

Registered number: 07635395

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

Amending

Directors' Report and Financial Statements

For the Year Ended 31 May 2017



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

**Company Information**

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|                             |   |
|-----------------------------|---|
| <b>Directors</b>            | P L Ackroyd<br>G Adamson<br>G Alcott<br>A K Bhalla<br>M S Bhatti<br>S R Claymore<br>D C Cook<br>I Courts<br>S M Drake (appointed 31 March 2017)<br>Professor Sir D S Eastwood (appointed 27 January 2017)<br>Cllr R G W Grosvenor<br>P Hanlon<br>Cllr B Jones (appointed 1 February 2018)<br>C T Loughran (appointed 8 May 2017)<br>M W Lyon<br>S R Marks<br>T S D Pile (appointed 18 December 2017) - Chair<br>I M P Pritchard<br>M B Rhodes<br>R K Sleigh<br>D P Ward<br>I A Ward<br>M J Wilcox<br>G P Chance<br>Cllr J M Clancy<br>A Cleaves<br>Cllr I D Hardiman (appointed 27 January 2017)<br>S P Hollis<br>M J Hopkins<br>Professor P G Maropoulos (appointed 27 January 2017) |
| <b>Company secretary</b>    | S G Manzie  |
| <b>Registered number</b>    | 07635395  |
| <b>Registered office</b>    | Birmingham Business Hub<br>Ground Floor Baskerville House<br>Centenary Square<br>Broad Street<br>Birmingham<br>B1 2ND   |
| <b>Independent auditors</b> | Dains LLP<br>15 Colmore Row<br>Birmingham<br>B3 2BH   |

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

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

**Strategic Report**  
**For the Year Ended 31 May 2017**

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**Introduction**

The Directors present their Strategic Report for the Greater Birmingham and Solihull Local Enterprise Partnership ("GBSLEP") for the year ended 31 May 2017.

**Business review**

The Statement of Comprehensive Income is set out on page 10. The surplus for the year of £15,322,505 is held in reserves by Birmingham City Council, the Company's accountable body.

2016/17 has been a year of great progress by GBSLEP against a background of significant change both regionally and nationally, with the United Kingdom's decision to leave the European Union and the election of Andy Street as the first Mayor of the West Midlands. The Company has grown its organisational capacity, investing resource in policy and strategy development. This has enabled the LEP to build on the publication of the Strategic Economic Plan in November 2016, and to determine interventions to deliver it.

Over the last 12 months, Greater Birmingham & Solihull has cemented its position as the leading core city region for growth in economic output and business start-ups, with higher levels of private sector job creation than the national average and significant levels of export growth and inward investment. The potential for the area to host global events like the Commonwealth Games, alongside the building of the country's biggest infrastructure project in HS2, will provide yet more oxygen to attract investment from businesses of all sizes including an increasing number of global names. GBSLEP has played its part in this, helping to change the way the public, private and academic sectors come together to deliver shared priorities. This constructive collaboration is a huge asset that has served the city region well.

However, despite this positive progress, there is much to do to ensure that the sub-region's economic growth is sustained and that all residents and businesses benefit from it. Areas within Greater Birmingham still suffer from high levels of unemployment, and too few people have the right qualifications to access the jobs that are being created; addressing this will be a key priority for the LEP in the years ahead.

GBSLEP secured an additional £54m of capital funding from Government in 2016/17 through the Growth Deal 3 process. The pipeline of investment priorities including projects to drive innovation, grow our cultural and creative industries, increase skill levels, invest in development and regeneration and make key improvements to connectivity and mobility has been strengthened as a result.

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.

The GBSLEP Enterprise Zone has taken significant steps forward in 2016/17, creating 3,481 new jobs and 38 new businesses, redeveloping 11.29ha and creating 158,522m<sup>2</sup> of new floorspace. The first phase of the demolition of Paradise Forum was completed in July, with the foundations now in place for Building 1. In September, the GBSLEP approved the Curzon Investment Plan following the extension of the Enterprise Zone area to a further 13 sites across 45.5ha of the High Speed 2 growth area. In total, the Enterprise Zone will cover 113.5ha of land, invest over £900m in capital infrastructure, deliver 2.3 million m<sup>2</sup> of new floor space, create over 76,000 new jobs and contribute nearly £4bn to the economy in GVA per annum.

The Chairman of the Board wishes to place on record his thanks to the Executive team and all of those who have given so much voluntary time to deliver economic growth in the region.

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

Strategic Report (continued)  
For the Year Ended 31 May 2017

### Key performance indicators

As part of the development of our Strategic Economic Plan (SEP), we have set out new targets against our core objectives and our vision. These build on our previous targets to 2020, reflecting progress to date and extending them to 2030 (2025 in the case of our skills target) and show the contribution Greater Birmingham will make to the ambitious targets set by the WMCA for our three-LEP geography.

We have also added two additional targets, one for productivity, to better reflect our mission and core objectives and another for quality of life, based on Pricewaterhouse Cooper's Good Growth for Cities index.

Greater Birmingham continues to make very strong progress on private sector job creation and economic growth. However, there is still more to do to increase economic output (GVA) per head of population, despite strong figures for the most recent year, and to ensure working-age qualification levels meet the national average by 2025.

Recognising that productivity gains can be achieved at the expense of employment gains, it is critical that we continue to pursue a combined approach focused on job creation, driving up business and workforce productivity and competitiveness through workforce development and innovation, supporting businesses to survive and grow, along with direct interventions to reduce unemployment.

### KPI dashboard

|   | BASELINE                                 | CURRENT                           | PROGRESS                          |  |
|---|--|-----------------------------------|-----------------------------------|--|
|   |  |                                   | Against baseline                  | Previous year  |
| Create<br><b>250,000 PRIVATE SECTOR JOBS</b><br>by 2030<br><small>to be the Leading Core City LEP for Private Sector Job Creation</small> | 633,600                                  | 737,700                           | 104,100<br>42% delivered          |  18,600                           |
| <b>INCREASE GVA BY £29bn</b><br>by 2030   | £40.0bn                                  | £44.5bn                           | £4.5bn<br>15% delivered           |  £1.8bn                           |
| <b>DECREASE UNEMPLOYMENT</b><br>to the national average by 2020 and   | 2.7%<br>Point gap with UK                | 1.8%<br>Point gap with UK         | 0.9%<br>Points<br>33% delivered   |  +0.5%<br>Points                  |
| To have the<br><b>LOWEST UNEMPLOYMENT</b><br>amongst the LEP Core Cities by 2030  | 5.1%<br>Point Gap with Leading CC        | 3.1%<br>Point Gap with Leading CC | 2.0%<br>Points<br>39% delivered   |  +0.5%<br>Points                  |
| GBSLEP to be the<br><b>LEADING CORE CITY LEP</b><br>by 2030 for GVA per head  | £7,123<br>Per head gap                   | £6,124<br>Per head gap            | £999<br>Per head<br>14% delivered |  £692                             |
| Increase the % of working age population with<br><b>NVQ3+</b><br>to the National Average by 2025  | 5.6%<br>Point gap with UK                | 6.6%<br>Point gap with UK         | +1.0%<br>Points                   |  +1.0%<br>Points                  |
| <b>New KPIs – to be baselined from 2015</b>   |  |                                   |                                   |  |
| <b>INCREASE PRODUCTIVITY RATES</b><br>to the National Average by 2030   | £3.84<br>GVA per hour<br>gap (2015 data) | –                                 | –                                 |  £0.10<br>Per hour                |
| GBSLEP to be the<br><b>LEADING CORE CITY LEP</b><br>for Quality of Life by 2030   | Ranked<br>5/8<br>(2013–15)               | –                                 | –                                 |  Gap in index<br>score down<br>5% |

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

**Strategic Report (continued)**  
**For the Year Ended 31 May 2017**

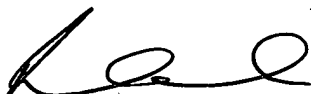
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**Principal risks and uncertainties**

The principal risks facing the Company are a reliance on Government and European funding to deliver its objectives; and a considerably uncertain political environment, both locally and nationally.

The Company's senior management regularly review strategic risks and their potential impacts on the Company, and take mitigating actions as necessary.

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

A handwritten signature in black ink, appearing to be 'P Hanlon', written in a cursive style.

**P Hanlon**  
**Director**

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

**Directors' Report**  
**For the Year Ended 31 May 2017**

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The directors present their report and the revised financial statements for the year ended 31 May 2017.

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 2017 and of its surplus 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.

**Results and dividends**

The surplus for the year, after taxation, amounted to £15,322,505 (2016 - £311,097).

As the Company is limited by guarantee it makes no distributions by dividends or any other means.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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;
- 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 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.

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

**Directors' Report (continued)**  
**For the Year Ended 31 May 2017**

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**Directors**

The directors who served during the year were:

P L Ackroyd  
G Adamson  
G Alcott  
A K Bhalla  
M S Bhatti  
S R Claymore  
D C Cook  
I Courts  
S M Drake (appointed 31 March 2017)  
Professor Sir D S Eastwood (appointed 27 January 2017)  
Cllr R G W Grosvenor  
P Hanlon  
C T Loughran (appointed 8 May 2017)  
M W Lyon  
S R Marks  
I M P Pritchard  
M B Rhodes  
R K Sleigh  
D P Ward  
I A Ward  
M J Wilcox  
C Allan (resigned 27 January 2017)  
G P Chance  
Cllr J M Clancy  
A Cleaves  
C M Gilbert (resigned 27 January 2017)  
Cllr I D Hardiman (appointed 27 January 2017)  
S P Hollis  
M J Hopkins  
Professor P G Maropoulos (appointed 27 January 2017)  
T L Onslow-Fage (resigned 27 January 2017)



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

**Directors' Report (continued)**  
**For the Year Ended 31 May 2017**

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**Future developments**

In November 2016, we published our Strategic Economic Plan: *A Greater Birmingham for a Greater Britain*. The SEP sets out our vision and strategy for delivering smarter, more sustainable and more inclusive growth for the benefit of our region and the UK as a whole, from now until 2030. It also identifies the contribution we will make, along with that of our stakeholders and partners, to the delivery of the ambitious growth targets set by the WMCA.

In 2017/18, we will continue our work to turn this vision-led strategy into a reality, by working with and influencing our partners across the public, private and educational sectors.

Underpinned by our industrial strategy, which focuses on developing and realising the potential of our strengths and assets in key sectors and technologies, the Strategic Economic Plan has three strategic priorities at its heart:

- To become a world leader in innovation and creativity – commercialising cutting-edge research and innovation.
- To take full advantage of our global connections – exploiting our role as an international gateway.
- To create stronger conditions for growth – spreading opportunity to all sections of society.

**Corporate governance**

The Board is committed to high standards of corporate governance and meets six times a year. A number of matters are reserved for the Board's approval, including the overall strategy for the Company; annual budgets and business plans; appointments to the Board; changes to governance arrangements, including structure and Board composition and to the Assurance Framework; and major items of expenditure (over £10m of capital and over £100,000 of revenue).

The Board has delegated authority to the following committees and individuals, formally constituted in our Assurance Framework:

Nominations & Governance Committee

Leading Non-Executive Director recruitment on behalf of, and making recommendations to, the LEP Board; and leading on reviews of governance arrangements on behalf of, and making recommendations to, the LEP Board.

Pillar Boards (Business & Innovation; Employment & Skills; Place)

Making recommendations to the Board and its organs, including on the delivery plan and the strategic fit of projects, and approving applications for funding.

Programme Delivery Board

Approving capital investments of between £2.5m and £10m, including programme entry, release of development funding and change requests within this level of delegation.

GBSLEP Director

Approving capital investments of up to £2.5m, including programme entry, release of development funding and change requests within this level of delegation; and approving revenue expenditure of up to £100,000.

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

**Directors' Report (continued)**  
**For the Year Ended 31 May 2017**

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**Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

**Post balance sheet events**

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

**Matters covered in the strategic report**

*Details on principal risks and uncertainties are contained in the strategic report.*

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

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**

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We have audited the revised financial statements of The Greater Birmingham and Solihull Local Enterprise Partnership Limited for the year ended 31 May 2017, set out on pages 10 to 22. These revised financial statements replace the original financial statements approved by the directors on 6 February 2018. 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 4, 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 Strategic Report and 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.

**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 2017 and of its surplus 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.

**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)**

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**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 6 February 2018 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.

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

The original financial statements for the year ended 31 May 2017 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.

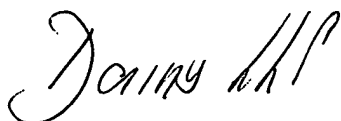
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the revised financial statements are prepared is consistent with those revised financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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 and the Directors' Report.

**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.



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 2017**

|   | Note | Designated<br>Project<br>Funding<br>£ | Operational<br>Activity<br>£ | Total 2017<br>£ | Total 2016<br>£ |
|---|------|---------------------------------------|------------------------------|-----------------|-----------------|
| Operational income                                    |      | -                                     | 2,549,749                    | 2,549,749       | 3,040,988       |
| Grant and project income                              |      | 28,267,249                            | -                            | 28,267,249      | 50,925,485      |
|   | 4    | 28,267,249                            | 2,549,749                    | 30,816,998      | 53,966,473      |
| Grants issued   |      | (12,972,279)                          | (1,849,284)                  | (14,821,563)    | (52,399,455)    |
| <b>Gross surplus</b>                                  |      | 15,294,970                            | 700,465                      | 15,995,435      | 1,567,018       |
| Administrative expenses                               |      | (5,481)                               | (780,244)                    | (785,725)       | (1,365,115)     |
| <b>Operating surplus/(deficit)</b>                    | 5    | 15,289,489                            | (79,779)                     | 15,209,710      | 201,903         |
| Interest receivable and similar income                | 7    | (42,988)                              | 155,783                      | 112,795         | 109,194         |
| <b>Surplus on ordinary activities before taxation</b> |      | 15,246,501                            | 76,004                       | 15,322,505      | 311,097         |
| Taxation  |      | -                                     | -                            | -               | -               |
| <b>Surplus for the financial year</b>                 |      | 15,246,501                            | 76,004                       | 15,322,505      | 311,097         |
| <b>Total comprehensive income for the year</b>        |      | 15,246,501                            | 76,004                       | 15,322,505      | 311,097         |

The notes on pages 14 to 22 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 2017

|   | Note | 2017<br>£         | 2016<br>£         |
|---|------|-------------------|-------------------|
| <b>Current assets</b>                                 |      |                   |                   |
| Debtors: amounts falling due after more than one year | 8    | 3,924,522         | 2,082,250         |
| Debtors: amounts falling due within one year          | 8    | 1,750,000         | 2,029,831         |
| Cash at bank and in hand                              | 9    | 81,383,823        | 67,620,867        |
|   |      | <u>87,058,345</u> | <u>71,732,948</u> |
| Creditors: amounts falling due within one year        | 10   | (583,057)         | (580,165)         |
| <b>Net current assets</b>                             |      | <u>86,475,288</u> | <u>71,152,783</u> |
| <b>Total assets less current liabilities</b>          |      | <u>86,475,288</u> | <u>71,152,783</u> |
| <b>Net assets</b>                                     |      | <u>86,475,288</u> | <u>71,152,783</u> |
| <b>Capital and reserves</b>                           |      |                   |                   |
| Reserves  | 12   | 86,475,288        | 71,152,783        |
|   |      | <u>86,475,288</u> | <u>71,152,783</u> |

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 14 to 22 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 2017**

|  | Reserves<br>£     | Total equity<br>£ |
|--|-------------------|-------------------|
| <b>At 1 June 2015</b>                          | <b>70,841,686</b> | <b>70,841,686</b> |
| Surplus for the year                           | 311,097           | 311,097           |
| <b>Total comprehensive income for the year</b> | <b>311,097</b>    | <b>311,097</b>    |
| <b>At 1 June 2016</b>                          | <b>71,152,783</b> | <b>71,152,783</b> |
| Surplus for the year                           | 15,322,505        | 15,322,505        |
| <b>Total comprehensive income for the year</b> | <b>15,322,505</b> | <b>15,322,505</b> |
| <b>At 31 May 2017</b>                          | <b>86,475,288</b> | <b>86,475,288</b> |

The notes on pages 14 to 22 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 2017**

|   | 2017<br>£                | 2016<br>£                |
|---|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                   |                          |                          |
| Surplus for the financial year                                | 15,322,505               | 311,097                  |
| <b>Adjustments for:</b>                                       |                          |                          |
| Interest receivable   | (112,795)                | (109,194)                |
| Decrease in accrued income                                    | 900,000                  | 45,313,500               |
| Increase in other loans and debtors                           | (2,462,441)              | (1,221,831)              |
| Increase/(decrease) in creditors                              | 2,892                    | (1,005,183)              |
| <b>Net cash generated from operating activities</b>           | <u>13,650,161</u>        | <u>43,288,389</u>        |
| <b>Cash flows from investing activities</b>                   |                          |                          |
| Interest received   | 112,795                  | 109,194                  |
| <b>Net cash from investing activities</b>                     | <u>112,795</u>           | <u>109,194</u>           |
| <b>Net increase in cash and cash equivalents</b>              | <u>13,762,956</u>        | <u>43,397,583</u>        |
| Cash and cash equivalents at beginning of year                | 67,620,867               | 24,223,284               |
| <b>Cash and cash equivalents at the end of year</b>           | <u><u>81,383,823</u></u> | <u><u>67,620,867</u></u> |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                          |                          |
| Cash at bank and in hand                                      | <u><u>81,383,823</u></u> | <u><u>67,620,867</u></u> |

The notes on pages 14 to 22 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 2017**

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**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.

Amounts presented in these financial statements have been rounded to the nearest £1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

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.

**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**

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 2017.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 May 2017**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

BRP income is recognised on an accruals basis based on an estimate of the income due in the relevant period.

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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

**4. 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.

**5. Operating surplus**

The operating surplus is stated after charging:

|                        | 2017   | 2016   |
|------------------------|--------|--------|
|                        | £      | £      |
| Auditor's remuneration | 10,000 | 10,000 |

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 May 2017**

**6. 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>2017</b> | <b>2016</b> |
|---------------|-------------|-------------|
|               | <b>No.</b>  | <b>No.</b>  |
| Directors     | 26          | 27          |
| Delivery team | 15          | 8           |
|               | <u>41</u>   | <u>35</u>   |

The full time equivalent number of employees in the delivery team was 13.82 (2016 - 6.82).

Staff costs were as follows:

|                       | <b>2017</b>    | <b>2016</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 326,325        | 234,320        |
| Social security costs | 36,405         | 19,338         |
| Pension scheme costs  | 76,151         | 52,949         |
|                       | <u>438,881</u> | <u>306,607</u> |

The directors do not receive any emoluments.

**7. Interest receivable**

|                           | <b>2017</b>    | <b>2016</b>    |
|---------------------------|----------------|----------------|
|                           | <b>£</b>       | <b>£</b>       |
| Other interest receivable | <u>112,795</u> | <u>109,194</u> |

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 May 2017**

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**8. Debtors**

|                                     | <b>2017</b>      | <b>2016</b> |
|-------------------------------------|------------------|-------------|
|                                     | <b>£</b>         | <b>£</b>    |
| <b>Due after more than one year</b> |                  |             |
| Other loans                         | <b>3,924,522</b> | 2,082,250   |
|                                     | <hr/>            | <hr/>       |
|                                     | <b>2017</b>      | <b>2016</b> |
|                                     | <b>£</b>         | <b>£</b>    |
| <b>Due within one year</b>          |                  |             |
| Other debtors                       | 650,000          | 29,831      |
| Accrued income                      | 1,100,000        | 2,000,000   |
|                                     | <hr/>            | <hr/>       |
|                                     | <b>1,750,000</b> | 2,029,831   |
|                                     | <hr/>            | <hr/>       |

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 May 2017**

**9. Cash and cash equivalents**

|  | 2017<br>£                | 2016<br>£                |
|--|--------------------------|--------------------------|
| <b>Accountable Body funds: capital</b> |                          |                          |
| Local Growth Fund (LGF) 1 & 2          | 25,447,614               | 49,235,060               |
| Revolving Investment Fund (RIF)        | 33,737,134               | -                        |
| Local Growth Fund (LGF) 3              | 9,000,000                | -                        |
| Growing Places Fund (GPF)              | 7,253,239                | 14,487,077               |
|  | <u>75,437,987</u>        | <u>63,722,137</u>        |
| <b>Accountable Body funds: revenue</b> |                          |                          |
| Growing Places Fund (GPF)              | 2,622,132                | 1,622,763                |
| Business Rates Pool (BRP)              | 2,823,704                | 1,775,967                |
| Unrestricted core funds                | 500,000                  | 500,000                  |
|  | <u>5,945,836</u>         | <u>3,898,730</u>         |
|  | <u><u>81,383,823</u></u> | <u><u>67,620,867</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.

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

|                 | 2017<br>£      | 2016<br>£      |
|-----------------|----------------|----------------|
| Other creditors | <u>583,057</u> | <u>580,165</u> |

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 May 2017**

**11. Financial instruments**

|  | 2017<br>£         | 2016<br>£         |
|--|-------------------|-------------------|
| <b>Financial assets</b>  |                   |                   |
| Financial assets measured at undiscounted amounts receivable   | <u>87,058,345</u> | <u>71,732,948</u> |
| <b>Financial liabilities</b>                                   |                   |                   |
| Financial liabilities measured at undiscounted amounts payable | <u>(583,057)</u>  | <u>(580,165)</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.

**12. Reserves**

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

|                                 | 2017<br>£         | 2016<br>£         |
|---------------------------------|-------------------|-------------------|
| <b>Capital projects:</b>        |                   |                   |
| Growth Deal (LGF) 1 & 2         | 25,447,614        | 49,235,060        |
| Revolving Investment Fund (RIF) | 33,737,134        | -                 |
| Local Growth Fund (LGF) 3       | 9,000,000         | -                 |
| Growing Places Fund: Capital    | 11,244,704        | 16,018,993        |
|                                 | <u>79,429,452</u> | <u>65,254,053</u> |
| <b>Revenue projects:</b>        |                   |                   |
| Growing Places Fund: Revenue    | 2,622,132         | 1,622,763         |
| Enabling Fund (BRP)             | 3,923,704         | 3,775,967         |
| Administration Reserve          | 500,000           | 500,000           |
|                                 | <u>7,045,836</u>  | <u>5,898,730</u>  |
|                                 | <u>86,475,288</u> | <u>71,152,783</u> |

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
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**12. Reserves (continued)**

The increase in reserves of £15.3m is an overall surplus; this reflects grant income received in excess of the grants distributed from grant reserves during the year.

The Growth Deal reserve is part of the LEP's agreed Growth Deal programme from government and is committed to specific capital projects. This funding will be advanced to those projects during the next financial year.

The Revolving Investment Fund was created in 2016/17 using £33.7m Local Growth Fund (LGF) capital funding drawn down that year, as agreed with Birmingham City Council (BCC) and the Department for Business Energy and Industrial Strategy (BEIS). The RIF is a loan fund, complementary to the LGF which is for grant and was created to support the delivery of more projects where the commercial case for investment was loan, rather than grant. The movement of the monies from the LGF reserve into the RIF reserve has been treated simply as a transfer between reserves on the balance sheet rather than an equal and opposite receipt of grant income in the RIF and payment of grant expenditure in the LGF. As loans or grants are made from the RIF, this expenditure will be recorded in the Statement of Comprehensive Income.

LGF3 is funded by BEIS and relates to the development of a unique new space for innovation through interdisciplinary collaboration (STEAMHouse project).

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. Up to £10m of the GP capital fund remaining is earmarked to be used to support the Mezzanine Fund, which was set-up to provide development and growth finance in the form of mezzanine type loans to SMEs in the West Midlands.

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.

**13. 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.

**14. 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.



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**Notes to the Financial Statements**  
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**15. 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.

In July 2016 a funding agreement was signed with Finance Birmingham for them to manage the Mezzanine Fund. The first loans from this fund were made in August 2016.

No provision for impairment needs to be made against the Mezzanine Fund loan balances at the year end.

**16. 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 2016/17, the Company expects to receive £1.1m from the Pool (2015/16 - £2,420,174).

**17. Controlling party**

There is no one ultimate controlling party.