

PUBLIC



D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD – AGENDA

Date: 4 December, 2024
Venue: via Teams link only

1.1	Welcome and Introductions	Elizabeth Fagan	Verbal	1000
1.2	Declarations of Interest	Elizabeth Fagan	Verbal	1003
1.3	Minutes from 12/09/24 and matters arising	Elizabeth Fagan	Paper for decision	1005
2.	Verbal Update from the Chair	Elizabeth Fagan	Verbal	10.10
3.	Strategic discussion			
3.1	Update report on LEP Transition	Sarah Wainwright	Paper for discussion	1015
3.2	Update on Investments/Investment Board	Tom Goshawk	Verbal	1025
3.3	Accounts 2023-2024, including: <ul style="list-style-type: none">Cover report on Accounts and Finance UpdateReport from auditors (Accounts Appendix 1)	Elizabeth Fagan and Sarah Wainwright	Papers for decision	1030
3.4	EXEMPT Growing Places Loan Report	Sarah Wainwright	Paper for decision	10.45
4.	AOB	All	Verbal	10.50
5.	Date of next meeting: TBC			
	<i>The AGM will follow on immediately after the conclusion of the Board meeting.</i>			

Item 1.3:DRAFT Key Decision/Action Points from Board

D2N2 LOCAL ENTERPRISE PARTNERSHIP BOARD MEETING

Thursday 12 September, 2024

Nottingham University RAD building, Jubilee Campus, Wollaton Road Nottingham (and via Teams)

Chair Elizabeth Fagan, CBE

Minutes Sally Hallam

Present and Apologies

D2N2 Board Members in Attendance

Dr Glenn Crocker MBE	Executive Director, The Pioneer Group
Cllr Chris Emmas-Williams	Leader, Amber Valley Borough Council
Katrina Crookdake	Area Lead, Nottingham/Notts, DBT
Tim Freeman	Deputy MD, Toyota Manufacturing UK
Cllr Keith Girling	Portfolio holder, Nottinghamshire County Council
Natasha Johnson	Director of Partnerships, Global Entrepreneurs UK
Scott Knowles DL	Chief Executive, East Midlands Chamber
Prof Edward Peck CBE	VC and President, Nottingham Trent University
Cllr Matt Relf	Portfolio Holder, Ashfield District Council
Cllr Carolyn Renwick	Portfolio Holder, Derbyshire County Council
Becky Rix	Marketing Director, Roadgas
Viv Russell	Chair, Minerals Products Qualifications Council
Mandie Stravino OBE	Principal and CEO, Derby College Group
David Williams MBE DL	D2N2 Deputy Chair and Chair, Geldards
Liz Wigley	Area Lead Derby/Derbyshire. DBT

Apologies from Board Members

Cllr Neghat Khan	Leader, Nottingham City Council
Cllr Nadine Peatfield	Leader, Derby City Council
Tony Tinley	Regional Officer, Unite the Union

Also in attendance

Sarah Wainwright	Senior Finance Officer, Derbyshire County Council
Matthew Wheatley	Head of Economic Development, Nottingham City Council

D2N2 (EMCCA) Officer Support

Fiona Baker
Tom Goshawk
Lana Jay-Galyer
Nicola Swaney

1.1 Welcome and Introductions

Elizabeth Fagan welcomed all to the meeting.

1.2 Declarations of interest

The Chair reminded all Members that Declarations of Interest should be stated to be recorded where an interest arose.

No Declarations were recorded.

1.3 Minutes of last meeting and matters arising

The Minutes of the meeting on 12 June, 2024 were confirmed as a true record. Any matters arising were covered elsewhere on the agenda.

2. Strategic Discussion Items

2.1 Chair's Report

Elizabeth Fagan introduced the Chair's report and referred Members to the detailed notes therein.

She summarised matters relating to the transition of LEP staff into the new Combined County Authority (EMCCA). Staff were settling in, although there had been a number of initial challenges, in part due to EMCCA being run currently by a senior interim team unfamiliar with the area and who may not have had detailed knowledge of the work of the LEP ahead of transfer.

The Chair opened the floor to staff to add any comments.

Inconsistency with interim finance staffing was noted as a challenge, with interim posts having been filled and then vacated, leading to difficulties over identifying an appropriate point of contact for Derbyshire County Council as LEP Accountable Body.

Staff reiterated the general point about initial challenges, acknowledging that some transitional challenges were to be expected with a start-up. The absence was mentioned of some fundamental basics to do the work smoothly such as mobile phones, the shared filing system that remained on the former LEP site and only

having temporary email addresses. The opportunity of working in a new model of organisation was welcomed.

From the staff side, it was reported that the TUPE process itself had not been as smooth as staff would have wished and had not been perceived as being as collaborative as it could have been. Staff reflected back the wish that TUPE lessons be learned for future exercises from the feedback given.

Natasha Johnson requested a list of staff's new job titles, noting that there had been some changes.

Cllr Emma-Williams wished for a note of thanks to be minuted from Board to the former LEP team for the effort that they had put in to maintain service delivery through transition and beyond.

The Chair asked David Williams to give a short update on the creation of the new EMCCA Business Advisory Board, for which he would be Chair. DW expressed the view that it should be further on in development than it currently was. From 40 initial expressions of interest, 10 applications had been received. The Board would not therefore be fully up and running in time for the first EMCCA Board at the beginning of October. He reiterated an appeal for interested parties to apply.

On Skills, Fiona Baker reported that the skills arena was expanding rapidly with a raft of new policies at an early stage. She informed Members that Skills England was keen to talk to MCAs and for them to be involved in shaping policy.

With reference to the Strategic Skills Plan for the Adult Skills Fund only, Fiona reported in response to a query from Mandie Stravino that this was in draft form at present, with a review of data being undertaken and the intention of reviewing the amended draft at the retained People and Skills Board. Mandie queried the comment as appeared under the Chief Executive's Report para 3.2 and referring to 'shaking up' ASF provision, which she felt contradicted the SSP. Fiona Baker responded to confirm that the intention was not to make immediate sweeping changes, but to maintain stability of delivery and to make changes over time.

A discussion took place on work that needed to be progressed in support of this and the possibility of using existing LEP resources including the retained LEP People and Skills Board and providers to develop that strategy.

Lana Jay-Galyer updated Members on the activities of the Careers Hub, working with districts and upper tiers to ensure consistency of delivery across the region. She was pleased to report that the Careers Hub had improved from 38th out of 44 to one of the most highly-performing Hubs in the country, now ranked 8th.

The Chair congratulated Lana on this achievement.

On business and innovation, the uncertainty over UKSPF and the future of business support funding post-2025 was raised. Tom Goshawk confirmed that work was ongoing with ESAIF to resolve ongoing resource issues and a further update would be provided to the December meeting.

It was reported that many contracts that were funded by UKSPF would run out in March 2025 and stability was needed to ensure that services and staff across the region were protected. No announcement was expected until the October Budget. The LEP Board confirmed that LEP Reserves would cover the core £380,000 Growth Hub contribution required to maintain the service in the 2025/26 financial year. The LEP Board stated that it would help to convene an offer of what business support services could be commissioned if required.

Nicola Swaney reported that, following positive feedback from this year's event, strong support had been indicated by Mayor Claire Ward and EMCCA senior team for the next UKREIFF, but more aligned to the wider region and with all partners to be engaged.

In response to a question about inclusion-related work under way, Natasha Johnson confirmed that the research group was focusing on collecting information on the challenges faced by ethnic businesses. She thanked the team for the work achieved in a short period of time.

NS drew attention to the Inclusion Steering Group Away Day that would be taking place on 19 September, with Mayor Claire Ward attending part of the session to feed into the Inclusive Growth Commission.

ACTION: NS to circulate report to Board members once available.

Board **NOTED** the report.

Board **AGREED** that the messages from staff feedback on the transfer to EMCCA be fed back formally via the Chair to the Mayor for the EMCCA interim team.

Board **AGREED** for Board members involved in Skills to support FB in collating evidence to support the work of the Inclusive Growth Commission.

2.2 Proposed Transfer of LEP Assets to EMCCA

In the absence of the CEO, Tom Goshawk and Sarah Wainwright spoke briefly to update Board on progress with securing the transfer of the LEP assets to EMCCA.

SW confirmed that Derbyshire County Council had been retained as a third party to the Agreement to transfer LEP assets to EMCCA in order to monitor and ensure that actions were followed up. She reported that the query over GDPR elements had now been settled but noted that the Agreement referred only in general terms to economic development. Clarification was sought as to whether further specific detail on the nature of the purposes for which funds were to be used should be requested in the document.

The Chair confirmed this and also requested that the solicitors provide a covering summary for circulation to all Directors.

Matthew Wheatley attending for Nottingham City Council sought clarification of wording in para 2.6 of the Agreement, which as written referred to transferring *all rights* to retain business rates from Enterprise Zones in the D2N2 area passing to EMCCA, rather than *all LEP rights*. This was noted.

Board **NOTED** the update.

Board **AGREED** to delegate sign-off of the final Agreement to transfer LEP assets to EMCCA, subject to discussion on matters of detail, to the Chair on behalf of D2N2 LEP.

2.3 Finance Update

Sarah Wainwright spoke briefly to her report summarising the income and expenditure for the expected final financial position of the D2N2 LEP, assuming a closure date of 30 September, 2024. She confirmed that this was on track provided that all contracts were novated.

The Chair noted that it was pleasing that work had been able to continue in transition and that the LEP would be handing over accounts in the black and a strong balance sheet.

Board noted with disappointment that the only bad debt was the invoice to Nottinghamshire County Council for core funding for the 22-23 period in the amount of £46,875.00, which remained unpaid despite chasing requests for the last two years.

Cllr Girling indicated that he would consider the request for payment.

Board **NOTED** the report.

Board **AGREED** to make a final request to Nottinghamshire County Council to pay its outstanding invoice, such request to be noted in the accounts, before otherwise writing off the debt.

2.4 Update on D2N2 Capital Projects

Tom Goshawk talked Members through an update on the LEP's Capital Programmes and the closing position of the LEP's funds as indicated in his report.

In response to a query from David Williams as to the fact that only 430 jobs had been recorded as created from SmartParc, TG confirmed that data was not yet available from Hello Fresh. An update could be provided for the AGM.

The Chair sought confirmation that systems would be in place to ensure ongoing governance by EMCCA. Sarah Wainwright confirmed that EMCCA's PMO would take this on. DBT would be handling monitoring of overall activity.

Board **NOTED** the report and what funds would be novated to EMCCA as part of the transition process.

2.5 Chief Executive's Report

In the absence of the Chief Executive, the Chair invited team members to add anything to the report as written, noting that much of the content had already been covered elsewhere.

TG referred to the opening two events for ESAIF and reiterated thanks to David Williams and Glenn Crocker for speaking at these well-attended events. £3.5k had now been put to Funding Hero, an investment-readiness service, to work with firms on business plans to enable them to unlock access to funding.

A workshop would follow on 9 October, with 15 businesses the focus of the event, but the aim was to increase awareness more widely. In response to an appeal to publicise across additional networks, a number of Members kindly offered to do this.

On report para 7.3 referring to disposal of appropriately wiped LEP-owned laptops and mobile phones, Board agreed for the CEO to proceed as outlined.

Board **NOTED** the report.

Board **AGREED** that:

- (i) All appropriately-wiped hardware (laptops and peripherals and mobile phones) could be offered for sale to LEP staff at a reasonable discounted price
- (ii) Any remaining kit could be donated to a charity (to be identified) for re-use. Cllr Matt Relf proposed local charity, "Three Musketeers" for this purpose.

ACTION: NS to supply flyer on High Growth Workshops, to be circulated to Board for disseminating across additional networks.

3. Any Other Business

DW reiterated the earlier call to action for Members to apply for, or recommend suitable candidates to apply for, EMCCA Business Advisory Board posts.

EF reported that Graham Cartledge had resigned his Directorship. Remaining Directors would formally resign on closure at the AGM in December.

4. Date of Next Meeting

Date of next meeting: Wednesday, 4 December 2024 (venue TBC).



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DATE:	4 December, 2024
REPORT LEAD:	Sarah Wainwright/Tom Goshawk
AGENDA ITEM:	3.1

TITLE:	Item 3.1 Update Report on LEP Transition
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1. INTRODUCTION

Summary of progress:

- LEP Staff have transferred to the East Midlands Combined County Authority (EMCCA)
- Assets and Liabilities being progressed with legal teams from both D2N2 (represented by Derbyshire County Council) and EMCCA.

2. RECOMMENDATION

To update the Board on progress on the LEP transition

3. PROGRESS

Work continues on the transfer of assets and liabilities from the D2N2 Local Enterprise Partnership to EMCCA. The EMCCA legal team have raised a query regarding historic liabilities from the LEP which has slightly delayed the signing of agreements. The issue has now been resolved as an additional insurance policy can be purchased by the LEP, called 'Run Off Insurance Cover' which will provide a 6-year extended reporting period to allow any claims that arise within that period in relation to activities of the LEP (and its directors and officers) prior to it being wound up. This 6-year period covers the statute of limitations for nearly all possible actions that could be brought as a result of statutory duties arising from the Companies Act.

EMCCA legal are now to ask all third parties to sign a revised novation agreement to reflect these changes. The closure date of the LEP cannot therefore be confirmed until these novation's have been changed.

EMCCA have asked the LEP to review two agreements, the LIME House loan and Springvale Hydrogen project. The LIME House project is to be dealt with at this meeting in the finance paper. The Springvale Hydrogen project is to be reviewed at the December Investment Board.

At the time of writing, the documentation for the Key Account Management project has been received and this has been shared with EMCCA legal. The delays have been on the side of the Government department. Now the LEP has received this we will sign and return as soon as possible to avoid any further delays.



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DATE:	4 December 2024
REPORT LEAD:	Sarah Wainwright
AGENDA ITEM:	3.3

TITLE:	Finance update report
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1. INTRODUCTION

2.

1.1 A Summary of income and expenditure for expected final financial position for the D2N2 LEP assuming a closure date of 31 December, 2024 .

2. RECOMMENDATION

2.1 Board is asked to **NOTE** the report

2.2 Board are asked for formally write off the 2022-23 Nottinghamshire County Council contribution invoice

3. 2024-25 LEP BUDGETS

3.1 Budget monitoring for period 7 (October of the 2024-25 financial year is shown below for the Core funding budget in Annex 1 :

3.2 An estimated position is shown assuming a closure date of 31st December 2024 in Annex 2

3.3 These balances will be transferring to EMCCA on the assumption all 3 parties, the D2N2 LEP, EMCCA and Derbyshire County Council agree on the Transfer Agreement which will ensure the commitments made as shown are honoured by EMCCA and the residual balance is ring fenced to be spent on economic development activities.

4. WRITE OFF

4.1 The invoice for the 2022-23 contribution from Nottinghamshire County Council towards Core funding remains unpaid. A bad debt provision has been provided for in the accounts. Before closure of the company all invoices need to be settled or written off. As this one remains unpaid, it is recommended to the Board is that it is written off. The invoice was for £46,875.

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Annex 1

2024-25 LEP-Detailed Budgets-to period 7 (October)	Actuals to date £	Year End Position £
Income		
Department of Education		29,316
Interest	13,945	400,000
Other	9,695	9,884
	23,640	439,200
Expenditure		
Rents	18,200	23,340
Pay costs	108,403	108,403
IT/Website	3,652	4,000
Mobiles	1,261	1,681
Postage/ Stationary/Photocopier	1,811	2,000
Publicity	7,653	7,653
Travel and general allowances	2,624	3,124
Insurance	4,542	4,542
Training	8,793	10,000
LEP Network	6,000	6,000
Consultancy/Professional	28,672	34,805
Conference/Event		4,000
Audit fee		10,800
Corporation tax		100,000
SLA		85,805
	191,611	406,153
2024/25 Surplus/ (Deficit)		33,047

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Annex 2

Name of Reserve	Reserves Balances at 31.3.24	Expected Spend 24/25	Estimated closing Balance	Commitment	Available	Notes
Low Carbon Growth fund	2,699,998		2,699,998	2,459,293	240,706	Balance for Heat Pump Academy, Mine Water Heat and part of Stone Centre
Economic Growth Fund	1,383,165		1,383,165	1,383,165	-	Hillcrest Business Park and part of Stone Centre
Energy Strategy	787		787		787	
Careers and Enterprise	94,545	- 64,868	29,677	29,677	-	some funds returned to CEC, some will need to be transferred
HS2 Growth Strategy	30,329	30,329	-	-	-	allocated as part of rail mitigation study to DCC
Youth Futures	20,500	20,500	-	-	-	
Growing Places Fund-Capital	2,046,854		2,046,854	-	2,046,854	£1.8m of this is a debtor for the DSF loan and not actual cash
Growing Places Fund-Revenue	5,551,152	46,318	5,504,834	3,891,235	1,613,599	£4m ESAIF
General Reserve	1,339,985	- 3,187	1,343,172	57,200	1,285,972	£32k (under) for Core funding & £29k for CEC match. Commitments £50k for EA project, £7.2k for Hyd Partnership
	13,167,316	29,092	13,008,487	7,820,569	5,187,918	
					3,387,918	Adjusted cash figure

**D2N2 LOCAL ENTERPRISE PARTNERSHIP
BOARD REPORT**

DATE:	4 December 2024
REPORT LEAD:	Sarah Wainwright
AGENDA ITEM:	3.3

TITLE:	Cover Report Approval of the 2023/24 D2N2 LEP Accounts
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1 Introduction

This report is to present the draft financial accounts for the year ending 31 March, 2024 for the D2N2 LEP to Board members. The D2N2 LEP became incorporated on 29 March, 2019 following the requirement by Government to become a legal entity from April 2019.

2 Recommendation

Board is asked to discuss and **CONSIDER** the audited financial statements in appendix 1, along with other documentation required by the auditors and **APPROVE** as appropriate.

3 Summary of Report

The company was incorporated on 29 March, 2019 and is limited by guarantee of its members and does not have any share capital. HSKS Greenhalgh were appointed in September 2020 to complete the audited accounts and to ensure the deadline for returns to Companies House and HMRC were met.

The financial accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the requirements of the Companies Act 2006. Following on from this the accounts will be placed before the company at the Annual General Meeting also held on 4 December, 2024.

Draft Financial Statements at 26 November 2024 at 08:37:05

Company registration number 11914012 (England and Wales)

**D2N2 LOCAL ENTERPRISE PARTNERSHIP
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

COMPANY INFORMATION

Directors	Ms E Fagan CBE Mr V G Russell Mr D H Williams MBE DL Ms R L Rix Mr S Knowles DL Prof E W Peck CBE Ms M J Stravino OBE Ms V N Johnson Cllr K F Girling Mr A W Tinley Dr G Crocker MBE Cllr MJ Relf (Appointed 10 July 2023) Cllr C Renwick (Appointed 31 July 2023) Cllr C Emmas-Williams (Appointed 12 September 2023) Cllr N N Khan (Appointed 13 September 2024)
Company number	11914012
Registered office	8 Experian Way Ng2 Business Park Nottingham NG2 1EP
Auditor	HSKSG Audit Limited Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Business address	Derbyshire County Council County Hall Matlock Derbyshire DE4 2AG

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

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Draft Financial Statements at 26 November 2024 at 08:37:05

D2N2 LOCAL ENTERPRISE PARTNERSHIP

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for D2N2 Local Enterprise Partnership ("the Company") for the year ended 31 March 2024.

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

Our role 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.

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 in the form of grants from Government.

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.

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 Careers Hub regularly brings together schools, colleges, employers and training providers in local areas across Nottingham, Nottinghamshire, Derby and Derbyshire, with the purpose of helping schools and colleges to improve how they prepare young people for their next steps and support businesses to attract their future workforce. In addition, we successfully bid for Wave 5 of the Department for Education's Skills Bootcamps process - further supporting career pathways for both adults and young people across the region. This means the LEP was successful in all five Skills Bootcamps funding waves to date.

We have worked closely with the Derby, Derbyshire, Nottingham and Nottinghamshire Local Authorities to prepare for devolution in the East Midlands - the new East Midlands Combined County Authority covers the whole of the D2N2 footprint.

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Principal risks and uncertainties

Following Government guidance, funding for LEP's will cease from 2024/25. This has meant we received no new capital funding in 2023/24, although we did previously convert £6.5m of our Growing Places Fund into capital for the Low Carbon Growth Fund, some of which has been spent in 2023/24. A total of £1,643,861 was made to projects during 2023/24:

	Grant £
Hydrogen-fuelled waste collection	243,861
Mine Water Heat Pump	200,000
PProhlet	1,200,000

Following the deallocation from the Drakelow scheme, the LEP repurposed the funding to launch the Economic Growth Fund and a total of £1,388,826 was made from this fund to the Nuclear Skills Academy.

The D2N2 Growth Hub has provided transition support to businesses most affected by the decision to leave the EU and the LEP is increasingly providing advice and signposting on the emerging issues around cost of living, fuel and commodity price rises and the war in Ukraine. The LEP will continue to ensure where support gaps emerge, and it will adapt to meet those needs.

Key performance indicators

The Getting Building Fund programme has delivered the following key outputs:

Jobs created	177
Number of businesses assisted	398
Number of new learners	646

The Local Growth Fund programme which was funded between 2015 and 2021 has delivered the following key outputs:

	Outputs to Date	Overall Target
Jobs	19,024	29,000
Homes	3,256	10,700
Learners	9,583	2,000

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Promoting the success of the company

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 up to 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; principally 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.

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 and as we transition towards devolution in the East Midlands

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 and grants from constituent local authorities.

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 8th largest outside London and the Southeast. It contributes almost £51bn in GVA to the UK economy..

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.

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

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 region's 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 £2bn to the local economy. We also led the strategic business case work that helped to secure more than £20bn investment into UKAEA's new fusion facility in Bassetlaw.

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 2024 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.

Section 172(1) statement

The Board continues to have regular engagement with stakeholders, both through representing D2N2 in external meetings and engagement and, for several members, as chairs of subgroups which draw members from businesses, public sector employers and the education sector in our region. All Board members have signed a code of conduct and should any escalation be required, our nominations and appointment committee would be asked to review. No such action has been required.

In terms of principle decisions taken by the Board, we continue to be advised by our impartial Investment Board on any issues relating to capital investments. To date all Investment Board recommendations have been agreed by the main LEP Board.

The chair and vice chair have regular meetings (minimum fortnightly) with the Chief Executive and quarterly meetings with the senior leadership team to ensure they can gauge the mood and steer the culture of the organisation.

On behalf of the board

.....
Ms E Fagan CBE
Director

Date:

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

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;
- state whether applicable UK 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.

Draft Financial Statements at 26 November 2024 at 08:37:05
D2N2 LOCAL ENTERPRISE PARTNERSHIP

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of a local enterprise partnership.

Results and dividends

The results for the year are set out on page 8.

Directors

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

Mr J A Brand	(Resigned 7 September 2023)
Mr G S Cartledge CBE	(Resigned 29 August 2024)
Ms E Fagan CBE	
Mr T C Freeman (deceased)	(Resigned 5 November 2024)
Cllr B Lewis	(Resigned 24 May 2023)
Cllr D Mellen	(Resigned 7 May 2024)
Cllr C P Poulter	(Resigned 24 May 2023)
Cllr S J Robinson	(Resigned 7 May 2023)
Mr V G Russell	
Mr D H Williams MBE DL	
Ms R L Rix	
Cllr K Buttery	(Resigned 4 May 2023)
Mr S Knowles DL	
Prof E W Peck CBE	
Ms M J Stravino OBE	
Ms V N Johnson	
Cllr K F Girling	
Mr A W Tinley	
Dr G Crocker MBE	
Cllr B Singh Shanker	(Appointed 12 June 2023 and resigned 7 May 2024)
Cllr MJ Relf	(Appointed 10 July 2023)
Cllr C Renwick	(Appointed 31 July 2023)
Cllr C Emmas-Williams	(Appointed 12 September 2023)
Cllr N N Khan	(Appointed 13 September 2024)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Post reporting date events

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

Future developments

The focus of D2N2 LEP has continued to be on economic growth. We have continued to convene and work with partners across the area to deliver innovative initiatives and projects as part of our approach to delivering sustainable economic growth to the region. We have also worked closely with the Derby, Derbyshire, Nottingham and Nottinghamshire Local Authorities to prepare for devolution in the East Midlands - the new East Midlands Combined County Authority will cover the whole of the D2N2 footprint. We will therefore continue to work with the Combined Authority until the transfer of the LEP's activities has been completed, upon which the D2N2 LEP will be wound up and voluntarily struck off from the companies register at Companies House, as detailed in note 18.

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Auditor

In accordance with the company's articles, a resolution proposing that HSKSG Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

Corporate governance

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, Low Carbon Board, Inclusion Steering Group)

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.

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 D2N2 LEP also makes an open offer to attend other Local Authority Scrutiny Committees in their area and attend when requested.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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.

On behalf of the board

.....
Ms E Fagan CBE
Director

Date:

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	3,297,789	5,625,338
Cost of sales		(7,166,164)	(12,950,658)
Gross deficit		(3,868,375)	(7,325,320)
Administrative expenses		(1,528,955)	(1,354,889)
Operating deficit	4	(5,397,330)	(8,680,209)
Interest receivable and similar income	7	862,328	544,121
Interest payable and similar expenses	9	-	(61)
Deficit before taxation		(4,535,002)	(8,136,149)
Tax on deficit	10	(215,582)	(103,371)
Deficit for the financial year		(4,750,584)	(8,239,520)

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
Deficit for the year	(4,750,584)	(8,239,520)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(4,750,584)</u>	<u>(8,239,520)</u>

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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	13	15,126,383		18,038,435	
Cash at bank and in hand		134,211		892,739	
		<u>15,260,594</u>		<u>18,931,174</u>	
Creditors: amounts falling due within one year	14	<u>(2,093,175)</u>		<u>(1,013,171)</u>	
Net current assets		<u>13,167,419</u>		<u>17,918,003</u>	
Reserves					
Income and expenditure account	17	<u>13,167,419</u>		<u>17,918,003</u>	
		<u>13,167,419</u>		<u>17,918,003</u>	

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

.....
 Ms E Fagan CBE
 Director

Company Registration No. 11914012

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	Income and expenditure £
Balance at 1 April 2022	26,157,523
Year ended 31 March 2023: Deficit and total comprehensive income	(8,239,520)
Balance at 31 March 2023	17,918,003
Year ended 31 March 2024: Deficit and total comprehensive income	(4,750,584)
Balance at 31 March 2024	<u>13,167,419</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	23	(1,517,485)		(153,860)	
Interest paid		-		(61)	
Income taxes paid		(103,371)		(15,088)	
Net cash outflow from operating activities		(1,620,856)		(169,009)	
Investing activities					
Interest received		862,328		544,121	
Net cash generated from investing activities		862,328		544,121	
Net (decrease)/increase in cash and cash equivalents		(758,528)		375,112	
Cash and cash equivalents at beginning of year		892,739		517,627	
Cash and cash equivalents at end of year		134,211		892,739	

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

D2N2 Local Enterprise Partnership is a private company limited by guarantee incorporated in England and Wales. The registered office is 8 Experian Way, Ng2 Business Park, Nottingham, NG2 1EP.

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.

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 £ unless indicated otherwise.

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

1.2 Going concern

The directors have assessed the balance sheet and likely future cash flows at the date of approving these financial statements, given that the activities of the LEP will be transferred to the East Midlands Combined County Authority in due course and as described in note 18.

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, or to the date of transfer if earlier. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover 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.

1.4 Cash and cash equivalents

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

1.5 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 statement of financial position 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through surplus and deficit, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in surplus or deficit.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in surplus or deficit.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in surplus or deficit in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies **(Continued)**

1.8 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.

1.9 Interest income

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

1.10 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024	2023
	£	£
Turnover analysed by class of business		
Grant project income	2,847,970	4,898,598
Operational income - external	220,988	569,169
Operational income - internal	181,956	157,571
	<u>3,297,789</u>	<u>5,625,338</u>

	2024	2023
	£	£
Other revenue		
Interest income	<u>862,328</u>	<u>544,121</u>

4 Operating deficit

	2024	2023
	£	£
Operating deficit for the year is stated after charging:		

Fees payable to the company's auditor for the audit of the company's financial statements	<u>6,920</u>	<u>6,520</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	6,920	6,520
	<u>6,920</u>	<u>6,520</u>

6 Directors' remuneration

No remuneration was paid to the directors.

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Other interest income	862,328	544,121
	<u>862,328</u>	<u>544,121</u>
	2024	2023
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through surplus or deficit	100,081	75,267
	<u>100,081</u>	<u>75,267</u>

8 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Directors	18	17
Delivery team	14	14
Careers team	9	8
	<u>41</u>	<u>39</u>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	923,605	827,278
Social security costs	99,445	89,601
Pension costs	115,024	92,433
	<u>1,138,074</u>	<u>1,009,312</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

8 Employees

(Continued)

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 March 2024

	Salary and other benefits	Pension contributions	Total
	£	£	£
Chief Executive	83,396	24,490	107,886
Head of People and Skills	47,548	12,558	60,106
Communications Manager	61,250	4,887	66,137
Head of Economic Growth and Strategy	69,546	5,551	75,097
	<u> </u>	<u> </u>	<u> </u>

Year Ended 31 March 2023

	Salary and other benefits	Pension contributions	Total
	£	£	£
Chief Executive	80,001	23,706	103,707
Head of Business Growth and Innovation	58,437	8,965	67,402
	<u> </u>	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2024	2023
	£	£
Other finance costs:		
Other interest	-	61
	<u> </u>	<u> </u>

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	215,582	103,371
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

10 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Loss before taxation	(4,535,002)	(8,136,149)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	(1,133,751)	(1,545,868)
Tax effect of expenses that are not deductible in determining taxable profit	2,173,780	2,719,114
Tax effect of income not taxable in determining taxable profit	(824,447)	(1,069,875)
Taxation charge for the year	215,582	103,371

UK corporation tax has been charged at 25% (2023: 19%) on net interest received only to a value of £862,328 (2023: £544,060).

11 Amounts committed to suppliers

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

	2024	2023
	£	£
Overhead expenditure (LEP running costs)	1,482,080	1,360,467
Less:		
Staff costs (including travel allowances)	(1,162,689)	(1,023,139)
Bad debts	-	-
LEP contribution to Freeport bid	-	-
	319,391	337,328
Getting Building Fund other costs - external	-	9,817
Other grant expenditure - external	3,951,521	2,998,258
	4,270,912	3,345,403

Further information is given in note 8 and on pages 33 and 34.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

12 Financial instruments

	2024	2023
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through surplus or deficit	15,260,594	18,931,174
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at fair value through surplus or deficit		
- Other financial liabilities	(2,093,124)	(1,013,171)
	<u> </u>	<u> </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 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Amounts owed by related parties	-	409,907
Growing Places Fund loans advanced	280,000	540,001
Other debtors	791,382	498,527
Cash held by Derbyshire County Council	12,500,000	15,000,000
	<u> </u>	<u> </u>
	13,571,382	16,448,435
	<u> </u>	<u> </u>
	2024	2023
	£	£
Amounts falling due after more than one year:		
Growing Places Fund loans advanced	1,555,001	1,590,000
	<u> </u>	<u> </u>
Total debtors	15,126,383	18,038,435
	<u> </u>	<u> </u>

The repayment terms of a Growing Places Fund loan were revised during the current year. Amounts receivable per above at 31 March 2024 reflect the updated terms.

14 Creditors: amounts falling due within one year

	2024	2023
	£	£
Amounts owed to related parties	97,795	514,615
Corporation tax	215,582	103,371
Other creditors	1,755,899	366,491
Accruals and deferred income	23,899	28,694
	<u> </u>	<u> </u>
	2,093,175	1,013,171
	<u> </u>	<u> </u>

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D2N2 LOCAL ENTERPRISE PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****15 Retirement benefit schemes**

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	115,024	92,433

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.

16 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.

17 Income and expenditure account

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

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

17 Income and expenditure account

(Continued)

Year Ended 31 March 2024

	Balance at 1 April 2023	Net income/ (expenditure) in year	Inter-fund transfers	Balance at 31 March 2024
	£	£	£	£
Revenue Projects				
Careers and Enterprise	165,651	(106,738)	35,632	94,545
Resource Funding	-	-	-	-
Energy Strategy	787	-	-	787
Enterprise Zones.	-	(22,806)	22,806	-
Growing Places Fund	827,688	-	51,473	879,161
Growth Hub	-	-	-	-
HS2 Development Corporation	-	-	-	-
HS2 Growth Strategy	30,329	-	-	30,329
HS2 Toton Station	556,402	(556,402)	-	-
Key Management Account	2,423	(2,423)	-	-
Local Growth Fund	-	-	-	-
Skills Analysis Panel	-	-	-	-
Digital Bootcamp	975,374	(1,025,641)	50,267	-
Getting Building Fund	-	-	-	-
Youth Futures	-	20,500	-	20,500
	<u>2,558,654</u>	<u>(1,693,510)</u>	<u>160,178</u>	<u>1,025,322</u>
Core Funding	492,466	(806,326)	313,860	-
General Reserve	1,009,382	730,466	(399,759)	1,340,089
	<u>4,060,502</u>	<u>(1,769,370)</u>	<u>74,279</u>	<u>2,365,411</u>
Capital Projects				
Growing Places Fund	9,341,652	51,473	(2,846,270)	6,546,855
Getting Building Fund	-	-	-	-
Low Carbon Growth Fund	4,515,849	(1,643,861)	-	2,871,988
Economic Growth Fund	-	(1,388,826)	2,771,991	1,383,165
	<u><u>17,918,003</u></u>	<u><u>(4,750,584)</u></u>	<u><u>-</u></u>	<u><u>13,167,419</u></u>

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

17 Income and expenditure account

(Continued)

Year Ended 31 March 2023

	Balance at 1 April 2022	Net income/ (expenditure) in year	Inter-fund transfers	Balance at 31 March 2023
	£	£	£	£
Revenue Projects				
Careers and Enterprise	185,258	(19,607)	-	165,651
Resource Funding	113	-	(113)	-
Energy Strategy	787	-	-	787
Enterprise Zones.	675,231	-	(675,231)	-
Growing Places Fund	804,431	23,257	-	827,688
Growth Hub	(20,975)	-	20,975	-
HS2 Development Corporation	-	-	-	-
HS2 Growth Strategy	108,329	(78,000)	-	30,329
HS2 Toton Station	775,813	(219,411)	-	556,402
Key Management Account	2,423	-	-	2,423
Local Growth Fund	-	-	-	-
Skills Analysis Panel	-	-	-	-
Digital Bootcamp	-	975,374	-	975,374
Getting Building Fund	9,817	-	(9,817)	-
Youth Futures	-	-	-	-
	<u>2,541,227</u>	<u>681,613</u>	<u>(664,186)</u>	<u>2,558,654</u>
Core Funding				
General Reserve	764,928	(282,279)	9,817	492,466
	<u>591,403</u>	<u>438,841</u>	<u>(20,862)</u>	<u>1,009,382</u>
	<u>3,897,558</u>	<u>838,175</u>	<u>(675,231)</u>	<u>4,060,502</u>
Capital Projects				
Growing Places Fund	8,363,415	(2,043,544)	3,021,781	9,341,652
Getting Building Fund	7,396,550	(5,050,000)	(2,346,550)	-
Low Carbon Growth Fund	6,500,000	(1,984,151)	-	4,515,849
Economic Growth Fund	-	-	-	-
	<u>26,157,523</u>	<u>(8,239,520)</u>	<u>-</u>	<u>17,918,003</u>

18 Events after the reporting date

As reported last year, the Levelling-up and Regeneration Act 2023 received Royal Assent and the East Midlands Combined County Authority was then formed in March 2024. Therefore the activities of the LEP will be transferred to this Combined Authority in due course.

Staff engaged by the LEP, through the East Midlands Chamber of Commerce, were transferred to the new organisation in June 2024 under the TUPE regulations. Negotiations relating to the transfer of undertakings and all assets and liabilities of the LEP are currently ongoing and expected to be concluded in the near future. In the meantime the LEP has continued to operate and fulfil its obligations, with former employees undertaking the work on a sub-contract from the new organisation.

Once all transfers have been completed it is expected that the company, D2N2 Local Enterprise Partnership, will be wound up and struck off the Companies House register.

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

19 Other financial commitments

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

To be paid from Getting Building Fund

	2024	2023
	£	£
To be paid from Low Carbon Growth Fund		
Hydrogen Fuelled Waste Collection	-	243,859
PPROHLET	-	1,200,000
Minewater Heat Pump	900,000	-
Heat Pump Academy	500,000	-
	<u>1,400,000</u>	<u>1,443,859</u>

Payments will be made from current fund reserves. Prior year commitments were payable from current year reserves.

20 Ultimate controlling party

There is no one ultimate controlling party.

21 Related party transactions

During the year D2N2 Local Enterprise Partnership 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:

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D2N2 LOCAL ENTERPRISE PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2024****21 Related party transactions****(Continued)**

Year ended 31 March 2024

	Derby City Council	Derbyshire County Council	Nottingham City Council	Nottinghamshire County Council
	£'000	£'000	£'000	£'000
Income recognised during the year				
Match funding	(3)	-	-	47
Enterprise Zone	23	-	-	-
Revenue Projects	-	(21)	-	-
Capital Projects	-	-	-	-
Interest on balances	-	(732)	-	-
Total income	20	(753)	-	47
Expenditure recognised during the year				
Capital Projects	-	-	-	-
Revenue Projects	25	-	-	1
HS2	-	-	-	776
Staffing	-	-	-	-
Service Level Agreement	-	114	-	-
Total Expenditure	25	114	-	777
Net (income)/expenditure	45	(639)	-	824
Amounts owing as at 31 March 2024:				
Due from	-	-	-	-
Due to	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

21 Related party transactions

(Continued)

	University of Derby College Derby		Nottingham Trent University East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire, Lincolnshire)	
	£'000	£'000	£'000	£'000
Income recognised during the year				
Match funding	-	-	-	-
Enterprise Zone	-	-	-	-
Revenue Projects	-	-	-	-
Capital Projects	-	-	-	-
Interest on balances	-	-	-	-
Total income	-	-	-	-
Expenditure recognised during the year				
Capital Projects	-	-	-	-
Revenue Projects	-	-	117	787
HS2	-	-	-	-
Staffing	-	-	-	1,240
Service Level Agreement	-	-	-	-
Total Expenditure	-	-	117	2,027
Net (income)/expenditure	-	-	117	2,027
Amounts owing as at 31 March 2024:				
Due from	-	-	-	-
Due to	-	-	-	(97)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

21 Related party transactions

(Continued)

Year ended 31 March 2023

	Derby City Council	Derbyshire County Council	Nottingham City Council	Nottinghamshire County Council
	£'000	£'000	£'000	£'000
Income recognised during the year				
Match funding	(47)	(47)	(47)	(47)
Enterprise Zone	(156)	-	-	-
Revenue Projects	(3)	(3)	(2)	(2)
Capital Projects	-	(253)	-	-
Interest on balances	-	-	-	-
Total income	(206)	(303)	(49)	(49)
Expenditure recognised during the year				
Capital Projects	2,200	-	-	-
Revenue Projects	4	-	-	3
HS2	-	-	45	219
Staffing	-	-	-	-
Service Level Agreement	-	107	-	-
Total Expenditure	2,204	107	45	222
Net (income)/expenditure	1,998	(196)	(4)	173
Amounts owing as at 31 March 2023:				
Due from	156	253	-	-
Due to	-	(107)	-	(222)

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

21 Related party transactions

(Continued)

	University of Derby College Derby		Nottingham Trent University	East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)
	£'000	£'000	£'000	£'000
Income recognised during the year				
Match funding	-	-	-	-
Enterprise Zone	-	-	-	-
Revenue Projects	(25)	-	-	(18)
Capital Projects	-	-	-	-
Interest on balances	-	-	-	-
Total income	(25)	-	-	(18)
Expenditure recognised during the year				
Capital Projects	-	-	-	-
Revenue Projects	5	13	33	1,025
HS2	-	-	-	33
Staffing	-	-	-	668
Service Level Agreement	-	-	-	-
Total Expenditure	5	13	33	1,726
Net (income)/expenditure	(20)	13	33	1,708
Amounts owing as at 31 March 2023:				
Due from	-	-	-	-
Due to	-	-	-	(185)

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

A bad debt provision has been made during the current year to a total of £46,875 in respect of 2022-23 Match Funding income outstanding at 31 March 2023 due from Nottinghamshire County Council not yet received. This is accordingly reflected as an expense with this related party in the income section above.

During the year costs to a value of £nil (2023 - £310) were paid to Roadgas Limited which has one director in common with D2N2 Local Enterprise Partnership.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

22 Analysis of changes in net funds

	1 April 2023 £	Cash flows £	31 March 2024 £
Cash at bank and in hand	892,739	(758,528)	134,211

23 Cash absorbed by operations

	2024 £	2023 £
Deficit for the year after tax	(4,750,584)	(8,239,520)
Adjustments for:		
Taxation charged	215,582	103,371
Finance costs	-	61
Investment income	(862,328)	(544,121)
Movements in working capital:		
Decrease in debtors	2,912,052	19,872,389
Increase/(decrease) in creditors	967,793	(11,346,040)
Cash absorbed by operations	<u>(1,517,485)</u>	<u>(153,860)</u>

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**D2N2 LOCAL ENTERPRISE PARTNERSHIP
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 MARCH 2024**

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D2N2 LOCAL ENTERPRISE PARTNERSHIP

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2024	2023	2023
	£	£	£	£
Turnover				
Grant project income		2,847,970		4,898,598
Operational income - external		267,863		569,169
Operational income - internal		181,956		157,571
		<u>3,297,789</u>		<u>5,625,338</u>
Cost of sales				
<i>Purchases and other direct costs</i>				
GBF grants awarded	-		253,451	
GBF other costs - external	-		9,817	
Other grant costs - internal	181,956		157,571	
Other grant costs - external	3,951,521		2,998,258	
Other grants awarded	-		5,347,411	
GPF grants awarded	-		2,200,000	
LCGF grants awarded	1,643,861		1,984,150	
EGF grants awarded	1,388,826		-	
Total purchases and other direct costs	<u>7,166,164</u>		<u>12,950,658</u>	
Total cost of sales		<u>(7,166,164)</u>		<u>(12,950,658)</u>
Gross deficit	117.30%	(3,868,375)	130.22%	(7,325,320)
Administrative expenses				
Wages and salaries	923,605		824,079	
Social security costs	99,445		89,601	
Temporary staff	-		3,199	
Staff training	6,309		872	
Staff pension costs	115,024		92,433	
Rent and services	68,967		68,456	
Computer running costs and website	4,536		23,010	
LEP network	4,200		8,625	
Midlands Engine	18,001		18,000	
Service level agreement	114,465		106,800	
Travelling expenses	6,510		4,369	
Legal and professional fees	78,445		69,309	
Non audit remuneration paid to auditors	3,460		3,260	
Audit fees	6,920		6,520	
Bank charges	222		151	
Bad and doubtful debts	46,875		-	
Insurance	10,626		10,626	
Printing and stationery	2,844		3,028	
Advertising	4,197		5,334	
Telephone	3,526		4,383	
Sundry expenses	2,899		3,646	
Room hire and catering	2,762		2,250	
Annual General Meeting costs	5,117		6,938	

(1,528,055)

(1,354,880)

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DETAILED INCOME STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2024 £	2023 £	2023 £
Operating deficit		(5,397,330)		(8,680,209)
Interest receivable and similar income				
Interest received on deposits	762,091		468,854	
CT interest received	156		-	
Loan interest received	100,081		75,267	
		862,328		544,121
Interest payable and similar expenses				
Corporation tax interest		-		(61)
Deficit before taxation	137.52%	(4,535,002)	144.63%	(8,136,149)