

Registered number: 07635395

**The Greater Birmingham and Solihull  
Local Enterprise Partnership Limited**

Amending

Directors' Report and Financial Statements

For the Year Ended 31 May 2014



**DAINS**  
ACCOUNTANTS

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Company Information**

---

<b>Directors</b>	G Adamson G Alcott A K Bhalla (appointed 30 April 2014) S R Claymore D C Cook I Courts P Hanlon I M P Pritchard (appointed 20 June 2014) R K Sleigh (appointed 10 June 2014) D P Ward (appointed 16 January 2015) I A Ward M J Wilcox A Cleaves S P Hollis M J Hopkins (appointed 16 January 2015) Sir A Bore D F Fletcher (appointed 21 March 2014) W P Hartnett Baroness Brown of Cambridge J E King K I Meeson J H Mott (appointed 21 March 2014) R U Samar (appointed 17 July 2013) A J Street A Volkaerts C C Webster T A Westall
------------------	---

<b>Company secretary</b>	S A M Rogers
--------------------------	--------------

<b>Registered number</b>	07635395
--------------------------	----------

<b>Registered office</b>	Birmingham Business Hub Ground Floor Baskerville House Centenary Square Broad Street Birmingham B1 2ND
--------------------------	---

<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
-----------------------------	---

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Contents**

---

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditors' report</b>	<b>3 - 5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Statement of cash flows</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 17</b>

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Directors' Report**  
**For the Year Ended 31 May 2014**

---

The directors present their report and the revised financial statements for the year ended 31 May 2014.

The revised financial statements replace the original financial statements and are now the statutory financial statements. They have been prepared as at the date of the original financial statements and not as at the date of this amendment, and accordingly do not deal with events between those dates.

The changes made to these financial statements are to provide clear line of sight as to how monies have flowed between the Company and Birmingham City Council, as the Accountable Body for the funds, as well as the internal expenses incurred by the the Company in discharging its duties. The revised financial statements now show a true and fair view of the Company's affairs as at 31 May 2014 and of its deficit for the year then ended.

**Principal activity**

The principal activity of the Company is to promote economic growth in the area known as Greater Birmingham and Solihull (the local authorities areas of Birmingham, Solihull, Cannock Chase, East Staffordshire, Lichfield, Tamworth, Bromsgrove, Redditch and Wyre Forest).

The Company is not established or conducted for the purpose of private gain. All surpluses and/or assets are to be used and/or applied and/or re-invested principally for the objects of the Company.

**Directors**

The directors who served during the year were:

G Adamson  
G Alcott  
A K Bhalla (appointed 30 April 2014)  
S R Claymore  
D C Cook  
I Courts  
Cllr R G W Grosvenor (resigned 21 March 2014)  
P Hanlon  
I A Ward  
M J Wilcox  
A Cleaves  
S P Hollis  
Sir A Bore  
Dame C Braddock (resigned 31 May 2014)  
D F Fletcher (appointed 21 March 2014)  
W P Hartnett  
R Hollingworth (resigned 2 June 2014)  
Cllr J F Jessel (appointed 26 June 2013, resigned 21 March 2014)  
Baroness Brown of Cambridge J E King  
W C Lyn (resigned 30 April 2014)  
K I Meeson  
J H Mott (appointed 21 March 2014)  
V Richards (resigned 26 March 2014)  
R U Samar (appointed 17 July 2013)  
A J Street  
A Volkaerts  
C C Webster  
T A Westall

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Directors' Report (continued)**  
**For the Year Ended 31 May 2014**

---

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 19 September 2019 and signed on its behalf.



**P Hanlon**  
**Director**

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Independent auditors' report to the members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited**

---

We have audited the revised financial statements of The Greater Birmingham and Solihull Local Enterprise Partnership Limited for the year ended 31 May 2014, set out on pages 6 to 17. These revised financial statements replace the original financial statements approved by the directors on 16 January 2015. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

The revised financial statements have been prepared under The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

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 Auditors' 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.

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the revised financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the revised financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the revised financial statements sufficient to give reasonable assurance that the revised financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the revised financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited revised financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Independent auditors' report to the members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited (continued)**

---

**Opinion on financial statements**

In our opinion the revised financial statements:

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the Company's affairs as at 31 May 2014 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

**Emphasis of matter**

In forming our opinion on the revised financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2.11 to these revised financial statements concerning the need to amend the financial statements to provide clear line of sight as to how monies have flowed between the Company and Birmingham City Council, as the Accountable Body for the funds, as well as the internal expenses incurred by the the Company in discharging its duties. The original financial statements were approved on 16 January 2015 and were unaudited dormant financial statements. We have not performed a subsequent events review for the period from the date the original financial statements were approved to the date of this report.

**Other matter**

The prior period financial statements were not audited. However, specific audit procedures carried out as part of the current year audit have obtained sufficient audit evidence regarding opening balances contained within these financial statements.

**Opinion on other matter prescribed by the Companies Act 2006**

The original financial statements for the year ended 31 May 2014 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in the statement contained in note 2.11 to these revised financial statements.

In our opinion the information given in the revised Directors' Report for the financial year for which the revised financial statements are prepared is consistent with those revised financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

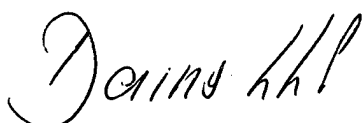
**Independent auditors' report to the members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited (continued)**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the revised financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the revised financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

19 September 2019



**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Statement of Comprehensive Income**  
**For the Year Ended 31 May 2014**

	Note	Designated Project Funding £	Operational Activity £	Total 2014 £	As restated Total 2013 £
Operational income	3	-	832,902	832,902	1,529,950
Grants issued		(469,592)	(294,380)	(763,972)	(1,141,777)
<b>Gross (deficit)/surplus</b>		<b>(469,592)</b>	<b>538,522</b>	<b>68,930</b>	<b>388,173</b>
Administrative expenses		(34,492)	(297,673)	(332,165)	(185,496)
<b>Operating (deficit)/surplus</b>		<b>(504,084)</b>	<b>240,849</b>	<b>(263,235)</b>	<b>202,677</b>
Interest Receivable and similar income	5	192,601	-	192,601	64,238
Interest payable and expenses	6	-	(143)	(143)	-
<b>(Deficit)/surplus on ordinary activities before taxation</b>		<b>(311,483)</b>	<b>240,706</b>	<b>(70,777)</b>	<b>266,915</b>
Taxation		-	-	-	-
<b>(Deficit)/surplus for the financial year</b>		<b>(311,483)</b>	<b>240,706</b>	<b>(70,777)</b>	<b>266,915</b>
<b>Total comprehensive income for the year</b>		<b>(311,483)</b>	<b>240,706</b>	<b>(70,777)</b>	<b>266,915</b>

The notes on pages 10 to 17 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**  
**Registered number:07635395**

**Balance Sheet**  
**As at 31 May 2014**

	Note	2014 £	As restated 2013 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	823,093	739,118
Cash at bank and in hand	8	22,101,638	22,283,796
		<u>22,924,731</u>	<u>23,022,914</u>
Creditors: amounts falling due within one year	9	(272,594)	(300,000)
<b>Net current assets</b>		<u>22,652,137</u>	<u>22,722,914</u>
<b>Total assets less current liabilities</b>		<u>22,652,137</u>	<u>22,722,914</u>
<b>Net assets</b>		<u>22,652,137</u>	<u>22,722,914</u>
<b>Capital and reserves</b>			
Reserves	11	22,652,137	22,722,914
		<u>22,652,137</u>	<u>22,722,914</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2019.



**P Hanlon**  
**Director**

The notes on pages 10 to 17 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Statement of Changes in Equity**  
**For the Year Ended 31 May 2014**

	<b>Reserves</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
Prior year adjustment	<b>22,455,999</b>	<b>22,455,999</b>
<b>At 1 June 2012 (as restated)</b>	<b>22,455,999</b>	<b>22,455,999</b>
Surplus for the year	<b>266,915</b>	<b>266,915</b>
<b>Total comprehensive income for the year</b>	<b>266,915</b>	<b>266,915</b>
<b>At 1 June 2013</b>	<b>22,722,914</b>	<b>22,722,914</b>
Deficit for the year	<b>(70,777)</b>	<b>(70,777)</b>
<b>Total comprehensive income for the year</b>	<b>(70,777)</b>	<b>(70,777)</b>
<b>At 31 May 2014</b>	<b>22,652,137</b>	<b>22,652,137</b>

The notes on pages 10 to 17 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 May 2014**

	2014 £	2013 £
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the financial year	(70,777)	266,915
<b>Adjustments for:</b>		
Interest payable	143	-
Interest receivable	(192,601)	(64,238)
Decrease/(increase) in accrued income	439,118	(739,118)
Increase in other loans and debtors	(523,093)	-
(Decrease)/increase in creditors	(27,406)	300,000
<b>Net cash generated from operating activities</b>	<b>(374,616)</b>	<b>(236,441)</b>
<b>Cash flows from investing activities</b>		
Interest received	192,601	64,238
<b>Net cash from investing activities</b>	<b>192,601</b>	<b>64,238</b>
<b>Cash flows from financing activities</b>		
Cash advances and loans granted	-	22,494,722
Interest paid	(143)	-
<b>Net cash used in financing activities</b>	<b>(143)</b>	<b>22,494,722</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(182,158)</b>	<b>22,322,519</b>
Cash and cash equivalents at beginning of year	22,283,796	(38,723)
<b>Cash and cash equivalents at the end of year</b>	<b>22,101,638</b>	<b>22,283,796</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	22,101,638	22,283,796

The notes on pages 10 to 17 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

---

**1. General information**

The Greater Birmingham and Solihull Local Enterprise Partnership Limited is a private company, limited by guarantee and registered in England and Wales. The address of the registered office is given on the Company Information page. The principal activities of the Company are to promote sustainable private sector investment and growth, business efficiency and competitiveness, economic development and regeneration, and employment in the Greater Birmingham and Solihull area.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015, but may be applied early to periods ending on or after 31 December 2012. The Greater Birmingham and Solihull Local Enterprise Partnership Limited has taken the option to apply the standard early in the preparation of these financial statements.

The following principal accounting policies have been applied:

**2.2 Income**

Government grants for projects are accounted for under the performance model as permitted by Financial Reporting Standard 102. Government grants are recognised 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.

Other income is recognised on an accruals basis.

**2.3 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.4 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.

**2.5 Taxation**

The Company operates as a not-for-profit entity, and receives direct financial support from constituent local authorities in addition to grants from Government. It does not carry out a trade for tax purposes. As a result, the net surplus arising from these activities is non-trading and is exempt from corporation tax. The Company is liable to corporation tax on bank interest and other investment income.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

---

**2. Accounting policies (continued)**

**2.6 Presentation of Statement of Comprehensive Income**

Due to the nature of the Company's activities, the directors consider that it would be inappropriate to present the Statement of Comprehensive Income in either of the standard formats recognised by the Companies Act 2006. The format adopted has been selected as it presents the categories of income and expenditure more accurately for readers of the financial statements.

**2.7 Debtors**

Debtors are measured at transaction price, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Creditors**

Short term creditors are measured at the transaction price.

**2.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

**2.11 Amending financial statements and restatement of comparatives**

These are amending financial statements to provide clear line of sight as to how monies have flowed between the Company and Birmingham City Council, as the Accountable Body for the funds, as well as the internal expenses incurred by the the Company in discharging its duties. These amended financial statements now incorporate a Directors' Report, an Auditor's Report, a Statement of Comprehensive Income, a Balance Sheet, a Statement of Changes in Equity and Notes to the Financial Statements, and they replace the original financial statements and are now the statutory financial statements for the year ended 31 May 2014. The comparatives for the year ended 31 May 2013 have been restated accordingly.

**3. Income**

The whole of the income is attributable to the principal activity of the company, wholly undertaken in the United Kingdom.

Income arising in the year is analysed into either Operational Activity or designated Project Funding. Operational Activity includes revenue income received to cover the day to day core funding requirements of the LEP such as administration costs and staff remuneration. It also includes revenue income to fund certain projects undertaken directly by the LEP. Designated Project Funding includes capital income received for specific projects which are then distributed by the LEP to third parties. They are generally funds provided by Government or other agencies. Costs directly attributable to designated projects are charged against this income and shown as an expense.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

**4. Employees**

The average monthly number of Birmingham City Council employees contracted to work on The Greater Birmingham and Solihull Local Enterprise Partnership Limited, including the directors, during the year was as follows:

	<b>2014 No.</b>	<b>2013 No.</b>
Directors	25	24
Delivery team	7	7
	<u>32</u>	<u>31</u>

The directors do not receive any emoluments.

**5. Interest receivable**

	<b>2014 £</b>	<b>As restated 2013 £</b>
Other interest receivable	192,601	64,238
	<u>192,601</u>	<u>64,238</u>

**6. Interest payable and similar charges**

	<b>2014 £</b>	<b>As restated 2013 £</b>
Bank interest payable	143	-
	<u>143</u>	<u>-</u>

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

---

**7. Debtors**

	<b>2014</b>	<b>As restated</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
Other loans	<b>486,376</b>	-
Other debtors	<b>36,717</b>	-
Accrued income	<b>300,000</b>	739,118
	<b>823,093</b>	739,118



**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

**8. Cash and cash equivalents**

	2014 £	As restated 2013 £
<b>Accountable Body funds: capital</b>		
Growing Places Fund (GPF)	19,121,445	20,792,061
	<u>19,121,445</u>	<u>20,792,061</u>
<b>Accountable Body funds: revenue</b>		
Growing Places Fund (GPF)	1,635,859	993,296
Business Rates Pool (BRP)	844,334	-
Unrestricted core funds	500,000	498,439
	<u>2,980,193</u>	<u>1,491,735</u>
	<u><u>22,101,638</u></u>	<u><u>22,283,796</u></u>

The Accountable Body funds are held on deposit on behalf of the GBSLEP by Birmingham City Council, capital funds being interest-bearing.

The capital funds are received prior to distribution to applicants as grants or loans for projects that support the delivery of the LEP's Strategic Economic Plan and have been allocated to specific projects, with expenditure planned in future years.

The GPF revenue fund was provided by government to support feasibility and master planning for capital infrastructure projects.

The BRP is GBSLEP's share of the Greater Birmingham and Solihull BRP which is received each year and used to finance revenue projects that support the delivery of the LEPs Strategic Economic Plan.

The balance of revenue funds represents the LEP's core funding allocation from Government.

**9. Creditors: Amounts falling due within one year**

	2014 £	As restated 2013 £
Other creditors	<u>272,594</u>	<u>300,000</u>

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

**10. Financial instruments**

	2014 £	As restated 2013 £
<b>Financial assets</b>		
Financial assets measured at undiscounted amounts receivable	<u>22,924,731</u>	<u>23,022,914</u>
<b>Financial liabilities</b>		
Financial liabilities measured at undiscounted amounts payable	<u>(272,594)</u>	<u>(300,000)</u>

Financial assets measured at undiscounted amounts receivable comprise other loans, others debtors accrued income and cash and cash equivalents.

Financial liabilities measured at undiscounted amounts payable comprise other creditors.

**11. Reserves**

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

	2014 £	As restated 2013 £
<b>Capital projects:</b>		
Growing Places Fund: Capital	<u>19,335,227</u>	<u>20,492,061</u>
	<u>19,335,227</u>	<u>20,492,061</u>
<b>Revenue projects:</b>		
Growing Places Fund: Revenue	1,672,576	991,735
Enabling Fund (BRP)	1,144,334	-
Administration Reserve	500,000	1,239,118
	<u>3,316,910</u>	<u>2,230,853</u>
	<u><u>22,652,137</u></u>	<u><u>22,722,914</u></u>

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

---

**11. Reserves (continued)**

The reduction in reserves of £0.1m is an overall deficit; this reflects grants distributed and operational expenditure in excess of grant income received during the year.

The Growing Places reserves represent funding received from government for the purposes of providing pump-priming financial support for capital infrastructure projects through the provision of grants and loans.

The SEP Enabling Fund is funded by BRP income, and relates to revenue projects to enable economic development and growth across the LEP area.

The Administration reserve consists of revenue funding received from government for the purposes of administering the LEP, the Growth Hub and the various programmes.

**12. Company status**

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

**13. Contingent liabilities**

The financial statements have been prepared on the basis that the Company does not carry out a trade for tax purposes and therefore is not subject to corporation tax on the net surplus arising from these non-trading activities. This is contingent on receiving confirmation from HM Revenue and Customs that they concur with this view.

**14. Other financial commitments**

**GPF Mezzanine Fund**

The Growing Places Fund (GPF) Committee approved in principle in February 2014 that the recycled funds should form part of a pack of resources along with funds provided by RGF, WMPF and other LEP's GPFs, to create a £56m Mezzanine Fund.

The LEP Board approved in March 2014 that up to £10m should be committed from recycled GPF monies to the Mezzanine Fund to support SMEs within the GBSLEP area.

No GPF monies were paid into the Mezzanine Fund in the year.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2014**

---

**15. Related party transactions**

Birmingham City Centre Enterprise Zone

The Company is responsible for the delivery of the Birmingham City Centre Enterprise Zone, but Birmingham City Council acts as accountable body for Local Enterprise Zones.

Income and expenditure in respect of the Birmingham City Centre Enterprise Zone is therefore not recorded in this Company's financial statements. This is reported in the financial statements of Birmingham City Council.

Greater Birmingham and Solihull Business Rates Pooling Arrangement

The Greater Birmingham and Solihull Business Rates Pool (the Pool) was designated by the Secretary of State in accordance with paragraph 34 of Schedule 7B to the Local Government Finance Act 1988 as a pool of authorities for the purposes of the scheme for the local retention of business rates under schedule 7B to the Act.

Birmingham City Council entered into a pooled budget arrangement in 2013/14 with seven other local authorities including acting as intermediary between the authorities and government in respect of top-up/tariff payments, following the introduction of the Business Rates Retention Scheme. The objective of the Pool is to adopt a strategic approach to promoting growth and job creation that supports the Greater Birmingham and Solihull Local Enterprise Partnership's Strategy for Growth.

The funding provided to the pooled budget includes tariff payments that would otherwise have been paid to the Government. The expenditure met from the budget paid to the Council includes an element of its top-up payments that it would otherwise have received from the Government.

For 2013/14, the Company expects to receive £300,000 from the Pool.

**16. Controlling party**

There is no one ultimate controlling party.