

Company registration number 11914012 (England and Wales)

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

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)
Company number	Cllr C Emmas-Williams	(Appointed 12 September 2023)
	Cllr N N Khan	(Appointed 13 September 2024)
Registered office	11914012	
Auditor	8 Experian Way	
	Ng2 Business Park	
	Nottingham	
	NG2 1EP	
Business address	HSKSG Audit Limited	
	Charlotte House	
	Stanier Way	
	The Wyvern Business Park	
	Derby	
	DE21 6BF	
	Derbyshire County Council	
	County Hall	
	Matlock	
	Derbyshire	
	DE4 2AG	

D2N2 LOCAL ENTERPRISE PARTNERSHIP**CONTENTS**

	Page
Strategic report	1 - 4
Directors' report	6 - 7
Directors' responsibilities statement	5
Independent auditor's report	8 - 10
Income statement	11
Statement of comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16 - 31

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.

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

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.

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

4 December 2024

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.

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 11.

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.

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

4 December 2024

D2N2 LOCAL ENTERPRISE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

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 2024 which comprise the income and expenditure account, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2024 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF D2N2 LOCAL ENTERPRISE PARTNERSHIP (CONTINUED)

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF D2N2 LOCAL ENTERPRISE PARTNERSHIP (CONTINUED)

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 FRC's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Handley FCA
Senior Statutory Auditor
For and on behalf of HSKSG Audit Limited

4 December 2024

Chartered Accountants
Statutory Auditor

Charlotte House
Stanier Way
The Wyvern Business Park
Derby
DE21 6BF

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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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	(4,750,584)	(8,239,520)

D2N2 LOCAL ENTERPRISE PARTNERSHIP**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	(2,093,175)		(1,013,171)	
Net current assets			13,167,419		17,918,003
			<u><u>13,167,419</u></u>		<u><u>17,918,003</u></u>
Reserves					
Income and expenditure account	17		13,167,419		17,918,003
			<u>13,167,419</u>		<u>17,918,003</u>
			<u><u>13,167,419</u></u>		<u><u>17,918,003</u></u>

The financial statements were approved by the board of directors and authorised for issue on 4 December 2024 and are signed on its behalf by:

Ms E Fagan CBE
Director

Company Registration No. 11914012

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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	13,167,419

D2N2 LOCAL ENTERPRISE PARTNERSHIP**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	

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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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	267,863	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>

D2N2 LOCAL ENTERPRISE PARTNERSHIP

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> </u>	<u> </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> </u>	<u> </u>

8 Employees

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

	2024 Number	2023 Number
Directors	18	17
Delivery team	14	14
Careers team	9	8
	<u> </u>	<u> </u>
Total	41	39
	<u> </u>	<u> </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> </u>	<u> </u>
	1,138,074	1,009,312
	<u> </u>	<u> </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:

D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Employees (Continued)

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
Head of External Affairs	61,250	4,887	66,137
Head of Economic Growth and Strategy	69,546	5,551	75,097

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

9 Interest payable and similar expenses

	2024	2023
	£	£
Other finance costs:		
Other interest	-	61

10 Taxation

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

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

D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

10 Taxation (Continued)

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)
	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.

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
Carrying amount of financial liabilities		
Measured at fair value through surplus or deficit		
- Other financial liabilities	(2,093,175)	(1,013,171)

Financial assets measured at fair value, which equates to cost, comprise debtors, loans advanced, cash held by Derbyshire County Council and cash at bank.

Financial liabilities measured at at fair value, which equates to 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
	13,571,382	16,448,435

D2N2 LOCAL ENTERPRISE PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Debtors (Continued)

	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>

15 Retirement benefit schemes

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

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

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:

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>17,918,003</u>	<u>(4,750,584)</u>	<u>-</u>	<u>13,167,419</u>

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	-	-	-	-
	2,541,227	681,613	(664,186)	2,558,654
Core Funding	764,928	(282,279)	9,817	492,466
General Reserve	591,403	438,841	(20,862)	1,009,382
	3,897,558	838,175	(675,231)	4,060,502
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	-	-	-	-
	26,157,523	(8,239,520)	-	17,918,003

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.

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	-
	<div></div>	<div></div>
	1,400,000	1,443,859
	<div></div>	<div></div>

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:

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	-	-	-	-

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

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 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)

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	Derby College	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.

D2N2 LOCAL ENTERPRISE PARTNERSHIP**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
	<u> </u>	<u> </u>	<u> </u>

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>