ | £ |
| Brought forward | 1,448,532 | 3,297,088 | 1,223,383 | 2,244,921 |
| Careers Enterprise Company | 64,638 | | 16,770 | |
| Local industrial strategy | 92,538 | | 49,977 | |
| Legal and professional | 38,708 | | 15,939 | |
| Strategy development work | 78,019 | | 89,247 | |
| Communications, PR and website | 108,240 | | 42,008 | |
| Growth Hub | 314,673 | | 287,000 | |
| Enterprise Zone - consultancy | 80,782 | | 104,906 | |
| Enterprise Zone - staff and administrative costs | 112,517 | | 90,647 | |
| Enterprise Zone - travel and subsistence | 1,483 | | 2,072 | |
| Enterprise Zone - marketing and PR | 4,211 | | 89,983 | |
| Northern Powerhouse 11 | 598,234 | | 36,546 | |
| Accounting body charge | 59,583 | | 55,000 | |
| Auditors' remuneration | 4,700 | | 3,428 | |
| Accountancy | 10,421 | | 10,580 | |
| Skills Advisory Panel | 75,000 | | - | |
| DiT expenses | 62,527 | | 68,212 | |
| Digital skills | 59,507 | | - | |
| Accelerate expenditure | 11,550 | | - | |
| | | <u>3,225,863</u> | <u>1,223,383</u> | <u>2,185,698</u> |
| | | 71,225 | | 59,223 |
| Other finance income/costs | | | | |
| Interest income on pension scheme assets | - | | 70,000 | |
| Interest on pension scheme liabilities | - | | (67,000) | |
| | | <u>-</u> | <u>70,000</u> | <u>3,000</u> |
| | | 71,225 | | 62,223 |
| Depreciation | | | | |
| Enterprise Zone | 40,609 | | 40,609 | |
| Fixtures and fittings | 158 | | - | |
| Computer equipment | 4,216 | | 1,015 | |
| | | <u>44,983</u> | <u>40,609</u> | <u>41,624</u> |
| NET SURPLUS | | <u><u>26,242</u></u> | <u><u>20,599</u></u> | |

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