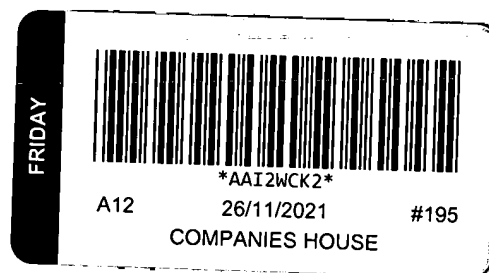


**D2N2 Local Enterprise Partnership**  
**Strategic Report,**  
**Report of the Directors and**  
**Financial Statements**  
**for the Year Ended 31 March 2021**



**D2N2 Local Enterprise Partnership**

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for the Year Ended 31 March 2021**

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**D2N2 Local Enterprise Partnership**

**Company Information  
for the Year Ended 31 March 2021**

**DIRECTORS:**

Graham Stanley Cartledge CBE  
Elizabeth Fagan CBE  
Cllr Barry Lewis  
Cllr Christopher Paul Poulter  
Cllr Simon James Robinson  
Vivian Geoffrey Russell  
David Henry Williams  
David Mellen  
James Alexander Brand  
Andrew Cropley  
Tim Clive Freeman  
Prof Shearer Carroll West CBE  
Clare Joanne James CBE  
Rebecca Louise Rix  
Cllr Keith Frank Girling  
Cllr Kevin Buttery

**REGISTERED OFFICE:**

8 Experian Way  
Ng2 Business Park  
Nottingham  
Nottinghamshire  
NG2 1EP

**REGISTERED NUMBER:** 11914012 (England and Wales)

**AUDITORS:**

HSKS Greenhalgh  
Chartered Accountants &  
Statutory Auditor  
18 St Christopher's Way  
Pride Park  
Derby  
DE24 8JY

## **D2N2 Local Enterprise Partnership**

### **Strategic Report for the Year Ended 31 March 2021**

The Directors present their Strategic report for D2N2 Local Enterprise Partnership ("the Company") for the period ended 31 March 2021.

#### **Introduction**

Established in 2010, The Derby, Derbyshire, Nottingham, and Nottinghamshire Local Enterprise Partnership (D2N2 LEP) is one of the largest Local Enterprise Partnerships (LEPs) out of 38 across England.

Our role as a Local Enterprise Partnership is to support the economic growth across Derbyshire, Derby, Nottingham, and Nottinghamshire. Steered by a business-led board, we work in partnership to create the conditions to attract additional investment to build a stronger economy and unlock opportunities to create future prosperity for the region.

The D2N2 LEP receives funds from the Government to address regional and national priorities. Once secured, the funding is contracted to a wide range of delivery partners including local authorities, universities, colleges, the voluntary community sector, and private training partners to deliver projects that drive economic prosperity across the region.

Following a review into the governance and transparency known as the Ney Review in October 2017 and the publication of Strengthened Local Enterprise Partnerships in July 2018, Government required all LEPs to adopt a legal entity by April 2019. Government also required each LEP to have a single Accountable Body and following a tendering process, Derbyshire County Council were selected as D2N2's single accountable body for 2019/20 and 2020/21.

The Company was incorporated on the 29 March 2019 and is limited by guarantee of its members and does not have any share capital. The Company operates as a not-for-profit entity and receives financial support from the four Upper Tier Authorities in addition to grants from Government.

#### **Governance**

The D2N2 LEP has continued to strengthen its overall governance and remains committed to seeking opportunities for continuous improvement across all areas of our work.

The Board comprises six nominated representatives of the Local Authorities alongside 12 co-opted Directors from across the private sector which includes one representative each from higher and further education, and one representing inclusion and diversity.

They oversee the operation of the company in the delivery of activities to support economic growth, and the development of economic strategy focused themes: Place; Business Growth and Innovation, and People and Skills.

Each theme has an Advisory Board that reports to the main LEP board and advises on sector-specific strategies and opportunities for growth. Each advisory board also includes at least one inclusion champion to ensure our inclusion framework is embedded in all our decision making.

Our structures are continually reviewed to improve and optimise the delivery of our strategies and to ensure we meet all the requirements set out by government in their review of LEPs in 2018. This year we have increased board membership and diversity; and expanded our management and officer capacity to support the development and delivery of our programmes.

The Local Assurance Framework sets out how the D2N2 LEP will continue the process of ensuring value for money, prioritisation, appraisal, business case development and risk management for its Growth Deal programme. It identifies the roles to be taken by the D2N2 LEP and its constituent Boards, by the Accountable Body and by the promoters of projects. It also sets out the process to be followed in selecting priorities for further Growth Deals or other funding programmes if appropriate.

The company's principal sources of income are Government grants (both capital and revenue) and grants from constituent local authorities.

## D2N2 Local Enterprise Partnership

### Strategic Report for the Year Ended 31 March 2021

#### Current Economic Context

D2N2 benefits from a highly functional economic geography that is advantageously located at the heart of the country. Our economy is the 4th largest outside London and the Southeast. It contributes £48.4bn in GVA to the UK economy; with 16% growth since 2012.

However, the growth has not benefited everyone; there are significant differences in the socio-economic conditions experienced across D2N2's communities and not all our people have the skills and qualifications to share in the benefits of growth. Consequently, our productivity rates continue to lag behind the national average.

The impact on the economy from Covid-19 has had a significant impact on our region, and we will need to adapt and deliver new opportunities to recover and restore economic growth across the whole of D2N2.

#### Strategy and Collaboration

The D2N2 LEP works with government and local stakeholders to provide regional leadership on the economy. We continue to identify barriers and solutions to growth and work with our partners to improve the regions opportunities for prosperity.

In partnership with the Leicester and Leicestershire LEP (LLEP), the LEP led the successful East Midlands Freeport bid - the UK's only inland Freeport. Based around East Midlands Airport, the proposal has the potential to create 60,000 jobs and deliver over £2b to the local economy.

In light of Covid-19 and EU Exit, we revised and consolidated our previous strategies into our Recovery and Growth Strategy (RGS), published in December 2020. The strategy has identified three guiding principles which support specific propositions, that embrace the challenges and opportunities of new technologies and global markets and addresses the issues impeding clean, productive, and inclusive growth across the D2N2 region.

The three key guiding principles are:

- 1. Clean Growth:** Lead the most ambitious carbon turn-around in the country.
- 2. Productivity:** Lead a bold new way of bringing together the education and skills, innovation, and business support systems to support our people and businesses to thrive.
- 3. Connectivity and Inclusion:** Deliver connectivity-led growth to and for all parts of the D2N2 region.

The D2N2 LEP, like all other LEPs, was subject to an Annual Performance Review with Government in January 2021 for the 2020/21 financial year across three themes, governance, delivery, and strategy. Government re-confirmed for a subsequent year that D2N2 had met all expected requirements across all three themes.

#### Delivery

The D2N2 LEP is contracted to manage funding from a range of different sources invested through the LEP to deliver programmes and projects that will regenerate our communities and support our priorities.

2020/21 was the last year of the Local Growth Fund (LGF). Operating since 2015, the LGF programme has spent £250.7m and generated an additional £287m of matched public and private funding to the region.

## D2N2 Local Enterprise Partnership

### Strategic Report for the Year Ended 31 March 2021

In 2020/21, the D2N2 LEP received an allocation of £40.1m. However, £41.9m was invested into projects, including funding from the Growing Places Fund to cover the additional programme requirements. Those projects are as follows:

Project Name	Grant £
A46 Corridor	750,000
A61 Corridor	4,682,791
Automation and Robotics	673,618
Castleward	1,510,000
Facility for OMICS Research Metabolism	850,000
Gedling Access Road	7,220,000
HS2 Strategic Site	2,400,000
Mushroom Farm	115,000
N2 Town Centres	2,745,444
Nottingham City Hub	463,131
NTU MITF Centre	3,628,473
Nursing and Allied provision	580,903
Revitalising the Heart of Chesterfield	650,000
Riverside	2,595,161
Smart Wireless Innovation Facility (SWIFt)	800,000
Tollbar House	425,000
Top Wighay Farm	3,000,000
Woodville/Swadlincote Regeneration Route	6,400,000
YMCA Activity Village	<u>2,203,836</u>
	41,693,357
LEP Management & Feasibility Funds (LGF other costs internal and external)	<u>172,007</u>
	<u><u>41,865,364</u></u>

The LGF programme has delivered the following key outputs against the overall targets:

	Outputs to date	Overall Target Jobs
Jobs	16,173	29,000
Homes	1,984	10,700
Learners	2,897	2,000

In August 2020, the Government confirmed that the D2N2 LEP would receive £44.4m through the new Getting Building Fund (GBF) to support capital projects across the LEP area. This money must be committed and spent by the end of March 2022.

During 2020/21, the D2N2 LEP received an allocation of £22.2m from the GBF. A total of £6.0m was paid to projects within 2020/21 with the remaining £16.2m paid to Derbyshire County Council using its freedom and flexibilities as Accountable Body.

Project name	Grant £
Centre of Excellence, Modern Construction and Digital Technologies	500,000
Glossop Town Hall, Market Hall and Municipal Buildings	310,312
Lindhurst	156,091
Transforming Nottingham's Southside	324,113
Turbine Innovation Centre	356,223
UK Electrification of Aircraft Propulsion Facility	3,875,656
Worksop Access to Skills Hub	436,431
Derbyshire County Council - Freedom and Flexibilities	<u>16,241,174</u>
	<u><u>22,200,000</u></u>

## D2N2 Local Enterprise Partnership

### Strategic Report for the Year Ended 31 March 2021

As well as capital growth activity, the D2N2 LEP has sought to increase the growth and competitiveness of businesses in the D2N2 area. This included the flagship D2N2 Growth Hub and enhanced local services, delivered by local authority partners.

The D2N2 LEP has also continued to play an important leadership role in the skills system. The LEP was successful in securing extension funding for the Careers Hub in North Derbyshire and Department for Education funding to pilot Digital Skill Bootcamps - further supporting career pathways for both adults and young people across the region.

#### **Risks and uncertainties**

The main risks facing the D2N2 LEP are reliance on Government and European Funding to deliver objectives, and a considerable uncertain political environment both locally and nationally.

The government has announced a review into the role of LEPs. With an expectation there will be significant reduction in our capital budgets and potentially significant reduction in revenue programme funding going forward. The outcome of the review is expected to conclude by the end of 2021 which will determine the future role and shape of the LEP.

The ongoing impact of COVID-19 will be under review going forward. Throughout 2020 and 2021, the LEP supported measures to mitigate the impact of the pandemic across our economy. This included refocusing our business support and skills budgets to support businesses and employees most affected by Covid-19 and lockdown measures.

The true impact of the UK's exit from the EU has been masked by the impact of Covid-19. Nonetheless, it is becoming clear that our businesses are experiencing increased friction around exports and imports, and there are also emerging issues around workforce shortages, particularly in the agricultural sector. Through the D2N2 Growth Hub we have provided transition support to businesses most affected by the impact of leaving the EU, and we will continue to ensure where support gaps emerge, we adapt our offer to meet those needs.

**ON BEHALF OF THE BOARD:**



Elizabeth Fagan CBE - Director

23 November 2021

## **D2N2 Local Enterprise Partnership**

### **Report of the Directors for the Year Ended 31 March 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

Graham Stanley Cartledge CBE  
Elizabeth Fagan CBE  
Cllr Barry Lewis  
Cllr Christopher Paul Poulter  
Cllr Simon James Robinson  
Vivian Geoffrey Russell  
David Henry Williams  
David Mellen

Other changes in directors holding office are as follows:

Paul Julian Harris - resigned 8 July 2020  
Jane Samantha Howson - resigned 8 July 2020  
Prof Kathryn Mary Mitchell - resigned 8 July 2020  
Emma Louise Rigler - resigned 27 January 2021  
Karen Smart - resigned 8 July 2020  
Dawn Patricia Ward CBE - resigned 8 July 2020  
Cllr Martin Edwin Thacker - resigned 8 July 2020  
James Alexander Brand - appointed 8 July 2020  
Andrew Cropley - appointed 8 July 2020  
Cllr Alexander Guy Dale - appointed 8 July 2020  
Michele Louise Farmer - appointed 8 July 2020  
Tim Clive Freeman - appointed 8 July 2020  
Prof Shearer Carroll West CBE - appointed 8 July 2020  
Clare Joanne James CBE - appointed 27 January 2021  
Rebecca Louise Rix - appointed 23 March 2021

Cllr Keith Frank Girling and Cllr Kevin Buttery were appointed as directors after 31 March 2021 but prior to the date of this report.

Cllr Kathrine Lilian Cutts MBE, Katherine Jayne Mayled, Cllr Alexander Guy Dale and Michele Louise Farmer ceased to be directors after 31 March 2021 but prior to the date of this report.



## **D2N2 Local Enterprise Partnership**

### **Report of the Directors for the Year Ended 31 March 2021**

#### **STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS**

The D2N2 Board is committed to high standards of corporate governance and meets regularly. A number of 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.

The LEP Board has delegated responsibilities to the following sub-boards and committees, formally constituted with terms of reference:

#### **Investment Board**

The LEP Board has delegated its power to make financial decisions to the Investment Board. This includes decisions relating to the Local Growth Fund, Growing Places Fund, Enterprise Zone Business Rates and other appropriate LEP funding streams. The Board monitors the associated contracts of its investment decisions with a quarterly board update.

#### **Advisory Boards (Business Growth and Innovation, People and Skills, and Place)**

The Advisory Boards support the D2N2 LEP Board in their mission to better push forward on objectives to boost the LEP area's economic growth. Each Advisory Board provides regular progress updates to the main D2N2 LEP Board and develops a work programme to drive forward their areas of responsibility.

#### **D2N2 Growth Hub Executive Board (Sub Board to the Business and Innovation Board)**

The Executive Board steers the activities of the Growth Hub, ensuring it is fit for purpose and fulfilling its remit. The D2N2 Growth Hub offers support to start-ups, growing businesses, and companies who are ready to scale up their operations.

#### **ESIF Committee**

The ESIF Committee role is to prepare the local strategy for the investment of the D2N2 area's notional allocation of European Structural and Investment funds (ESIF) to ensure they are invested to maximum effect, and that delivery capability is in line with strategic priorities, and emerging risks are mitigated or referred to the LEP Board for resolution.

#### **Nominations and Remunerations Committee**

The Nominations Committee oversees the identification, recruitment, and recommendation of the new directors to the Board and oversees the effectiveness of the executive structure.

#### **Scrutiny and Audit Arrangements**

The D2N2 LEP utilises both Scrutiny and Audit committee arrangements within Derbyshire County Council; this will also be extended to the chairs of the scrutiny committees across D2N2 to take in the process. The D2N2 LEP's audit report is presented annually to the Investment Board.

The Scrutiny Committee will review the annual performance of the D2N2 LEP's governance and its funding streams. The D2N2 LEP also makes an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested.

#### **Future developments**

In light of the Covid-19 pandemic, the D2N2 LEP will need to ensure we are working from a new baseline of economic performance and that we are able to address the new needs of the economy so that we can adapt, recover, and grow.

We will continue to work with partners across the area to find innovative solutions to these problems as part of our approach to delivering sustainable economic growth to the region. It is important we also provide greater clarity on where the D2N2 LEP will take a leading role and those areas in which we will support our local partners.

#### **Qualifying third party indemnity provisions**

The Company has put in place qualifying third party indemnity provisions for all the Directors and Officers of the Company.

## D2N2 Local Enterprise Partnership

### Report of the Directors for the Year Ended 31 March 2021

#### 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.

#### 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.

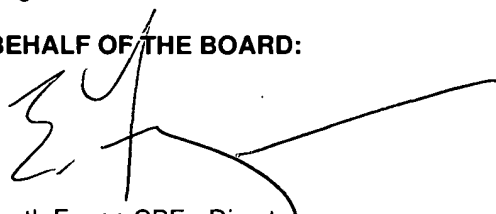
#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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.

#### AUDITORS

The auditors, HSKS Greenhalgh, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### ON BEHALF OF THE BOARD:



Elizabeth Fagan CBE - Director

23 November 2021

## **Report of the Independent Auditors to the Members of D2N2 Local Enterprise Partnership**

### **Opinion**

We have audited the financial statements of D2N2 Local Enterprise Partnership (the 'company') for the year ended 31 March 2021 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 2021 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 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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 this gives rise to a material misstatement in the financial statements themselves. 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  
D2N2 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 eight, 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.

## **Report of the Independent Auditors to the Members of D2N2 Local Enterprise Partnership**

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We considered the nature of the Company's business and its control environment. We also enquired of management about their identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework in which the Company operates and identified key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements, which included the Companies Act 2006, tax legislation and payroll legislation; and
- Did not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how / where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of accounting adjustments and journal entries, assessed whether accounting estimates were reasonable and accurate and reviewed the accounting records for any significant and unusual transactions.

In addition, our procedures to respond to the risks identified included:

- Reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected variances that may indicate risks of material misstatement due to fraud;
- Enquiring of management about any instances of non-compliance with laws and regulations and any instances of known or suspected fraud.

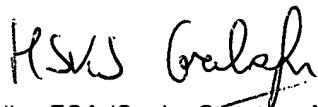
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
D2N2 Local Enterprise Partnership**

**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.



Philip Handley FCA (Senior Statutory Auditor)  
for and on behalf of HSKS Greenhalgh  
Chartered Accountants &  
Statutory Auditor  
18 St Christopher's Way  
Pride Park  
Derby  
DE24 8JY

23 November 2021

**D2N2 Local Enterprise Partnership**

**Income Statement  
for the Year Ended 31 March 2021**

	Notes	Year Ended 31/3/21 £	Period 29/3/19 to 31/3/20 £
<b>GRANT AND OPERATIONAL INCOME</b>	3	<b>68,432,338</b>	54,022,684
Grant expenditure		<u>(68,186,168)</u>	<u>(52,897,151)</u>
<b>GROSS SURPLUS</b>		<b>246,170</b>	1,125,533
Administrative expenses		<u>(1,310,200)</u>	<u>(1,195,790)</u>
		<b>(1,064,030)</b>	(70,257)
Other operating income		<u>-</u>	<u>26,636,928</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	5	<b>(1,064,030)</b>	26,566,671
Interest receivable and similar income		<u>70,164</u>	<u>408,885</u>
		<b>(993,866)</b>	26,975,556
Interest payable and similar expenses	7	<u>(55)</u>	<u>-</u>
<b>(DEFICIT)/SURPLUS BEFORE TAXATION</b>		<b>(993,921)</b>	26,975,556
Tax on (deficit)/surplus	8	<u>(13,321)</u>	<u>(77,688)</u>
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR</b>		<b><u>(1,007,242)</u></b>	<b><u>26,897,868</u></b>

The notes form part of these financial statements

**D2N2 Local Enterprise Partnership**

**Other Comprehensive Income  
for the Year Ended 31 March 2021**

	Notes	Year Ended 31/3/21 £	Period 29/3/19 to 31/3/20 £
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<b>(1,007,242)</b>	<b>26,897,868</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(1,007,242)</u></b>	<b><u>26,897,868</u></b>

The notes form part of these financial statements

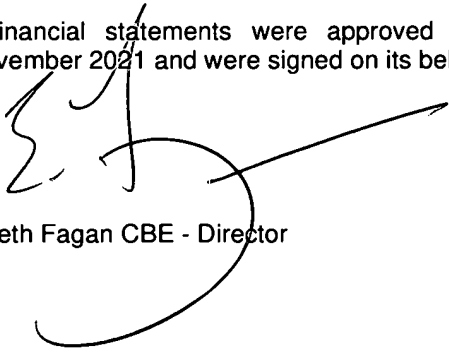


**D2N2 Local Enterprise Partnership (Registered number: 11914012)**

**Balance Sheet  
31 March 2021**

	Notes	2021 £	2020 £
<b>CURRENT ASSETS</b>			
Debtors	10	27,190,860	27,561,437
Cash at bank		<u>404,670</u>	<u>138,146</u>
		27,595,530	27,699,583
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>1,704,904</u>	<u>801,715</u>
<b>NET CURRENT ASSETS</b>		<u>25,890,626</u>	<u>26,897,868</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>25,890,626</u>	<u>26,897,868</u>
<b>RESERVES</b>			
Income and expenditure account	13	<u>25,890,626</u>	<u>26,897,868</u>
		<u>25,890,626</u>	<u>26,897,868</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2021 and were signed on its behalf by:



Elizabeth Fagan CBE - Director

The notes form part of these financial statements

**D2N2 Local Enterprise Partnership**

**Statement of Changes in Equity  
for the Year Ended 31 March 2021**

	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Changes in equity</b>		
Total comprehensive income	<u>26,897,868</u>	<u>26,897,868</u>
<b>Balance at 31 March 2020</b>	<u>26,897,868</u>	<u>26,897,868</u>
<b>Changes in equity</b>		
Total comprehensive income	<u>(1,007,242)</u>	<u>(1,007,242)</u>
<b>Balance at 31 March 2021</b>	<u>25,890,626</u>	<u>25,890,626</u>

The notes form part of these financial statements

**D2N2 Local Enterprise Partnership**

**Cash Flow Statement  
for the Year Ended 31 March 2021**

	Notes	Year Ended 31/3/21 £	Period 29/3/19 to 31/3/20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<b>274,048</b>	(270,739)
Tax paid		<u>(77,688)</u>	<u>-</u>
Net cash from operating activities		<u><b>196,360</b></u>	<u>(270,739)</u>
 <b>Cash flows from investing activities</b>			
Interest received		<u>70,164</u>	<u>408,885</u>
Net cash from investing activities		<u><b>70,164</b></u>	<u>408,885</u>
 <b>Increase in cash and cash equivalents</b>			
<b>Cash and cash equivalents at beginning of year</b>	2	<u>138,146</u>	<u>-</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><b>404,670</b></u>	<u>138,146</u>

The notes form part of these financial statements

**D2N2 Local Enterprise Partnership**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2021**

**1. RECONCILIATION OF (DEFICIT)/SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>Year Ended 31/3/21 £</b>	Period 29/3/19 to 31/3/20 £
(Deficit)/surplus before taxation	<b>(993,921)</b>	26,975,556
Finance costs	<b>55</b>	-
Finance income	<b>(70,164)</b>	<b>(408,885)</b>
	<b>(1,064,030)</b>	26,566,671
Decrease/(increase) in trade and other debtors	<b>370,577</b>	(27,561,437)
Increase in trade and other creditors	<b>967,501</b>	<b>724,027</b>
<b>Cash generated from operations</b>	<b><u>274,048</u></b>	<b><u>(270,739)</u></b>

**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 2021**

	<b>31/3/21 £</b>	<b>1/4/20 £</b>
Cash and cash equivalents	<b><u>404,670</u></b>	<b><u>138,146</u></b>

**Period ended 31 March 2020**

	<b>31/3/20 £</b>	<b>29/3/19 £</b>
Cash and cash equivalents	<b><u>138,146</u></b>	<b><u>-</u></b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>At 1/4/20 £</b>	<b>Cash flow £</b>	<b>At 31/3/21 £</b>
<b>Net cash</b>			
Cash at bank	<b><u>138,146</u></b>	<b><u>266,524</u></b>	<b><u>404,670</u></b>
	<b><u>138,146</u></b>	<b><u>266,524</u></b>	<b><u>404,670</u></b>
<b>Total</b>	<b><u>138,146</u></b>	<b><u>266,524</u></b>	<b><u>404,670</u></b>

The notes form part of these financial statements

## **D2N2 Local Enterprise Partnership**

### **Notes to the Financial Statements for the Year Ended 31 March 2021**

#### **1. STATUTORY INFORMATION**

D2N2 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.

##### **Going concern**

The directors have assessed the balance sheet and likely future cash flows at the date of approving these financial statements.

The directors have a reasonable expectation that the LEP has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Throughout the year under review, the COVID-19 pandemic has become a significant emerging risk to the global economy. The directors continue to monitor the impact on the business on an ongoing basis.

At the time of approving these financial statements, the directors do not consider COVID-19 to impact the LEP's ability to continue as a going concern and consider the balance sheet to be appropriately valued.

##### **Significant judgements and estimates**

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the assumption affects on that period, or in the period of revision and future periods if the revision affects both the current and future periods.

## D2N2 Local Enterprise Partnership

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 2. ACCOUNTING POLICIES - continued

##### **Financial instruments**

Basic financial instruments are initially recognised at the transaction price unless the arrangement constitutes a financing transaction where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Such assets are subsequently carried at amortised cost using the effective interest method. Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment an impairment loss is recognised immediately.

Financial assets are derecognised when:

- The contractual rights to the cash flows from the asset expire or are settled; or
- Substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
- Control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged or expires.

##### **Taxation**

The company operates as a not-for-profit entity and does not carry on a trade for tax purposes. As a result the net deficit/surplus arising on these activities is non-trading and is exempt from corporation tax. The company is liable to corporation tax on bank and other interest.

##### **Deferred tax**

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Pension costs and other post-retirement benefits**

The company contributes to a defined pension scheme. Contributions payable to the scheme are amounts recharged to the company by East Midlands Chamber of Commerce who operate the scheme and are charged to profit or loss in the period to which they relate.

##### **Interest income**

Interest income is recognised in the income statement on a cash basis when received.

## D2N2 Local Enterprise Partnership

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 2. ACCOUNTING POLICIES - continued

##### Grant and operational income

Income consists of grant project income for specific projects, which is then distributed by the company to third parties, and operational income to cover the day-to-day core funding requirements of the company, such as administration and staff costs.

Government grants for projects are accounted for under the performance model as permitted by Financial Reporting Standard 102. Government grants are recognised only to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Other government funding is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

##### Grant expenditure

Grant expenditure is recognised when there is a legal or constructive obligation, it is probable that settlement is required and the amount can be measured reliably.

##### Value Added Tax

The company is ineligible to be registered for Value Added Tax and is therefore unable to recover input VAT on costs incurred. Previously such input VAT was accounted for as a separate expense within administrative expenses with the related cost included at its net value. With effect from 1 April 2020 all costs are included at their gross value, including any irrecoverable input VAT. Accordingly there is no separate irrecoverable VAT expense from this date.

#### 3. GRANT AND OPERATIONAL INCOME

The grant and operational income and deficit (2020 - surplus) before taxation are attributable to the one principal activity of the company.

An analysis of grant and operational income by class of business is given below:

	<b>Year Ended</b> <b>31/3/21</b> <b>£</b>	Period 29/3/19 to 31/3/20 £
Grant project income	67,180,614	52,293,857
Operational income - external	895,342	1,539,901
Operational income - internal	<u>356,382</u>	<u>188,926</u>
	<b><u>68,432,338</u></b>	<b><u>54,022,684</u></b>

#### 4. EMPLOYEES AND DIRECTORS

	<b>Year Ended</b> <b>31/3/21</b> <b>£</b>	Period 29/3/19 to 31/3/20 £
Wages and salaries	714,851	558,843
Social security costs	77,197	58,697
Other pension costs	<u>67,172</u>	<u>37,565</u>
	<b><u>859,220</u></b>	<b><u>655,105</u></b>

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**4. EMPLOYEES AND DIRECTORS - continued**

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

	<b>Year Ended 31/3/21</b>	Period 29/3/19 to 31/3/20
Directors	17	17
Delivery team	14	11
Careers team	<u>4</u>	<u>3</u>
	<u><b>35</b></u>	<u><b>31</b></u>

The company does not directly employ any staff. Staff are employed by East Midlands Chamber of Commerce who recharge payroll costs to the company. Details included in these financial statements in respect of staff costs all relate to recharged values.

Staff paid in excess of £58,200 for the year, or the pro-rata equivalent for their period of employment are as follows:

**Year Ended 31/3/21**

Role	Salary and other benefits £	Pension contributions £	<b>Total £</b>
Chief Executive	90,533	11,306	<b>101,839</b>
Head of People and Skills	61,426	4,896	<b>66,322</b>
Head of Strategy and Growth	55,226	10,490	<b>65,716</b>
Head of Business Growth and Innovation	<u>56,971</u>	<u>8,104</u>	<u><b>65,075</b></u>

**Period 29/3/19 to 31/3/20**

Role	Salary and other benefits £	Pension contributions £	<b>Total £</b>
Chief Executive	89,703	7,011	<b>96,714</b>
Head of People and Skills	56,584	4,511	<b>61,095</b>
Head of Strategy and Growth (January - March)	14,386	-	<b>14,386</b>
Head of Business Growth and Innovation (February - March)	<u>10,021</u>	<u>-</u>	<u><b>10,021</b></u>

	<b>Year Ended 31/3/21 £</b>	Period 29/3/19 to 31/3/20 £
Directors' remuneration	<u>-</u>	<u>-</u>



**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**5. OPERATING (DEFICIT)/SURPLUS**

The operating deficit (2020 - operating surplus) is stated after charging:

	<b>Year Ended 31/3/21</b>	Period 29/3/19 to 31/3/20
	£	£
Auditors' remuneration	<b>6,000</b>	6,000
Auditors' remuneration for non audit work	<b><u>3,000</u></b>	<u>3,000</u>

**6. EXCEPTIONAL ITEMS**

	<b>Year Ended 31/3/21</b>	Period 29/3/19 to 31/3/20
	£	£
Transfers in on commencement	<u>-</u>	<u>26,636,928</u>

Exceptional items are funds previously held by the D2N2 LEP prior to incorporation that were transferred into this new company. Further details are given in note 13.

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>Year Ended 31/3/21</b>	Period 29/3/19 to 31/3/20
	£	£
Corporation tax interest	<u>55</u>	<u>-</u>

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the deficit for the year was as follows:

	<b>Year Ended 31/3/21</b>	Period 29/3/19 to 31/3/20
	£	£
Current tax:		
UK corporation tax	<u>13,321</u>	<u>77,688</u>
Tax on (deficit)/surplus	<u>13,321</u>	<u>77,688</u>

UK corporation tax has been charged at 19% (2020: 19%) on net interest received only to a value of £70,109 (2020: £408,885).

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**9. AMOUNTS COMMITTED TO SUPPLIERS**

Amounts committed to suppliers for the purchase of goods, works and services during the period were as follows:

	2021	2020
	£	£
Overhead expenditure (LEP running costs)	1,309,775	1,195,737
Less: Staff costs (including travel allowances)	(861,010)	(655,105)
Bad debts	(180,000)	(179,695)
LEP contribution to Freeport bid	<u>(17,818)</u>	<u>-</u>
	250,947	360,937
Local Growth Fund other costs - external	104,580	103,725
Getting Building Fund other costs - external	43,764	-
Other grant expenditure	<u>3,787,777</u>	<u>2,623,021</u>
	<u>4,187,068</u>	<u>3,087,683</u>

Further information is given in note 4 and on pages 30 and 31.

**10. DEBTORS**

	2021	2020
	£	£
Amounts falling due within one year:		
Other debtors	786,616	94,977
Due from related parties	162,869	385,283
Growing Places Fund loans advanced	205,470	346,124
Cash held by Derbyshire County Council	<u>21,000,000</u>	<u>21,500,000</u>
	<u>22,154,955</u>	<u>22,326,384</u>
Amounts falling due after more than one year:		
Growing Places Fund loans advanced	2,217,783	2,416,931
Due from related parties	<u>2,818,122</u>	<u>2,818,122</u>
	<u>5,035,905</u>	<u>5,235,053</u>
Aggregate amounts	<u>27,190,860</u>	<u>27,561,437</u>

The 2020 comparative figures have been restated in order to reclassify £2,818,122 previously disclosed as Growing Places Fund loan advanced to amounts due from related parties falling due after more than one year, relating to an advance to Nottingham City Council as detailed in note 16.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Tax	13,376	77,688
Other creditors	1,057,368	479,165
Due to related parties	603,635	234,062
Accrued expenses	<u>30,525</u>	<u>10,800</u>
	<u>1,704,904</u>	<u>801,715</u>

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**12. FINANCIAL INSTRUMENTS**

	2021 £	2020 £
Financial assets measured at cost	<u>27,595,530</u>	<u>27,699,583</u>
Financial liabilities measured at cost	<u>1,704,904</u>	<u>801,715</u>

Financial assets measured at cost comprise debtors, loans advanced, cash held by Derbyshire County Council and cash at bank.

Financial liabilities measured at cost comprise taxation, other creditors and accrued expenses.

**13. RESERVES**

Reserves represent cumulative surpluses or deficits, net of other adjustments as follows:

**Year ended 31 March 2021**

	Balance at 1 April 2020 £	Net income/ (expenditure) in period £	Inter-fund transfers £	Balance at 31 March 2021 £
<b>Revenue Projects</b>				
Careers and Enterprise	33,842	33,936	21,761	89,539
Resource Funding	113	-	-	113
Energy Strategy	13,287	-	-	13,287
Enterprise Zones	220,509	174,364	-	394,873
Growing Places Fund	782,502	3,768	-	786,270
Growth Hub	(86,145)	(20,784)	86,145	(20,784)
HS2 Development Corporation	-	-	-	-
HS2 Growth Strategy	141,405	(20,000)	-	121,405
HS2 Toton Station	230,471	623,421	-	853,892
Key Management Account	(1,343)	(1,109)	1,343	(1,109)
Local Growth Fund	-	(1,779,008)	1,779,008	-
Skills Analysis Panel	19,285	(15,403)	-	3,882
TDE Programme	-	-	-	-
Getting Building Fund	-	9,817	-	9,817
	<u>1,353,926</u>	<u>(990,998)</u>	<u>1,888,257</u>	<u>2,251,185</u>
Core Funding	712,734	121,524	-	834,258
General Reserve	<u>662,235</u>	<u>42,232</u>	<u>(109,249)</u>	<u>595,218</u>
	2,728,895	(827,242)	1,779,008	3,680,661
<b>Capital Projects</b>				
Growing Places Fund	24,168,973	(180,000)	(1,779,008)	22,209,965
Getting Building Fund	-	-	-	-
	<u>26,897,868</u>	<u>(1,007,242)</u>	<u>-</u>	<u>25,890,626</u>

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**Period ended 31 March 2020**

	Transfers in on commence- ment £	Net income/ (expenditure) in period £	<b>Balance at 31 March 2020 £</b>
<b>Revenue Projects</b>			
Careers and Enterprise	127,044	(93,202)	<b>33,842</b>
Resource Funding	23,629	(23,516)	<b>113</b>
Energy Strategy	13,669	(382)	<b>13,287</b>
Enterprise Zones	-	220,509	<b>220,509</b>
Growing Places Fund	588,499	194,003	<b>782,502</b>
Growth Hub	-	(86,145)	<b>(86,145)</b>
HS2 Development Corporation	-	-	<b>-</b>
HS2 Growth Strategy	181,106	(39,701)	<b>141,405</b>
HS2 Toton Station	699,647	(469,176)	<b>230,471</b>
Key Management Account	-	(1,343)	<b>(1,343)</b>
Local Growth Fund	-	-	<b>-</b>
Skills Analysis Panel	75,000	(55,715)	<b>19,285</b>
TDE Programme	15,167	(15,167)	<b>-</b>
	<u>1,723,761</u>	<u>(369,835)</u>	<u><b>1,353,926</b></u>
Core Funding	-	712,734	<b>712,734</b>
General Reserve	564,499	97,736	<b>662,235</b>
	<u>2,288,260</u>	440,635	<b>2,728,895</b>
<b>Capital Projects</b>			
Growing Places Fund	24,348,668	(179,695)	<b>24,168,973</b>
	<u>26,636,928</u>	<u>260,940</u>	<u><b>26,897,868</b></u>

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**14. OTHER FINANCIAL COMMITMENTS**

As at the balance sheet date the company had commitments to the following projects:

**To be paid from the Local Growth Fund**

	2021	2020
	£	£
Riverside, Bakewell	-	2,595,160
A61 Corridor - 21st Century Transport	-	1,165,791
Gedling Access Road	-	7,220,000
HS2 Strategic Sites	-	2,400,000
Nottingham City Hub	-	463,131
N2 Town Centres	-	2,745,444
NTU Medical Technologies Innovation Facility	-	3,628,473
	<u>-</u>	<u>20,217,999</u>

**To be paid from the Getting Building Fund**

	2021	2020
	£	£
Glossop Town Hall, Market Hall and Municipal Buildings	1,689,688	-
Lindhurst	2,843,909	-
Transforming Nottingham's Southside	7,665,887	-
Turbine Innovation Centre	235,777	-
UK Electrification of Aircraft Propulsion Facility (UKEAPF)	3,724,344	-
Worksop Access to Skills Hub	2,563,569	-
	<u>18,723,174</u>	<u>-</u>

Payments will be made from future years fund allocations received.

As at the balance sheet date the company had committed funds of £2,181,878 from the Growing Places Fund (Capital Projects) to be advanced by way of grant to Nottingham City Council in respect of the Boots Enterprise Zone.

## D2N2 Local Enterprise Partnership

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### 15. RELATED PARTY DISCLOSURES

D2N2 Local Enterprise Partnership is a strategic organisation which has a revenue budget that covers operating costs that is reflected in these accounts. The majority of the revenue is given by Government for this purpose via the accountable body.

The LEP also secures large amounts of capital funding from Government that is used to invest in transport schemes, infrastructure and to provide loans and grants to companies. The requirement of Government is to use accountable bodies to hold and manage these large amounts of public money. The LEP does not qualify as an accountable body and to date Derbyshire County Council have acted as this body on behalf of the LEP.

During the year the LEP received income from, made payments to and had amounts outstanding at the balance sheet date with partner councils and other related parties, by virtue of common directors, as follows:

#### Year ended 31 March 2021

	Derby City Council £'000	Derbyshire County Council £'000	Nottingham City Council £'000	Nottingham- shire County Council £'000	High Peak Borough Council £'000
<b>Income recognised during year:</b>					
Matching Fund	(63)	(63)	(63)	(63)	-
Enterprise Zones	(157)	-	-	-	-
Revenue projects	-	(25)	-	(12)	(3)
Interest on balances	-	(52)	-	-	-
	<u>(220)</u>	<u>(140)</u>	<u>(63)</u>	<u>(75)</u>	<u>(3)</u>
<b>Expenditure recognised during year:</b>					
Capital projects	1,510	27,324	787	13,478	310
Revenue projects	52	-	97	-	-
HS2	-	-	5	1,381	-
Service Level Agreement	-	107	-	-	-
	<u>1,562</u>	<u>27,431</u>	<u>889</u>	<u>14,859</u>	<u>310</u>
<b>Net (income)/expenditure</b>	<u><u>1,342</u></u>	<u><u>27,291</u></u>	<u><u>826</u></u>	<u><u>14,784</u></u>	<u><u>307</u></u>
<b>Amounts outstanding as at 31 March 2021:</b>					
<b>Due from</b>	<u><u>157</u></u>	<u><u>6</u></u>	<u><u>2,818</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Due to</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>(25)</u></u>	<u><u>(579)</u></u>	<u><u>-</u></u>

**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

	Rushcliffe Borough Council £'000	West Notts College £'000	University of Nottingham £'000	Toyota Motor Manufactg. (UK) Ltd £'000
<b>Income recognised during year:</b>				
Matching Fund	-	-	-	-
Enterprise Zones	-	-	-	-
Revenue projects	(12)	-	-	(6)
Interest on balances	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
 <b>Expenditure recognised during year:</b>				
Capital projects	750	674	3,876	-
Revenue projects	-	-	-	-
HS2	-	-	-	-
Service Level Agreement	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>750</u>	<u>674</u>	<u>3,876</u>	<u>-</u>
 <b>Net (income)/expenditure</b>	 <u><u>738</u></u>	 <u><u>674</u></u>	 <u><u>3,876</u></u>	 <u><u>(6)</u></u>
 <b>Amounts outstanding as at 31 March 2021:</b>				
<b>Due from</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
 <b>Due to</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

## D2N2 Local Enterprise Partnership

### Notes to the Financial Statements - continued for the Year Ended 31 March 2021

#### Period ended 31 March 2020

	Derby City Council £'000	Derbyshire County Council £'000	Nottingham City Council £'000	Nottingham- shire County Council £'000	High Peak Borough Council £'000
<b>Income recognised during period:</b>					
Transfer of funds from previous accountable body	(426)	-	(20,704)	-	-
Matching Fund	(63)	(63)	(63)	(63)	-
Enterprise Zones	(259)	-	-	-	-
Revenue projects	(83)	(35)	-	-	(5)
Repay of Growing Places Fund loans	(1,351)	-	-	-	-
Interest on balances	-	(116)	(20)	-	-
<b>Total income</b>	<b>(2,182)</b>	<b>(214)</b>	<b>(20,787)</b>	<b>(63)</b>	<b>(5)</b>
<b>Expenditure recognised during period:</b>					
Capital projects	5,939	2,264	18,774	5,430	-
Revenue projects	51	15	46	-	-
HS2	-	-	91	1,407	-
Service Level Agreement	-	107	-	-	-
<b>Total expenditure</b>	<b>5,990</b>	<b>2,386</b>	<b>18,911</b>	<b>6,837</b>	<b>-</b>
<b>Net (income)/expenditure</b>	<b>3,808</b>	<b>2,172</b>	<b>(1,876)</b>	<b>6,774</b>	<b>(5)</b>
<b>Amounts outstanding as at 31 March 2020:</b>					
<b>Due from</b>	<b>330</b>	<b>35</b>	<b>2,838</b>	<b>-</b>	<b>-</b>
<b>Due to</b>	<b>-</b>	<b>129</b>	<b>-</b>	<b>105</b>	<b>-</b>

Amounts due from and to partner councils are included in debtors and creditors respectively.

During the year professional services to a value of £15,378 (2020: £29,850) were received from East Midlands Business Limited (2020: PHI Advisory) which has one director in common with D2N2 Local Enterprise Partnership.

#### 16. POST BALANCE SHEET EVENTS

An amount of £2,818,122 advanced to Nottingham City Council from the Growing Places Fund is disclosed in notes 10 and 15 as an amount due from a related party falling due after more than one year. After the balance sheet date a formal agreement was entered into which effectively reclassified this advance as a grant. Therefore, this amount will be reflected in the 2022 financial statements as expenditure.

Furthermore, and as detailed in note 14, a further grant advance of £2,181,878 was made to Nottingham City Council on 30 September 2021 relating to the same project.



**D2N2 Local Enterprise Partnership**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2021**

**17. LIMITED BY GUARANTEE**

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

**18. ULTIMATE CONTROLLING PARTY**

There is no one ultimate controlling party.