

**THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LTD (Company Number: 11822614)
ANNUAL GENERAL MEETING**

Tuesday 30 November 2021 3.00pm – 3.30pm

Shell Store, Canary Drive, Skylon Park, Hereford, HR2 6SR
or remote audio access via Zoom

AGENDA

Item		Lead	Discussion/ Decision	Paper
1	<ul style="list-style-type: none"> - Chair's Introductions, Apologies - Chair's Opening Remarks - Minutes of the Marches LEP Annual General Meeting on 29 September 2020 	Chair		x
2	<p>To note the following directors held office during the whole of the period from 1 April 2020 to 31 March 2021:</p> <p>Mrs A J Thorn MBE DL (Chair) Mrs S H Roberts (Vice Chair) Dr C E Baxter Cllr S F Charmley Cllr E Chowns Cllr S Davies Mr P A Hinkins Cllr C D Hitchiner Mr P Kalinauckas Mr A R Manning Cox Mr F Myers MBE Cllr P Nutting Ms R E Sheppherd Mrs C I Snell Mr J R Staniforth Mrs S E Williams Cllr D Wright</p> <p>To note other changes in directors holding office: Mr P K Bennett - resigned 31 December 2020 Mrs B Heath - appointed 24 February 2021</p>	Chair	To note	
3	<p>Strategic Report, Report of the Directors and Financial Statements for the Period 1 April 2020 to 31 March 2021</p> <ul style="list-style-type: none"> • Strategic Report • Financial Statements 	Chair	Discussion/ Decision	x
4	Re-Appointment of Auditors	Chair	Decision	
5	Questions	Chair		
6	Any Other Business	Chair		
	Close			

Date of next Marches LEP Ltd Annual General Meeting – September 2022

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**Draft Minutes of the Marches Local Enterprise Partnership Ltd Annual General Meeting
29 September 2020 at 4.00pm
Meeting held via Zoom
(Company Number: 11822614)**

Present:

Mandy Thorn MBE	MT	Chair, Marches LEP Board
Sonia Roberts	SR	Social Inclusion Champion; Deputy Chair, Marches LEP Board
Paul Hinkins	PH	Telford Business Board Chair
Frank Myers MBE	FM	Herefordshire Business Board Chair
Paul Bennett	PB	Shropshire Business Board Chair
Andrew Manning Cox	AMC	Hereford Enterprise Zone Chair (part of meeting)
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Peter Nutting	PN	Leader, Shropshire Council
Cllr David Wright	DW	Cabinet Member for Economy, Housing, Transport and Infrastructure, Telford & Wrekin Council
Paul Kalinauckas	PK	Access to Finance Champion
Ruth Shepherd	RS	Director, Results Communications
Sara Williams	SW	Marketing Manager - Northern Europe, Protolabs
Dr Catherine Baxter	CB	Higher Education Champion; University Secretary, Harper Adams University
James Staniforth	JS	Skills Advisory Panel Chair; Principal and CEO of the Shrewsbury Colleges Group (part of meeting)

In Attendance:

James Walton	JW	Section 151 Officer, Shropshire Council
Katherine Kynaston	KK	Director Housing Economy & Infrastructure, Telford & Wrekin Council
Hayley Owen	HO	Interim Assistant Director of Economic Growth, Shropshire Council
Rob Humphreys	RH	Director, James, Holyoak and Parker Chartered Accountants
Chris Buss	CBuss	Interim Governance Programme Lead
Gill Hamer	GH	Chief Executive, Marches LEP
Ilia Bowles	IB	Director of Corporate Services Designate, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Ennis Vingoe	EV	Marches LEP Team Support Officer
Wayne Redge	WR	Marches LEP Office Administrator
Amy Bould	AB	Be Bold Media

ITEM		ACTION
1.	<p>Chair's Introduction and Apologies MT welcomed everyone to the first Marches Local Enterprise Partnership (LEP) Annual General Meeting (AGM). MT noted that the meeting would be recorded to aid the production of the minutes. Apologies had been received from Christine Snell, Andrew Manning Cox and James Staniforth.</p> <p>Chair's Opening Remarks MT said that the Marches LEP was formed in 2012 but in February 2019 became incorporated and therefore a legal entity with the requirement to hold an annual general meeting in public. The LEP does, however, have a proud record of holding public consultations and meetings to ensure that the work it enables meets the needs of our business and wider community across Herefordshire, Shropshire and Telford and Wrekin.</p>	

	<p>The Marches LEP covers an area of 2300 square miles with over 31.000 businesses. Hereford, Shrewsbury and Telford are the main powerhouses of the Marches but with more than 30 market towns and thriving communities across the region the area has a vibrant business sector which is predominantly SME based, as well as being home to some incredible large and world beating companies such as Protolabs, BAE Systems, Avara Foods, Cap Gemini, GKN Land Systems, Caterpillar Remanufacturing to name a few.</p> <p>The Marches LEP consists of the three local authorities of Telford & Wrekin, Shropshire and Herefordshire and their leaders are members of the Board, alongside the chairs of the three area business boards; representatives from our Higher Education and Further Education sectors; business representatives from the specialist manufacturing, food and drink sectors and the consultancy sector plus the Chair of the Hereford Enterprise Zone; and also a representative from the Voluntary and Community Sector who is also the Deputy Chair – Sonia Roberts. MT thanked all the members of the Marches LEP Board as volunteers who give freely of their time, for their support and guidance.</p> <p>MT said that the AGM was for the financial year February 12th 2019 to March 31st 2020 and due to having to hold the meeting virtually, the meeting would be managed in a slightly different way than if the meeting were face to face. A number of questions had been submitted by members of the public which would be read out with a corresponding response from the Marches LEP. These would be shared on the screen for everyone to see and would be available on the LEP website tomorrow. MT asked that any follow-up questions be submitted in writing following the meeting. MT said that she hoped that the next AGM would be held face to face and be a much more interactive session, but from experience of over six months of virtual meetings, it was felt that this would be the best way of managing the Q&A session. MT reminded everyone that the papers were available on the LEP website.</p>																							
<p>2.</p>	<p>Directors' appointments during the period 12 February 2019 to 31 March 2020 The Board noted the following appointments during the period:</p> <table border="0"> <tr> <td>Mandy Thorn MBE DL</td> <td>Sonia Roberts</td> </tr> <tr> <td>Paul Bennett</td> <td>Paul Kalinauckas</td> </tr> <tr> <td>Andrew Manning Cox</td> <td>Frank Myers MBE</td> </tr> <tr> <td>James Staniforth</td> <td>Sara Williams</td> </tr> <tr> <td>Cllr David Hitchiner</td> <td>Cllr Ellie Chowns</td> </tr> <tr> <td>Cllr Peter Nutting</td> <td>Cllr Steve Charmley</td> </tr> <tr> <td>Cllr Sean Davies</td> <td>Cllr David Wright</td> </tr> <tr> <td>Paul Hinkins</td> <td>Dr Catherine Baxter</td> </tr> <tr> <td>Ruth Shepherd</td> <td>Christine Snell</td> </tr> </table> <p>The Board noted the following Directors' appointments and then resignations from the Board during the period 12 February 2019 to 31 March 2020</p> <table border="0"> <tr> <td>Dr Graham Wynn OBE</td> <td>Dr David Llewellyn</td> </tr> <tr> <td>Cllr Lee Carter</td> <td>Cllr Tricia Marsh</td> </tr> </table> <p>MT recorded a formal note of thanks to Dr Wynn for all the hard work he carried out over 6 years as the previous Chair of the Marches LEP.</p>	Mandy Thorn MBE DL	Sonia Roberts	Paul Bennett	Paul Kalinauckas	Andrew Manning Cox	Frank Myers MBE	James Staniforth	Sara Williams	Cllr David Hitchiner	Cllr Ellie Chowns	Cllr Peter Nutting	Cllr Steve Charmley	Cllr Sean Davies	Cllr David Wright	Paul Hinkins	Dr Catherine Baxter	Ruth Shepherd	Christine Snell	Dr Graham Wynn OBE	Dr David Llewellyn	Cllr Lee Carter	Cllr Tricia Marsh	
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Dr Graham Wynn OBE	Dr David Llewellyn																							
Cllr Lee Carter	Cllr Tricia Marsh																							
<p>3.</p>	<p>Strategic Report, Report of the Directors and Financial Statements for the Period 12 February 2019 to 31 March 2020</p> <p>GH said that a significant amount of work had been done to produce the reports and financial statements by the LEP Team, assisted by C Buss and members of the Incorporation Task & Finish Group: MT, CB, PB, DH and JS. GH noted that a summary report on the background to the accounts' preparation and audit process</p>																							

	<p>had been circulated. Thorne Widgery had been appointed as the accountants and James, Holyoak and Parker (JHP) had been appointed as the auditors. RB, Director at JHP was present to take any questions on the Statement of Accounts. No issues had been identified by JHP. GH said an internal audit had also been carried out by Shropshire Council's audit team on the LEP's processes and procedures in 2019 and again, no issues were reported from this internal audit. If approved, the signed Financial Statement will be uploaded to the MLEP website with a link to the MLEP Annual Report 2020. The Annual Report will be formally launched on 12 October 2020 during the Marches Economic Recovery Week.</p> <p>The Board approved the Strategic Report, Report of the Directors and Financial Statements for the Period 12 February 2019 to 31 March 2020 for Marches LEP Ltd (unanimous)</p> <p>MT thanked RB and colleagues, and C Buss for all his work with the LEP Team. The Strategic Report and Report of the Directors would be signed by MT on behalf of the Board. The Financial Statements would be signed by MT on behalf of the Board; and would then be signed by RB.</p>	<p>MT, RB</p>
<p>4.</p>	<p>Re-Appointment of Auditors The Board approved the re-appointment of James, Holyoak and Parker as Auditors for 2020/21 (unanimous)</p>	
<p>5.</p>	<p>Questions 7 questions had been received in writing from members of the public. MT read out each question which was followed by a response given by GH. The questions and responses can be found on the MLEP website or via the following link: MLEP AGM 29.09.2020 Questions and Responses.pdf</p> <p>MT said that the LEP is an enabling body and supports bids to government and is committed to interacting with business and the voluntary sector in the Marches area. MT offered to provide a briefing on the work of the LEP to organisations.</p>	
<p>6.</p>	<p>Close The meeting closed at 4.40pm.</p>	
	<p>Date of next Marches LEP Ltd Annual General Meeting – September 2021</p>	

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Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 March 2021
for
The Marches Local Enterprise Partnership
Ltd

The Marches Local Enterprise Partnership
Ltd

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for the Year Ended 31 March 2021

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The Marches Local Enterprise Partnership
Ltd

Company Information
for the Year Ended 31 March 2021

DIRECTORS:

Mrs A J Thorn MBE (Chair)
Mrs S H Roberts (Vice Chair)
Mrs C E Baxter
Mr P K Bennett
Mr S F Charmley
Mrs E Chowns
S Davies
Mrs B Heath
C D Hitchiner
Mr P A Hinkins
P Kalinauckas
A R Manning-Cox
F Myers MBE
Mr P Nutting
Ms L M Picton
E A Potter
Mrs R E Sheppherd
Mrs C I Snell
J R Staniforth
W Westley
Mrs S E Williams
D Wright

REGISTERED OFFICE:

Marches LEP, Cameron House
Knights Court, Archers Way
Battlefield Enterprise Park
Shrewsbury
Shropshire
SY1 3GA

REGISTERED NUMBER:

11822614 (England and Wales)

AUDITORS:

James, Holyoak & Parker Limited
1 Knights Court
Archers Way
Battlefield Enterprise Park
Shrewsbury
Shropshire
SY1 3GA

The Marches Local Enterprise Partnership
Ltd

Strategic Report
for the Year Ended 31 March 2021

Local Enterprise Partnerships (LEPs) are private sector led partnerships between local authorities, academia and businesses set up in 2010 by the former Department of Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the regions. There are now 38 LEPs across England.

Covering Herefordshire, Shropshire and Telford & Wrekin, the Marches LEP was launched to create the conditions for economic vitality and sustainable employment across this diverse region, globally recognised for its pioneering industrial heritage and entrepreneurial spirit.

By leading co-ordinated action to stimulate economic development, through programmes and projects focused on housing, transport, infrastructure, broadband availability, inward investment and skills, the Marches LEP has aimed to improve the economic prosperity of the Marches area and create sustainable employment opportunities.

The Marches LEP receives funds from the Government which have been made solely available to LEPs to address priorities identified in their place-based Strategic Economic Plan. Once this funding has been secured, it is contracted to a wide range of delivery partners including local authorities, universities, colleges, private training providers, the voluntary and community sector and private sector businesses.

Following central Government's direction for all LEPs to become a legal company from 1st April 2019, the Marches LEP has been operating as a Company Limited by Guarantee since February 2019. Shropshire Council, acting as the accountable body, receives funding allocations from Government in the form of Section 31 Grant on behalf of the Marches LEP and provides financial and legal support to the LEP to enable it to carry out its activities.

REVIEW OF BUSINESS

Financial year 2020/21 represented the last period for project expenditure in respect to the Marches LEP's Local Growth Fund (LGF) Programme. The Marches LEP has been successful in ensuring the level of LGF Funds awarded to the Marches area was defrayed by the 31st March 2021 deadline set by Government. This represented a significant achievement for the Marches LEP in enabling and monitoring the spend of over £36 million within financial year 2020/21 by our delivery partners, of which over £21 million was in Quarter 4 alone making this the Marches LEP's busiest period in terms of expenditure.

In August 2020, the Government announced that £900 million was available through the new Getting Building Fund (GBF), investing in local, shovel-ready infrastructure projects to stimulate jobs and support economic recovery. Working with its partners, the Marches LEP was able to submit a shortlist of projects that met Government criteria and, in September 2020, received confirmation from the Ministry of Housing Communities and Local Government (MHCLG) of a £14 million GBF award, split into £7 million for financial year 2020/21 and £7 million in financial year 2021/22. The Marches LEP has been successful in meeting its obligations to MHCLG in ensuring that projects have spent the required £7 million of GBF grant in the year ending 31st March 2021.

In September 2020, the Marches LEP Board appointed one of its Members, Sonia Roberts, to be its Diversity Champion. Her work so far has culminated with the publication, in March 2021, of the Marches LEP's Inclusive Economy and Diversity policy, which aims to identify and remove barriers to growth and establish the Marches area as a strong, diverse, inclusive and enterprising business base.

To strengthen governance management, the new post of Director of Corporate Services was created within the Marches LEP team and Ilia Bowles was appointed to the role from the beginning of October 2020.

As part of its work to support the region through the Covid-19 pandemic, the Marches LEP ran The Marches Business Recovery Week in October 2020 and examined, in detail, how the business community could be supported to thrive in a post-pandemic environment. The series of events culminated with the Economic Recovery Summit which brought together nearly 100 members of the business community and leading local and regional partners, including local authorities, business board representatives, both Shropshire and Herefordshire & Worcestershire Chambers of Commerce, the British Business Bank, The Federation of Small Businesses and the National Farmers' Union. This consultation and listening exercise has informed the development of an Economic Recovery Plan for the Marches area.

Between September and December 2020, the Marches LEP attended annual scrutiny sessions with each of the three Local Authorities (Herefordshire, Shropshire and Telford & Wrekin) to highlight its work and demonstrate how it is adding value to local placemaking priorities.

Following publication of the Energy White Paper, at the Marches LEP Board meeting in January 2021, it was proposed that a member of the Marches LEP Board become the Energy Champion. Recognising that specialist skills and knowledge were required for that role, it was suggested that the co-opting of a member of the Energy Strategy Steering Group to the LEP Board may be a way forward. Consequently, Gordon Coppock was appointed Energy Champion at the Board meeting in May 2021, outside of the period covered by this report.

In February 2021, the Marches LEP underwent its annual performance review, the formal process by which Government assesses and reviews the performance of each LEP across the three themes of governance, delivery and strategic impact. The highest score of "Met" was achieved across the three themes.

The new Marches LEP website (<https://www.marcheslep.org.uk/>) was launched towards the end of March 2021. The site has been restructured to ease navigation and showcase the Marches LEP's achievements by focussing on project work. Accessibility of the site has been improved to mostly conform to Web Content Accessibility Guidelines 2.1, AA rating.

During financial year 2020/21, the Marches LEP Board membership comprised 7 female Board Members out of a total Board membership of 15. All LEP Board members discharge their responsibilities without expenses or payment.

Based on Government's guidelines, the Marches LEP's team has continued to successfully operate remotely and will continue to do so until it is safe to return to the office. Board meetings and other similar activities have also been held remotely since the end of March 2020.

Principal Risks and Uncertainties

An ongoing Governmental review into the future of LEPs means that there are significant question marks hanging over the continued role they will play in development of their local economies.

The LEPs' role in managing funding pots was curtailed in the Budget announced in March 2021. Two new funds - the Levelling Up Fund and the UK Community Renewal Fund (the pilot fund for the UK Shared Prosperity Fund, which is expected to come into effect in financial year 2022/23) were delegated to Local Authorities to administer.

For England, these new funds replaced the Local Growth Fund (LGF) and Getting Building Fund (GBF) which had been successfully managed by LEPs over the past eight years.

The March Budget also paved the way for the review of the future role of LEPs - the outcome of which has now been delayed a number of times. The combined impact of these two developments has created significant risk for the Marches LEP. Business leaders, who freely volunteer their time and experience to help serve the LEP and the regional economy, will now question the value of their commitment, whilst staff have been placed in the unsettling position of not knowing what the future holds for their jobs.

The Government has only just provided confirmation of LEPs funding for the current financial year, meaning that the Marches LEP has been working 'at risk' - using its reserves to continue its work - from the start of April until now.

The lack of clarity from Government is also corrosive to the LEP's model of partnership working - creating uncertainty among the partners with which it has worked so closely over the last ten years. Major events - such as the recent economic summits in Herefordshire and Shropshire - have proceeded with little LEP input when previously the organisation would have been a trusted and valued partner.

There is also a reputational impact to this lack of clarity. The more the results of the review are delayed, the more the LEP risks being viewed as irrelevant within the communities it has served for the last decade. Despite the positive overarching proposition that evolved LEP functions should be anchored in the Government's Plan for Growth - "evolution not extinction" - a protracted review of this nature inevitably undermines the organisation.

Future Development

A Levelling Up White Paper is expected to be published during financial year 2021/22, articulating how new policy interventions will improve opportunity and boost livelihoods across the country as it recovers from the pandemic.

ON BEHALF OF THE BOARD:

Mrs A J Thorn MBE - Director

Date:

Report of the Directors
for the Year Ended 31 March 2021

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to 31 March 2021.

Mrs A J Thorn MBE (Chair)
Mrs S H Roberts (Vice Chair)
Mrs C E Baxter
Mr S F Charmley
Mrs E Chowns
S Davies
Mr P A Hinkins
C D Hitchiner
P Kalinauckas
A R Manning-Cox
F Myers MBE
Mr P Nutting
Ms R E Sheppherd
Mrs C I Snell
Mr J R Staniforth
Mrs S E Williams
D Wright

Other changes in directors holding office are as follows:

P K Bennett - resigned 31 December 2020
Mrs B Heath - appointed 24 February 2021

Ms L M Picton, E A Potter and W Westley were appointed as directors after 31 March 2021 but prior to the approval of this report.

S F Charmley, P A Hinkins, P Nutting, Mrs R E Sheppherd and J R Staniforth ceased to be directors after 31 March 2021 but prior to the approval of this report.

MEMBERS LIABILITY

Each member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The Marches Local Enterprise Partnership
Ltd

Report of the Directors
for the Year Ended 31 March 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors James, Holyoak & Parker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mrs A J Thorn MBE - Director

Date:

Opinion

We have audited the financial statements of The Marches Local Enterprise Partnership (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 2021, and of its surplus 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 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, and with the exception of the emphasis of matter specifically outlined below, we have not identified any other 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.

Emphasis of matter - Going concern

In forming our opinion, which is not modified, we have considered the adequacy of the disclosures made in Note 2 of the financial statements concerning the company's ability to continue as a going concern.

A government commissioned review of Local Enterprise Partnerships has yet to report, and as such there is a lack of clarity over the future funding and operation of the company.

The ongoing government review and unknown outcome indicate a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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 the 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.

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 and 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report of the Independent Auditors to the Members of
The Marches Local Enterprise Partnership
Ltd

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.

Robert Humphreys BEng FCA (Senior Statutory Auditor)
For and on behalf of James, Holyoak & Parker Limited

Chartered Accountants and Statutory Auditors

1 Knights Court
Archers Way
Battlefield Enterprise Park
Shrewsbury
Shropshire
SY1 3GA

Date:.....

The Marches Local Enterprise Partnership
Ltd

Income Statement
for the Year Ended 31 March 2021

	Notes	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
GRANT AND OPERATIONAL INCOME	3	48,516,105	11,420,208
Grant and Operational costs		<u>(47,864,091)</u>	<u>(8,570,164)</u>
OPERATING SURPLUS	5	652,014	2,850,044
Interest receivable and similar income	6	<u>149,734</u>	<u>189,427</u>
SURPLUS BEFORE TAXATION		801,748	3,039,471
Tax on surplus	7	<u>(42,509)</u>	<u>(35,991)</u>
SURPLUS FOR THE FINANCIAL YEAR		<u><u>759,239</u></u>	<u><u>3,003,480</u></u>

The notes form part of these financial statements

The Marches Local Enterprise Partnership
Ltd

Other Comprehensive Income
for the Year Ended 31 March 2021

	Notes	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
SURPLUS FOR THE YEAR		759,239	3,003,480
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>759,239</u>	<u>3,003,480</u>

The notes form part of these financial statements

The Marches Local Enterprise Partnership
Ltd (Registered number: 11822614)

Balance Sheet
31 March 2021

	Notes	31.3.21 £	31.3.20 £
CURRENT ASSETS			
Debtors	8	35,714,229	39,635,129
CREDITORS			
Amounts falling due within one year	9	<u>(31,951,510)</u>	<u>(36,631,649)</u>
NET CURRENT ASSETS		<u>3,762,719</u>	<u>3,003,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,762,719</u>	<u>3,003,480</u>
RESERVES			
Income and expenditure account	11	<u>3,762,719</u>	<u>3,003,480</u>
		<u>3,762,719</u>	<u>3,003,480</u>

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

Mrs A J Thorn MBE - Director

The Marches Local Enterprise Partnership
Ltd

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

	Retained earnings £	Total equity £
Changes in equity		
Total comprehensive income	<u>3,003,480</u>	<u>3,003,480</u>
Balance at 31 March 2020	<u>3,003,480</u>	<u>3,003,480</u>
Changes in equity		
Total comprehensive income	<u>759,239</u>	<u>759,239</u>
Balance at 31 March 2021	<u><u>3,762,719</u></u>	<u><u>3,762,719</u></u>

The Marches Local Enterprise Partnership
Ltd

Cash Flow Statement
for the Year Ended 31 March 2021

		Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	(113,839)	(189,427)
Tax paid		<u>(35,895)</u>	<u>-</u>
Net cash from operating activities		<u>(149,734)</u>	<u>(189,427)</u>
Cash flows from investing activities			
Interest received		<u>149,734</u>	<u>189,427</u>
Net cash from investing activities		<u>149,734</u>	<u>189,427</u>
		<u> </u>	<u> </u>
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
		<u> </u>	<u> </u>
Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

The notes form part of these financial statements

1. RECONCILIATION OF SURPLUS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Surplus before taxation	801,748	3,039,471
Finance income	<u>(149,734)</u>	<u>(189,427)</u>
	652,014	2,850,044
Decrease/(increase) in trade and other debtors	3,920,900	(39,635,129)
(Decrease)/increase in trade and other creditors	<u>(4,686,753)</u>	<u>36,595,658</u>
Cash generated from operations	<u><u>(113,839)</u></u>	<u><u>(189,427)</u></u>

1. **STATUTORY INFORMATION**

The Marches Local Enterprise Partnership Ltd is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Critical accounting 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 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.

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.

Income

Grant and Operational income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Recognition and measurement

A reporting entity cannot recognise a government grant until the recognition criteria has been met. In order to meet the recognition criteria there must be reasonable assurance that:

- the entity will comply with the conditions attaching to the grant; and
- the grants will be received.

Grants are recognised under the accrual model which requires the grant to be classified as either a revenue-based grant or a capital-based grant.

Grants which relate to revenue shall be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Interest income

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

2. **ACCOUNTING POLICIES - continued**

Financial instruments

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

Financial assets are derecognised when:

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

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

Taxation

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

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Going concern and covid-19

The financial statements have been prepared on a going concern basis as the Directors believe that no material uncertainties exist. The Directors have considered the level of reserves held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the company to continue as a going concern.

Refer to the Strategic Report for information regarding the company's response to Covid-19 and its effect on the company.

The government have commissioned a review of the role and future of Local Enterprise Partnerships with the aim of ensuring that such organisations are positioned to support productivity and growth most effectively and to compliment Central Government policy in the coming years. This report has yet to conclude, and as such there is a lack of clarity over the future funding and operation of the Marches Local Enterprise Partnership.

Under current conditions and government policy, and if this policy were to remain unchanged, then the going concern basis remains appropriate

3. GRANT AND OPERATIONAL 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 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. Grant income 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 projects are charged against this income and shown as an expense.

The table below shows grants received and grant sources:

	2020/21		2019/20	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Department of Business, Energy & Industrial Strategy				
Growth Hub	205	-	205	-
EU Exit Business Readiness	-	-	31	-
EU Transitional Business Readiness	111	-	-	-
Peer Networking	67	-	-	-
Additional Growth Hub	257	-	-	-
Total	640	-	236	-
Department for Transport				
Growth Deal	-	-	-	24,854
Total	-	-	-	24,854
Ministry of Housing, Communities and Local Government				
Core	500	-	500	-
LEP Implementation Review Funding	-	-	200	-
Growth Deal	-	12,626	-	4,603
Getting Building	50	7,000	-	-
Total	550	19,626	700	4,603
Other				
Education & Skills Funding Agency	75	-	75	-
Careers & Enterprise	213	-	69	-
Hereford EZ Contribution	100	-	100	-
Telford Land Deal	74	-	-	-
Department for International Trade	58	-	-	-
Coventry City Council	-	-	26	-
Total	520	-	270	-
Grand total	1,710	19,626	1,206	29,457

4. EMPLOYEES AND DIRECTORS

The LEP has no directly employed staff. All staff are employed by Shropshire Council and are then hosted by the LEP. The average number of staff hosted in 2020/21 was ten (2019/20: seven).

	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Directors' remuneration	-	-

5. OPERATING SURPLUS

The operating surplus is stated after charging:

	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Auditors' remuneration	<u>7,290</u>	<u>5,400</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Deposit account interest	143,256	172,992
Curr asset inv income	<u>6,478</u>	<u>16,435</u>
	<u>149,734</u>	<u>189,427</u>

7. TAXATION

Analysis of the tax charge

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

	Year Ended 31.3.21 £	Period 12.2.19 to 31.3.20 £
Current tax:		
UK corporation tax	<u>42,509</u>	<u>35,991</u>
Tax on surplus	<u>42,509</u>	<u>35,991</u>

UK corporation tax has been charged at 19% (2020 - 19%).

8. DEBTORS

	31.3.21 £	31.3.20 £
Amounts falling due within one year:		
Trade debtors	44,940	41,744
Other debtors	2,338,392	144,000
Cash held by Shropshire Council	29,827,577	38,416,044
Cash held by Herefordshire Council	301,180	48,644
Accrued income	<u>708,339</u>	<u>946,305</u>
	<u>33,220,428</u>	<u>39,596,737</u>
Amounts falling due after more than one year:		
Other debtors	<u>2,493,801</u>	<u>38,392</u>
Aggregate amounts	<u>35,714,229</u>	<u>39,635,129</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade creditors	967,361	101,160
Tax	42,605	35,991
Accrued expenses	24,053,029	4,786,302
Deferred income	-	21,165
Rev-Grants received in advance	311,678	206,393
Cap-Grants received in advance	<u>6,576,837</u>	<u>31,480,638</u>
	<u>31,951,510</u>	<u>36,631,649</u>

10. LEASING AGREEMENTS

The Marches Local Enterprise Partnership has operating leases that are made on behalf of the entity through Shropshire Council. Including the lease of the furnished rooms used by the entity.

11. RESERVES

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

	31.3.2021 £	31.3.2020 £
Capital Projects		
Marches Investment Fund	<u>2,532,193</u>	<u>182,392</u>
	2,532,193	182,392
Revenue Projects		
Core	1,163,689	1,162,629
Capacity	-	71,553
Marches Investment Fund	<u>80,897</u>	<u>1,586,906</u>
	<u>1,244,586</u>	<u>2,821,088</u>
	<u>3,776,779</u>	<u>3,003,480</u>

12. CAPITAL COMMITMENTS

Grant agreements span several financial years, typically involving a plan for spend and any grant payments due. Grant drawdowns are usually subject to claims.

At the year-end, grants of £6.4m (£0.270m in 2019-20) had been agreed by the board but not drawn down, for projects within the Tri-County area of Shropshire, Herefordshire and Telford & Wrekin.

13. RELATED PARTY DISCLOSURES

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

The LEP also secures large amounts of Capital funding from Government that is used to invest in transport schemes, infrastructure and to provide loans and grants to companies. The requirement of the Government is to use 'accountable bodies' to hold and manage these large amounts of public money, the LEP as a newly created company does not qualify as an 'accountable body'. To date, Shropshire Council with established and robust systems in place and with a track record of dealing with substantial amount of public money, have acted as the 'accountable body' to manage and deploy all capital on behalf of the LEP, which currently include Local Growth Fund, and Marches Investment Fund.

During the year, the Partnership received income and made payments to the three partner Councils for the following amounts:

	Herefordshire Council 2020/21 £'000	Herefordshire Council 2019/20 £'000	Shropshire Council 2020/21 £'000	Shropshire Council 2019/20 £'000	Telford & Wrekin Council 2020/21 £'000	Telford & Wrekin Council 2019/20 £'000
Income received during the year:						
Match funding	(23)	(23)	(38)	(38)	(21)	(21)
Enterprise Zone Projects	(100)	(100)	-	-	(74)	-
Interest on balances	(6)	(6)	(143)	(134)	-	-
Total income	(129)	(129)	(181)	(172)	(95)	(21)
Income outstanding at year-end		-		-		-
Expenditure during the year:						
Projects	7,017	87	11,563	562	10,861	3,943
LEP Management Overheads	-	1	651	476	-	-
S151 Financial & Legal Services for LEP	-	-	30	56	-	-
Governance Services for LEP	-	-	-	-	-	-
Total expenditure	7,017	88	12,244	1,094	10,861	3,943
Net (Income)/Expenditure	6,888	(41)	12,063	884	10,766	3,922
Amounts owing at year- end	6,988	7	8,208	48	2,079	-

14. ULTIMATE CONTROLLING PARTY

There is no one ultimate controlling party.

15. **MEMBERS LIABILITY**

Each member of the company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

The Marches Local Enterprise Partnership
Ltd

Detailed Income and Expenditure Account
for the Year Ended 31 March 2021

	Year Ended 31.3.21		Period 12.2.19 to 31.3.20	
	£	£	£	£
Grant and Operational income				
Match Funding	83,000		83,022	
Enterprise Zone	100,000		100,000	
Projects	5,760		5,760	
Grant income	48,327,345		7,974,575	
Transfer of reserves on incorporation	-		3,256,851	
		48,516,105		11,420,208
Other income				
Deposit account interest	143,256		172,992	
Curr asset inv income	6,478		16,435	
		149,734		189,427
		48,665,839		11,609,635
Expenditure				
Employee Costs	724,426		500,188	
Team Costs	17,750		149,149	
Operational - LGF & GBF	118,455		-	
Operational - Growth Hub	445,360		149,008	
Operational - Careers Sector	70,681		81,637	
Operational - Promotional	-		13,870	
Operational - Other	91,008		65,299	
Support Costs	98,723		55,843	
Accountancy	2,700		2,700	
Legal & Professional fees	56,603		33,217	
Auditors' remuneration	7,290		5,400	
Project costs - Core	129,395		45,000	
Project costs - Review	46,416		247,289	
Project costs - Capacity	-		271,829	
Project costs - Growth Hub	53,494		57,215	
Project costs - Growth Deal	36,621,023		6,892,520	
Project costs - Skills	74,669		-	
Project costs - MIF	1,730,499		-	
Project costs - Getting Building	7,575,599		-	
		47,864,091		8,570,164
NET SURPLUS		<u>801,748</u>		<u>3,039,471</u>

End