

THE LEP NETWORK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

THE LEP NETWORK LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|--|--|
| Directors | C A Gaskell G R Wynn R Marsh | (Appointed 28 February 2018) (Appointed 28 February 2018) |
| Company number | 09131200 | |
| Registered office | Oakley House Headway Business Park 3 Saxon Way West Corby Northamptonshire NN18 9EZ | |
| Auditor | Moore Stephens Oakley House Headway Business Park 3 Saxon Way West Corby Northamptonshire NN18 9EZ | |
| Business address | 23 Highclere Road Knaphill Woking Surrey GU21 2PN | |

THE LEP NETWORK LIMITED

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THE LEP NETWORK LIMITED

CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The LEP Network Ltd has completed a fourth successful year of operation.

The company continues to provide a service that supports the 38 Local Enterprise Partnerships (LEPs) across England, with the main focus areas being: the facilitation of best practice sharing and information across LEPs; promoting the added value of LEPs to an external audience; and working closely with LEPs to influence government policy. The LEP Network continues to deliver a service 'for the LEPs directed by LEPs', managed by Chairs from across the network.

In addition to funding from all 38 LEPs, Central Government continues to re-invest in the LEP Network, and we have been successful in attracting private sector sponsorship for some of our activities.

We have helped to share the impact of LEPs to over 100,000 people who visited our website during the year; to over 8,500 people who follow us on social media, and to over 2,500 people who receive our regular e-newsletter.

My thanks go to my fellow LEP Chairs on the Management Board who regularly give of their time in the collective direction of the LEP Network.

Christine Gaskell MBE DL

Director

12 June 2018

THE LEP NETWORK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

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

Principal activities

The principal activities of the company during the period are listed below:

Body for all LEP's.

Gateway to news and information that enables LEPs to come together on areas of shared importance, engage with government and share knowledge and good practice.

The network is also there to help those outside the world of LEPs understand what a LEP is, what LEPs are trying to do and how to engage further with the relevant LEP.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

| | |
|-------------|------------------------------|
| B J Dodd | (Resigned 28 February 2018) |
| M A Reeve | (Resigned 19 December 2017) |
| C A Gaskell | |
| G R Wynn | (Appointed 28 February 2018) |
| R Marsh | (Appointed 28 February 2018) |

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

C A Gaskell

Director

12 June 2018

THE LEP NETWORK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible 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 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;
- 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.

THE LEP NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LEP NETWORK LIMITED

Opinion

We have audited the financial statements of The LEP Network Limited (the 'company') for the year ended 31 March 2018 which comprise the Income and Expenditure Account, the 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 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.

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.

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.

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 our 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.

THE LEP NETWORK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF THE LEP NETWORK LIMITED

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 Directors' Report.

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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

Andrew Page (Senior Statutory Auditor)
for and on behalf of Moore Stephens
Chartered Accountants
Statutory Auditor

18 June 2018

Oakley House
Headway Business Park
3 Saxon Way West
Corby
Northamptonshire
NN18 9EZ

THE LEP NETWORK LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

| | Notes | 2018 £ | 2017 £ |
|---------------------------------------|-------|------------------------|------------------------|
| Income | | 384,250 | 351,965 |
| Cost of sales | | (158,286) | (187,279) |
| | | <u> </u> | <u> </u> |
| Gross surplus | | 225,964 | 164,686 |
| Administrative expenses | | (267,511) | (208,316) |
| | | <u> </u> | <u> </u> |
| Deficit before taxation | | (41,547) | (43,630) |
| Tax on deficit | | - | - |
| | | <u> </u> | <u> </u> |
| Deficit for the financial year | | <u><u>(41,547)</u></u> | <u><u>(43,630)</u></u> |

THE LEP NETWORK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|-----------------|-----------------------|-----------------|-----------------------|
| Fixed assets | | | | | |
| Tangible assets | 3 | | 1,067 | | 1,058 |
| Current assets | | | | | |
| Debtors | 4 | 41,717 | | 49,802 | |
| Cash at bank and in hand | | 171,963 | | 241,821 | |
| | | <u>213,680</u> | | <u>291,623</u> | |
| Creditors: amounts falling due within one year | 5 | <u>(62,971)</u> | | <u>(99,358)</u> | |
| Net current assets | | | <u>150,709</u> | | <u>192,265</u> |
| Total assets less current liabilities | | | <u><u>151,776</u></u> | | <u><u>193,323</u></u> |
| Reserves | | | | | |
| Income and expenditure account | | | <u><u>151,776</u></u> | | <u><u>193,323</u></u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 12 June 2018 and are signed on its behalf by:

C A Gaskell
Director

Company Registration No. 09131200

THE LEP NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

The LEP Network Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Oakley House, Headway Business Park, 3 Saxon Way West, Corby, Northamptonshire, NN18 9EZ.

The place of business is disclosed in the company information page of the accounts.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Income and expenditure

Income and expenses are included in the financial statements as they become receivable or due.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------|-------------------------|
| Computer equipment | 33.3% per annum of cost |
|--------------------|-------------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

THE LEP NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THE LEP NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.8 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Employees

The average monthly number of persons employed by the company during the year was 4 (2017 - 3).

3 Tangible fixed assets

| | Computer equipment £ |
|------------------------------------|-------------------------|
| Cost | |
| At 1 April 2017 | 1,785 |
| Additions | 870 |
| | ----- |
| At 31 March 2018 | 2,655 |
| | ----- |
| Depreciation and impairment | |
| At 1 April 2017 | 727 |
| Depreciation charged in the year | 861 |
| | ----- |
| At 31 March 2018 | 1,588 |
| | ----- |
| Carrying amount | |
| At 31 March 2018 | 1,067 |
| | ===== |
| At 31 March 2017 | 1,058 |
| | ===== |

THE LEP NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

| | | |
|---|----------------------|----------------------|
| 4 Debtors | 2018 | 2017 |
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 29,401 | 47,264 |
| Other debtors | 12,316 | 2,538 |
| | <u>41,717</u> | <u>49,802</u> |
| | <u><u>41,717</u></u> | <u><u>49,802</u></u> |
| | | |
| 5 Creditors: amounts falling due within one year | 2018 | 2017 |
| | £ | £ |
| Trade creditors | 13,000 | 27,775 |
| Other taxation and social security | - | 4,431 |
| Other creditors | 49,971 | 67,152 |
| | <u>62,971</u> | <u>99,358</u> |
| | <u><u>62,971</u></u> | <u><u>99,358</u></u> |
| | | |
| 6 Retirement benefit schemes | 2018 | 2017 |
| | £ | £ |
| Defined contribution schemes | | |
| Charge to income and expenditure account in respect of defined contribution schemes | 11,859 | 9,045 |
| | <u>11,859</u> | <u>9,045</u> |
| | <u><u>11,859</u></u> | <u><u>9,045</u></u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

7 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

THE LEP NETWORK LIMITED

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2018

| | | 2018 | | 2017 |
|--------------------------------|--------|------------------------|--------|------------------------|
| | £ | £ | £ | £ |
| Income | | | | |
| Subscriptions | | 219,000 | | 185,577 |
| Sponsorship | | 37,250 | | 68,388 |
| Other sales | | 50,000 | | 5,000 |
| DCLG funding | | 78,000 | | 93,000 |
| | | <u>384,250</u> | | <u>351,965</u> |
| Cost of sales | | | | |
| Annual conference | 1,430 | | 63,285 | |
| Meeting costs | 51,159 | | 23,072 | |
| Dinner costs | 17,872 | | 6,431 | |
| Research study | 87,825 | | 77,801 | |
| Network marketing | - | | 9,790 | |
| Miscellaneous costs | - | | 6,900 | |
| | | <u>(158,286)</u> | | <u>(187,279)</u> |
| Gross surplus | 58.81% | 225,964 | 46.79% | 164,686 |
| Administrative expenses | | <u>(267,511)</u> | | <u>(208,316)</u> |
| Operating deficit | | <u><u>(41,547)</u></u> | | <u><u>(43,630)</u></u> |

THE LEP NETWORK LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2018

| | 2018 | 2017 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Administrative expenses | | |
| Wages and salaries | 190,471 | 148,151 |
| Employers NIC | 18,535 | 14,302 |
| Recruitment costs | - | 8,000 |
| Pensions | 11,859 | 9,045 |
| Employee expenses | 9,021 | 5,620 |
| Management fees | 6,192 | 6,136 |
| IT and computing costs | 3,946 | 2,508 |
| Website development | 16,712 | 4,225 |
| Subscriptions | 824 | 679 |
| Legal and professional fees | 1,755 | 1,328 |
| Auditor's remuneration | 3,000 | 3,000 |
| Bank charges | 101 | 92 |
| Insurance | 1,043 | - |
| Advertising and marketing | 505 | 2,831 |
| Telephone | 1,122 | 815 |
| Sundry expenses | 350 | - |
| Storage costs | 1,214 | 1,055 |
| Depreciation | 861 | 529 |
| | <u>267,511</u> | <u>208,316</u> |

THE LEP NETWORK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

| | Income and expenditure account £ |
|--|---|
| Balance at 1 April 2016 | 236,953 |
| Year ended 31 March 2017: | |
| Loss and total comprehensive income for the year | (43,630) |
| | <hr/> |
| Balance at 31 March 2017 | 193,323 |
| Year ended 31 March 2018: | |
| Loss and total comprehensive income for the year | (41,547) |
| | <hr/> |
| Balance at 31 March 2018 | <u>151,776</u> |
