



## **Coast to Capital Board Meeting 58**

Thursday 13 October 2022, 5:00pm – 7:30pm

**Venue:** Board Room, NESCOL College, Reigate Rd, Epsom, KT17 3DS

### **Attendees:**

#### **Chair**

Julie Kapsalis	JK
----------------	----

#### **Private Sector Board Directors**

Anthony Middleton	AM
Karen Dukes	KD
Amanda Jones	AJ
Richard Hopkins	RH
David Joy	DJ
Jamie Arnell	JA
Rosaleen Liard	RL

#### **Public Sector Board Directors**

Cllr Shaun Gunner	SG
Cllr Mark Brunt (Tentative)	MB
Cllr Phelim Mac Cafferty (Tentative)	PMC
Cllr Paul Marshall	PM
Cllr Natalie Bramhall	NB

#### **Accountable Body, BEIS and Department of Transport**

Nigel Manvell – Accountable Body	NM
Wendy Mc-Rae Smith - Accountable Body	WRS
Emma Smith – Leveling Up	ES
Cavendish Elithorn – DfT	CE

#### **Coast to Capital**

David Smith	DS
Hannah Gosling	HG
Jake Daniels	JD
Marsha Robert	MR
Carli Foster	CF

### **Apologies:**

Jane Longmore, Frances Rutter, Claire Mason, Cali Gasson.

*Part A – Agenda and minutes to be posted in the public domain.*

*Part B – Papers not for publication in advance of meeting; minutes and papers posted in the public domain, as appropriate, afterwards.*

# Coast to Capital

## Agenda

Board Meeting				
Time	Item	Agenda item	Action	Part
5:00pm	1	<b>Introduction</b> <ul style="list-style-type: none"> <li>a) Welcome and Apologies</li> <li>b) Public comments</li> <li>c) Minutes of last meeting, and Matters Arising</li> <li>d) Conflicts of Interest</li> </ul>	Record	<b>A</b>
5:10pm	2	<b>Acting Chief Executive Update (verbal)</b>	Note	<b>A</b>
5:30pm	3	<b>Executive Update</b> <ul style="list-style-type: none"> <li>a) Executive Report</li> <li>b) Chair's Report</li> </ul>	Approve / Note	<b>A</b>
5:50pm	4	<b>2023/24 Budget Planning / Underpinning Principles and Timeline</b>	Approve	<b>B</b>
6:15pm	5	<b>Finance Update</b> <ul style="list-style-type: none"> <li>a) Financial Statement Approval</li> <li>b) Management Accounts Update</li> </ul>	Approve / Note	<b>A</b>
6:35pm	6	<b>Delivery Update</b> <ul style="list-style-type: none"> <li>a) Consent Paper               <ul style="list-style-type: none"> <li>- Blackrock Deep Dive update</li> <li>- Future of Investment Committee</li> <li>- Crawley Innovation Centre update</li> <li>- GPF update</li> </ul> </li> </ul>	Approve / Note	<b>B</b>
6:45pm	7	<b>Consultancy Update (Presentation)</b> <ul style="list-style-type: none"> <li>a) Current projects</li> <li>b) Pipeline</li> </ul>	Note	<b>A</b>
7:15pm	8	<b>Committee Updates (Verbal)</b>	Note	<b>A</b>
7:25pm	9	<b>Reflections and Close</b> <ul style="list-style-type: none"> <li>a) AOB</li> <li>b) Future Meeting</li> </ul>	Note	<b>A</b>
<b>Board Meeting Ends 7:30pm</b>				

# Coast to Capital

## **Board Meeting 57**

Tuesday 05 July 2022, 1:15pm-2:00pm  
Stanmer Park, One Garden Brighton

## **Meeting Minutes**

### **Board Members:**

**Attendees:** Julie Kapsalis (Chair) – JK, Anthony Middleton – AM, Karen Dukes – KD, Richard Hopkins – RH, Amanda Jones – AJ, Claire Mason – CM, Frances Rutter – FR, David Joy – DJ, Shaun Gunner – SG, Siriol Hugh-Jones – SHJ.

**Apologies:** Jane Longmore, Rosaleen Liard, Paul Marshall, Phelim MacCafferty, Mark Brunt, Jamie Arnell.

**Other attendees:** David Smith – DS, Hannah Gosling – HG, Marsha Robert – MR, Jake Daniels – JD, Cavendish Elithorn (DfT) – CE, Adam Szczotka (BEIS) – AS, Wendy McRae-Smith (Accountable Body) -WMS, James Hengeveld (Accountable Body) – JH.

*Part A items will be published. Part B items will also be published unless specified otherwise.*

## **1. Introduction**

### **1a. Welcome and apologies**

JK welcomed Board members to the 57<sup>th</sup> Coast to Capital Board meeting.

JK gave apologies from Jane Longmore, Jane Longmore, Rosaleen Liard, Paul Marshall, Phelim MacCafferty, Mark Brunt and Jamie Arnell.

JK thanked Plumpton College for their hospitality.

Noted that SG attended the meeting via zoom.

### **1b. Public Comments**

There were no public comments.

### **1c. Minutes of the April Meeting and Matters Arising documents**

The minutes of the April 2022 Board meeting were approved by the Board.

AM stated that all matters arising are closed or are to be addressed at the meeting.

#### **1d. Declarations, Disclosures & Conflicts of Interest**

JK confirmed all conflicts of interest are up to date and the Conflicts of Interest statement was stated to the Board.

AM confirmed the Conflicts of interest identified for the meeting:

- At Item 3a Richard Hopkins will be conflicted on the vote of his second three year term, so will leave the room.
- At Item 3a Claire Mason will be conflicted on the vote of her second three year term, so will leave the room.
- At Item 3a Amanda Jones will be conflicted on the vote of her second three year term, so will leave the room.

### **2. Delivery**

#### **2a. Consent paper**

HG and DJ gave an overview of the latest Investment Committee.

It was recommended by the Investment Committee for the Board to withdraw the Funding Withdrawal Protocol from the Railway Quay project. This was **approved** by the Board.

The remainder of the paper was noted by the Board.

### **3. Executive Report**

#### **3a. Executive Report**

AM paid tribute to JK on the three awards received this year.

AM formally introduced the interim management structure.

AM gave an update on the core funding payments including Local Authority payments. A letter has been now received from government regarding 50% of this year's allocation being paid in July. AM is still working with WSCC regarding their payment. JK and AM have a meeting scheduled with WSCC to discuss two options put forward by the Board. Other Local Authority partners have agreed to pay / have paid.

CM suggested for future years that we insist on payment at the beginning of the year with fast clearance to prevent high risk issues with cashflow and ensure we have robust contracts in place.

AJ reminded the Board we need to show commitment to those Local Authorities who are paying us and ensure we are delivering on our responsibilities.

JK thanked Board members for their helpful steers.

AM updated on the consultancy agenda where MR gave an update on Create Growth piece of work which AJ has supported.



AM gave thanks to AJ for advice on leading bids in particular the Cultural Development Fund.

AM opened the vote for the re-appointment of Amanda Jones, Claire Mason and Richard Hopkins. All three re-appointments were **approved**.

AJ, CM and RH were thanked for their ongoing commitment and work for C2C.

The Board took the remainder of the paper as noted.

### **3b. Chair's Report**

This paper was noted by the Board.

## **4. Reflections and Close**

### **4a. AOB**

JK and AM gave an update on the EM3 proposal.

There was no further business raised.

JK and AM thanked the Board for their participation and the C2C team for their hard work in the preparation and delivery of the Board meeting.

JK and AM gave an update on the LEP Network Board meeting.

### **4b. Future Meeting**

The next Board meeting is confirmed to take place on the 13<sup>th</sup> October, venue TBC.

*Unconfirmed minutes – to be approved at the next Board meeting.*

# Coast to Capital

**Reference:** Coast to Capital Board Meeting  
**Date:** 13 October 2022  
**Report Title:** Matters Arising Schedule  
**Report by:** Hannah Gosling  
**Item No:** 1c

Meeting Reference	Action	Lead	Status
1. July 2022 meeting (item 2a)	Arrange a site tour of the Blackrock project for the Board.	HG / JD	Closed - Deep Dive Working Group attended a site tour.
2. July 2022 meeting (item 2a)	Circulate the drone footage from the Blackrock project that was presented at the Investment Committee.	HG	Chasing for the link from BHCC. Will circulate once received.
3. July 2022 meeting (item 3a)	Regular cashflow forecasts to be monitored by the Finance & Resource Committee.	DS	Ongoing.
4. July 2022 meeting (item 3a)	Progress with Board refresher training.	AM / HG	Underway – update in the Executive report.

**Reference:** Coast to Capital Board Meeting  
**Date:** Thursday 13 October 2022  
**Report Title:** Executive Report  
**Report by:** Executive Team  
**Item No:** 3a  
**Part:** A

---

## Recommendations:

The Board is asked to **note** the Executive Report and:

- **Approve** the re-appointment of Cllr Shaun Gunner as Board Director for a second one-year term.
  - **Approve** the re-appointment of Professor Jane Longmore as Board Director for a third one-year term.
  - **Approve** the appointment the new Board Director for FE for their first one-year term.
  - **Approve** the (re)-appointment of Cllr Mark Brunt as Board Director for a further one-year term for continuity, subject to East Surrey leaders agreeing.
  - **Approve** the giving back of the three days at Christmas that have to be taken by the team from their annual leave allowance for this year and subsequent years going forward.
- 

## 1. Economic Context

### 1.1. Current economic context

Gross domestic product (GDP) in the UK is estimated to have increased by 0.2% between April to June 2022 and is now estimated to be 0.2% below the pre-pandemic level. GDP estimates for 2020 and 2021 have also been revised to show a 11% contraction in 2020, but a 7.5% increase in 2021.

Inflation has remained high throughout 2022, however the rate declined by 0.2 percentage points to 9.9 between July and August 2022. The main contributor to the

decline was a fall in the price of motor fuels but rising food prices continue to keep the rate at high levels.

The UK unemployment rate continued to decline by an estimated 0.2 percentage points to 3.6% between May and July 2022 and has now returned to pre-pandemic levels. Whilst the employment rate of those aged 16 – 64 declined by 0.2 percentage points in the same period, the employment level increased. This is a result of increases in the number of those aged 65 and over in employment. This increase was driven by rises in part-time work in the hospitality, arts, entertainment and recreation sectors. The unemployment rate in the Coast to Capital region was estimated at 3.7% in March 2022, a 0.3 percentage point increase from December 2021, but still below the national rate of 4.2% in the same period.

Claimant rates continued to decline across Coast to Capital to 2.8% in August 2022, compared to a rate of 3.8% nationally. Crawley continue to have the highest rate in our region at 4.1% in August, followed closely by Brighton and Hove at 3.7%. However, the rates declined in both places by about 0.2 percentage points between May and August 2022.

After a 13% increase in job postings in the Coast to Capital region between June and July 2022, postings decreased by 16% between July and August. This follows the national trend of a 17% increase between June and July, followed by a 16% decrease between July and August. The top advertised occupations continued to be nurses and care workers, followed by programmers and sales occupations.

## **2. Corporate Update**

### **2.1. Organisational Developments**

A new company structure has now been put into place which was shared with the Board at the previous meeting. The company has been split into the following areas and the management team responsible for each area is outlined below:

- Acting CEO – Tony Middleton
- Operations (Governance, Risk, Audit, HR) – Hannah Gosling and David Smith
- Finance & Investments (Grant and Loan Funds, Company Finances) – David Smith and Hannah Gosling (legacy projects).
- Project Delivery & Business Development (Short term consultancy projects, also includes marketing and communication) – Cali Gasson
- Partnerships (Long term subscription partnerships e.g. Growth Hub, The Careers & Enterprise Company) – Marsha Robert
- Accountable Body – Carli Foster

Within the Careers Hub, we welcome a new team member, Joe Smith on 15 August as an Enterprise Coordinator, Special Educational Needs & Disabilities (SEND). Joe will be supporting all SEND schools and colleges across the Coast to Capital geography to improve their careers and enterprise programmes and to engage with the world of work.

The C2C Careers Hub are also recruiting for two Enterprise Coordinator roles to backfill posts which have become vacant due to two successful internal promotions. Interviews are taking place on Friday 23rd September.

Lisa Mobbs continues in her role as Strategic Hub lead with Kelly Parkhouse now in post (01 August 22) as Operational Hub Lead, leading the team of Enterprise Coordinators supporting 111 schools and colleges across the Coast to Capital geography to enhance and grow support for the delivery of careers education and to improve overall progression of schools and colleges against the Gatsby Benchmarks, improving performance further during 22/23.

Following departures of two previous Growth Hub members in July, we undertook a recruitment process and held interviews in August to fill the vacant posts. We received over 20 applications and invited 9 candidates to interviews, but with only four candidates confirming interviews. Following this process, we had two successful candidates that were offered the positions, subject to reference checks, however only one accepted our offer. Due the uncertainty of funding for the next financial year, the other candidate declined our offer. We welcome Gail Winnie who has been appointed as the Business Account Manager for Chichester, Arun, Worthing & Adur and Brighton & Hove and will join the team on 3 October.

We also promoted Matthew Heath to Senior Business Account Manager in the Growth Hub, previously Matt was our Delivery Lead and was splitting his time supporting consultancy projects and the Growth Hub. Matt is an excellent asset to the team and brings with him a wealth of experience and knowledge of the business funding landscape. Matt will also lead on the commercialization of the Growth Hub with the team.

The Growth Hub team is now fully resourced and is structured as follows:

- Marsha Robert – Head of Partnerships
- Matthew Heath – Senior Business Account Manager (reports to Marsha Robert)
- Izzy Pompova – Business Account Manager for Gatwick Diamond (reports to Matthew Heath)
- Gail Winnie – Business Account Manager for Chichester, Arun, Worthing & Adur and Brighton & Hove (reports to Matthew Heath)
- Taygan Paxton – Business Support (including triage) and Marketing Officer (reports to Matthew Heath)

Recruitment is underway for the following posts:

- Project Delivery Officer
- Two Enterprise Coordinators

## **2.2. Business Plan Launch**

We were pleased to launch the [Business Plan for 22/23](#) which sets out our priorities for the rest of the financial year. We are awaiting clarity from central government on our Business Plan 23/24 which is required to be submitted in draft for November 2022.

## **2.3. Operations**

We recently held an in person All Team Meeting on the 20 September, where the team presented on the work they are undertaking on the revenue making workstream. These ideas will be shared at the January Board meeting. The team also had the opportunity to go on a site tour of the Corn Exchange Building at the Brighton Pavilion which Coast to Capital invested £3million of Local Growth Funding into. The team would like to thank Amanda Jones and the team at Brighton Pavilion for allowing this to take place.



Our mental health, wellbeing and social offer has been refreshed as we continue to support the team whilst working in a remote environment and we are pleased to have launched a new initiative, 'Wellbeing Hour' where team members are able to block an hour of time from their diary each week to focus on their wellbeing.

### **Christmas Shut Down**

During discussions at the last management meeting, it was proposed that as a reward to the team, that the three days annual leave which had to be used during the festive season shutdown (which is taken from the team's annual leave allowance) to be gifted back as extra annual leave days. It is being **recommended** from the management team for the Board to **approve** this request for this year and consequent years after.

### **3. Finance & Investment**

We have been successful in the first quarter (three payments in early July, £30k) in receiving our central government & local government grants to help cover the operational costs of running the business. A total of £527,500 has been paid.

The second significant revenue generating process of claiming back funds from our delivered services (Growth Hub & Careers Hub) & capitalisation is a quarterly exercise & we are preparing claims for quarter 2 in October (September for Careers Hub as funding based on academic year).

The final element is our commercial income (GPF interest and Consultancy income). This is performing well with expected consultancy income for the year approaching £300k. The Board will be apprised of consultancy work separately in today's meeting. GPF is expected to generate £120k in interest. A further update on GPF is in the delivery paper being noted later in today's proceedings.

The work on consideration of investments for the unutilised funding in LGF & GPF is progressing. The Executive will present their findings to the Investment Committee & GPF Committee in due course with any recommendation coming back to the Board for review & final approval.

### **4. Project Delivery and Business Development**

The newly formed Project Delivery and Business Development team (Cali Gasson - Head of Project Delivery & Business Development, Luke West – Senior Project Delivery Manager, Jake Daniels – Business Development & Marketing Manager and Project Delivery Officer tbc) has four key areas of focus:

- Consultancy work
- Project Delivery
- Business Development
- Marketing, Communications & Branding

#### 4.1. Consultancy, Project Delivery & Business Development

We have successfully completed and/or completing a number of projects for a range of public and private sector customers, ranging from active travel project management to business support and transport research. The list below is the total commissions which began April 2021 & some do transcend two financial years.

These are listed below with their values:

<b>Project</b>	<b>Value</b>
Sussex Local Skills Improvement Plan (LSIP)	£19,000.00
Regis Centre/Alexandra Theatre	£20,295.00
Airport Economic Zones Research	£14,890.00
CIL Project Support	£12,000.00
Horsham UKSPF Assessment Support	£6,500.00
Brighton & Hove UKSPF Investment Plan	£17,100.00
A22 project management	£41,600.00
Mole Valley Business Support	£49,000.00
Mole Valley Funding Search and Bid Writing	£19,870.00
Epsom and Ewell Economic Development Support	£60,350.00
East Surrey Transport Study	£18,900.00
Croydon UKSPF Investment Plan Development	£28,100.00
<b>Total</b>	<b>£307,605.00</b>

We are also actively bidding for, and looking for new opportunities and currently have 7 projects that are in development stage, meaning we have either bid for them or are in discussions with the contracting authority about taking up the work. This covers a wide array of projects including supporting local authorities with the UK Shared Prosperity Fund and larger applications for national programmes, such as the Create Growth programme by the Department for Digital, Media and Culture (DCMS).

All of our pipeline projects are listed below with their values;

<b>Pipeline Projects</b> (bids submitted or in development)	<b>Potential Value</b>
Croydon UKSPF Monitoring Support	£110,000.00
Horsham UKSPF & RPF Monitoring Support	£52,228.00
Tandridge UKSPF & RPF Monitoring Support	£40,200.00
Regis Centre Phases 2 & 3	£28,000.00
Forestry England - Grant Administration	£108,000.00 (36k per year)
Innovate UK Business Survey	£90,000
<b>Total</b>	<b>£428,428</b>



We have unfortunately been unsuccessful in the Create Growth Bid (£1.275m) and the Cultural Development Fund Round 3 bid (£3.5m).

A full consultancy update will be provided during the Board meeting.

#### **4.2. Marketing, Communications & Branding**

We issued/were mentioned in the following **press releases/case studies**:

- [Region's LEP launches new business plan](#)
- [Say hello to Edgcumbes](#)
- [What should the Gatwick region be known for? And why should the outside world be interested?](#)
- [Shoreham set for flood defence improvements](#)
- [Welcome to the new-look Portland Road](#)
- [Horley High Street and subway improvement plans go on display](#)
- [New boardwalk is a summer success!](#)
- [Celebration time: £9million Crawley town centre regeneration scheme successfully completed](#)
- [The Future's Bright](#)

On **Social Media**:

Our top posts included:

- [Gatwick airport station redevelopment](#)
- [Grow your business show](#)
- [Business Plan 22/23 launch](#)
- [Careers Hub summer conference](#)

In the months ahead, our focus will be on promoting the Business Plan, our consultancy offer, developing e-commerce within the Growth Hub and increasing our day-to-day social media presence.

#### **Marketing**

A full suite of marketing materials has been developed to promote our commercial offer, highlights will be shared as part of the Board meeting agenda.

#### **Branding/website**

We are undertaking a project to redevelop the Coast to Capital website by migrating to WordPress, refreshing the look and feel and promoting our commercial offer. The Growth Hub website will be merged with the Coast to Capital website so that customers can find our full range of services easily, and we are developing a membership offer which includes access to enhanced online services.

## 5. Governance Updates

- Our Company Risks are being actively managed. The full company risk register can be found at **Annex A**. An updated risk register has been created to reflect the new areas of the company. This template is currently being completed by the team for the November Audit & Risk Committee and will be shared with the Board at the January meeting.
- The latest Finance & Resource Committee meeting was held on 25 August where the members reviewed the budget strategy for 2023/24 financial year.
- The latest Audit & Risk Committee meeting was held on 16 August 2022 where Kreston Reeves came and presented the Year-End Financial statements, audit report findings and the commissioned payroll audit findings.
- The Audit & Risk Committee have agreed to pursue the Internal Controls Audit with RSM. Progress is underway and the findings will be presented at the January Board meeting.
- Our version of the Local Assurance Framework is still compliant with the National Assurance Framework, a few amendments have been made which are outlined separately in this paper below. A full review of the Assurance Framework will be conducted when the Government issues a new version of the National Assurance Framework.
- This month's Local Authority meeting has been cancelled, and instead we will be holding individual calls with the Local Authorities.
- We are working on dates for the Governance calendar for the year, these will be shared with Committee Members imminently.
- We have no live Complaints or Freedom of Information requests.
- We are planning to hold a brief, virtual Annual General Meeting in January 2023, followed by an in-person stakeholder event by the end of the financial year.

### 5.1. Board Development

Our Board continues to successfully operate to support the company.

The Board is asked to vote on the extension of the terms of Shaun Gunner, Jane Longmore and Mark Brunt (subject to agreement from the East Surrey leaders). These Board members have contributed exceptional work and we invite the Board to re-appoint them for another term. Shaun Gunner is eligible for another three-year term and Jane Longmore is eligible for another one-year term. However, Mark Brunt was not eligible but for continuity we are requesting he stays on the Board subject to agreement by the East Surrey District & Boroughs.

The Board are asked to vote on the appointment of the new FE representative (awaiting confirmation) on the Board.

The Board refresher training has now been arranged with a company called Excellence in Learning. The training will be delivered online and there are two dates available for Board Members to attend. The training will consist of extracts from the Standard Company Director Roles & Responsibilities 2-day course that the company runs. The first training session is scheduled for 01 December and the second session is TBC. More information will be available to Board Members in due course.

## **6. Partnerships**

### **6.1. Growth Hub Update**

#### **6.1.1. Delivery of contractual outputs (BEIS) / 2022-23 Re-profile**

In our grant documents to the Department for Business, Energy and Industrial Strategy (BEIS) we proposed delivering the service by a 3-tier approach; Light touch, 1-2-1 Business Account Manager support, and Growth Champion support. BEIS approved of our 3-tiered approach, and we received our Grant Offer letter at the end of July 2022. We have been paid for our Q1 claim and are in the process of submitting our Q2 claim.

#### **6.1.2. Commercialisation plans**

The Growth Hub team has also developed a suite of commercial products (currently branded as “Growth Hub Plus”) that they will start to deliver soon, along with a new website with a payment gateway.

Six commercial products/services are to be launched in the first instance - from a list of around forty overall - which have been sorted in order of speed and ease of inception and delivery, along with cost effectiveness/VFM/profitability, and estimated take-up (need was/is being measured through interactions with businesses across the C2C patch via surveys and during our light and heavy touch interventions).

Once the team has tested the success/take-up of delivering these six standalone products (at a discounted rate) to test the water, they plan to offer packages of support and introduce a subscription/membership fee model for them at varying rates depending on which suits the needs and budgets of each business (Bronze/Silver/Gold) – possibly even introducing a loyalty/reward points system that would allow them to benefit from occasional free products and/or services.

The team are ideally looking to collaborate with existing providers rather than competing with them, where there are obvious overlaps in delivery – with early conversations proving to be very positive.

The main drive of this work is to bridge the gap in government funding with private sector income to allow C2C's Growth Hub to deliver the level of business support that businesses in the area need and have been asking for.

Please refer to **Annex B (Growth Hub Presentation – September 2022)** for further detail on the six launch products/services, which the team hopes to launch over the next month or so through a mix of physical in-person events around the C2C patch, online marketing (including social media) and e-mailshots.

## **6.2. Careers Hub Programme Update**

### **Full coverage**

The Careers Hub has expanded its remit of support to enable full coverage of 111 institutions across the Coast to Capital area. Coast to Capital Careers Hub is now 1 of 42 Careers Hub across England. We have recruited an Operational Hub Lead to line manage the team of Enterprise Coordinators and drive benchmark performance in schools and colleges. Our newly recruited SEND Enterprise Coordinator will be directly supporting all special schools and colleges across the region and we are recruiting two new Enterprise Coordinators for West Sussex.

### **Recent achievements and impact**

The Enterprise Coordinator team delivered a successful **Summer Conference** in June for stakeholders and partners to showcase the impact of our work over the past two years and to offer a CPD and networking opportunity. Guest speakers included Nicola Hall, Director of Education and Grant Funding at The Careers & Enterprise Company. The event, held at Crawley College was very well attended.

**Your Future Coast to Capital website** is in the final stage of development, setting out accessible labour market information for students with special educational needs and disabilities and their parents/carers. We will be launching the website to our stakeholders and partners at our SEND launch in October.

### **Progress against targets**

At the end of The Careers & Enterprise Company 'Summer Challenge' we analysed our data and progress against the floor targets. 63% of our EAN institutions are now fully meeting Benchmark 1 (target 40%) with 4.9 average benchmarks (national average 3.8). Our Careers Hub is a Wave 3 Hub and is therefore not as long established as other Hubs around the country. 63% of our Careers Hub institutions are now fully meeting Benchmark 1 (target 80%) with 4.4 average benchmarks (national average 4.7). Clear progression is

shown across all benchmarks each term of 21-22. See **Annex C** Dashboard for further information.

## **Strategy for the year ahead**

The Careers Hub strategy for 2022/23 is being shared with our primary stakeholders and partners. The strategy will incorporate seven coordinated actions to focus on the priorities of The Careers & Enterprise Company with alignment to skills priorities as outlined in the Local Skills Improvement Plans (LSIPs) for Surrey and Sussex.

Planned projects will focus on removing barriers and targeting our funding and support for cohorts of vulnerable young people and those most at risk through transitions. Updated Provider Access Legislation will be introduced from January 2023 and the Careers Hub will continue to increase awareness of and interest in technical education and apprenticeships. Our Strategic Hub Lead has joined the Sussex LSIP Board to ensure that the Careers Hub is engaging with local skills priorities and employers to position careers education in the context of labour market information and future jobs.

Forthcoming projects for the Careers Hub include What Next Sussex (2x live transition broadcasts for Year 11 students across Sussex), 'Back to the Floor' Teacher Encounters, TeenTech Sussex and a Green Skills project in development with Surrey County Council. The Careers Hub has successfully secured additional funding to develop a programme of 'immersive experiences' with the Chichester College Group to further enable the smooth transition of young people into Further Education or their next best step. We will be applying for further funding to support small cohorts of vulnerable young people.

## **7. Skills**

### **7.1. Coast to Capital skills remit**

The Department for Education (DfE) published the employer representative body (ERB) designations for the Local Skills Improvement Plans (LSIP) on 5 September. There are now two LSIPs in the Coast to Capital region. Sussex Chamber of Commerce continue as the ERB for Brighton & Hove, East and West Sussex. Surrey Chambers of Commerce were successful in their EOI and are now the ERB for Enterprise M3 LEP (including all of Surrey).

We continue to engage with both ERBs in relation to the development of the LSIPs and will provide data and support where needed through our £55,000 DfE funding for this year.

## **8. Diversity Statement**

Any position on Equality, Diversity, and Inclusion has been covered above in this paper.

## **9. Legal Statement**

This paper has been reviewed by the Brighton and Hove City Council as the Accountable Body.

## **10. Finance Statement**

There are no further financial considerations of the paper other than those mentioned.

### **Annexes:**

**Annex A:** Company Risk Register

**Annex B:** Growth Hub presentation

**Annex C:** Careers Hub & EAN Dashboard

Number	Risk Grouping	Risk Examples	Risk Owner	Inherent Combined Score	Key Current Mitigations	Residual Combined Score	Planned Actions
1	Negative perception of the Careers Hub and Coast to Capital reputation as a result of not delivering on the expansion of the Careers Hub.	<p>We are unable to source match funding from Local Authorities required to recruit additional ECs to backfill vacancies and/or to expand the Careers Hub to other areas of the region, therefore unable to meet ambitions of the Careers and Enterprise Company by 2024.</p> <p>We request institutions returned a signed Memorandum of Understanding but are unable to deliver the service agreement in areas of the region due to under resource of ECs.</p> <p>Reputational impact due to loss of goodwill and relationships with partners and stakeholders.</p> <p>Projects and initiatives delivered by the Careers Hub fail to have the desired impact and/or are not received well by employers and stakeholders.</p>	LM	16	<p>Work with the Careers and Enterprise Company to explore opportunities for match funding of the programme with external partners, businesses and stakeholders or by other means (LM)</p> <p>Research projects and initiatives in the planning stage to identify objectives, impact measurements and potential uptake. Share the Careers Hub Strategy with the Hub Steering Group and other stakeholders for direction and collaborative support (LM)</p> <p>Ensure risks are identified and mitigated when planning projects and initiatives with providers to support the programme (LM)</p> <p>Coast to Capital CEO is engaged in regular conversations with CEC and local authorities to seek future funding commitments (AM)</p>	16	
2	Inability to attract, retain and motivate the right staff to achieve Coast to Capital's Business Plan	<p>Negative Staff Morale due to current working conditions and short-term uncertainty, around new company structure and LEP review, leads to underperformance in company and dissatisfied staff who may leave.</p> <p>Excessive recruitment, such as from re-organisation drains time and cost from Business.</p> <p>Necessary incentives and adequate pay for the retention of Key staff and suitably Skilled employees to adequately deliver the business plan.</p> <p>Unclear staff review process to identify progression opportunities effects motivation of staff and effectiveness of employees</p> <p>Lack of management of staff to identify poor performance and violation of policies from employees resulting in litigation against the company</p>	AM	16	<p>Regular staff meetings and updates as well as staff events. (JD)</p> <p>Clear, transparent communication with staff regarding LEP review, including positive messaging on company financial position (CEO)</p> <p>Company restructure improves cross team working.</p> <p>Competitive benefits package for staff, reviewed annually.</p> <p>Salary benchmarking completed for all roles to ensure market value competitive salaries for staff</p> <p>Appropriate objective setting and review process implemented, including reviewing development/training requires for staff.</p> <p>Clear recruitment process to save time and costs, managed internally.</p> <p>Comprehensive Employee handbook and other policies in place with scheduled review</p> <p>2% Pay-Rise agreed by Board and to be backdated until 1st April</p> <p>CEO to give regular staff updates on business planning activities, and to be as transparent as possible.</p> <p>Regular staff events and in person meetings agreed for 2022/23 financial year</p>	12	
3	Lack of resources, prevents delivery, inhibits growth, or reduces morale	<p>Workload on team members cannot be adequately met by current resourcing following the restructure, which is made more uncertain with the existing freeze on recruitment.</p> <p>Teams are not able to meet stretching objectives, and are not resilient to staff absence/ peaks of work. Delay in corporate projects because of peaks in demand</p> <p>Resources are limited, so unable to respond to increases in demand. Staff unable to complete all aspects of complex tasks, leading to ambitious business plan not being fully achieved.</p> <p>Current uncertainty on the long term future of LEPs, mixed with limitation on staff rewards, talent management, investment in staff leads to poor staff retention.</p> <p>Staff overloaded leads to decline in morale, well-being, long term sickness, mental and physical health issues.</p>	AM	16	<p>Business planning exercise for 22/23 financial year. Includes budget setting and use of contingency.</p> <p>Reviewing performance management process for 2022/23 to ensure objectives are clear and system is easy to use.</p> <p>A training programme is in place focusing on management, professional skills, and linking to our Values.</p> <p>Staff welfare policy and wellbeing of staff.</p> <p>Prioritisation of key business areas will be implemented and reflected in the 2022/23 Business Plan.</p>	12	
4	Funding is not paid by partners that are contributing to the core funding of Coast to Capital.	<p>We are yet to receive the contribution from WSCC contribution. Therefore, Coast to Capital may be unable to provide all the services it currently does to partners.</p> <p>Not enough funding to pay team.</p>	AM/DS	16	<p>Regular contact with the core funding partners to ensure they understand the importance of their contribution and what that means in terms of services for their area.</p>	12	Regular meetings to take place and research on what is provided to each area.
5	Not being able to confidently predict future LEP income for financial year 23/24.	<p>No visibility of government commitment or funding, no visibility or commitment from Local Authority partners and no visibility of commercial product income.</p> <p>LEP may not being able to function in 23/24 FY.</p>	AM/DS	16	<p>Ask government to communicate the future of LEPs and to work on the commercialisation aspect of the business.</p>	12	Continue to work on revenue income for the LEP and start to think about the next FY.

6	Coast to Capital suffers a breakdown of internal control and/or approval processes	<p>Errors in work due to a breakdown in internal structure and/or communication results in failures which damage reputation and effectiveness of Business.</p> <p>Lack of clear internal control increases likelihood of financial mismanagement</p> <p>High numbers of Complaints, FOI or Whilst blowing from poor operation meaning a large undertaking of staff time and damage to C2C reputation</p> <p>Litigation resulting in high cost for the Business</p> <p>Litigation due to failure to meet basic legal requirements for the treatment of staff. Possible Employment tribunal taking staff time and incurring company cost</p> <p>Rogue Employee</p> <p>Accountable Body not delivering in service resulting in disruption to day to day business</p>	DS	12	<p>Fully compliant Assurance Framework which details decision making processes annually reviewed.</p> <p>Media handling arrangements in place for complex cases including GPF.</p> <p>Robust Complaint Policy and Whistleblowing Policy in place.</p> <p>Strong contract management with Accountable Body.</p> <p>Contingency in place including sign off and payments. Delegation of Authority determined.</p> <p>Risk Policy updated and risk appetite confirmed.</p> <p>Procurement Policy approved and implemented.</p>	9	
7	Coast to Capital is no longer able to achieve its business critical operations	<p>Unexpected major emergencies (either environmental, economical, pandemic or political) stopping business operations through a lack of emergency planning.</p> <p>Faulty Laptops, crashes in Microsoft 365, broadband issues or lack of support from Uptime causes mass IT issues leading to staff not able to conduct work</p> <p>Key staff with key knowledge not replaced caused skills shortage meaning an increased workload.</p> <p>Redeployment of staff to major projects results in other business areas being neglected.</p> <p>Lack of joined-up, collaborative working between teams reduces success of business plan and reputation of the LEP.</p>	AM/DS	12	<p>Strong IT support provided by Uptime in addition to 365 system in place.</p> <p>Contingency plans developed and implemented for vital work areas, including written processes where required.</p> <p>Clear workflows in policies to allow for delivery of business operations.</p> <p>Weekly management strategy meetings to address key operational issues</p> <p>Scenario planning for various responses to the LEP Review</p> <p>Acting CEO appointed.</p>	9	New organisational structure to address operational challenges.
8	Unallocated funding is not utilised and Government requests it to be given back.	Current or future unallocated funds are lost from the region, with potential impact to the organisational objectives.	AM	12	Plan in place to utilise within HE and FE. Discussions to be had and idea needs to be mapped out.	9	Meeting to be set up with colleges / universities in the area to discuss idea.





Coast to  
Capital  
Growth Hub

PLUS

2022

Introducing..

# GROWTH HUB PLUS



# CONTENTS

1. Open, Background & Vision: Growth Hub PLUS – Matt
2. Six Key Services - Matt
3. Payment Gateway – Izzy
4. Knowledge Hub - Izzy
5. Q&A + Discussion – All & Wider Team



Our new PLUS service is **coming soon**

Offering businesses an alternative pathway of support

**OPEN &  
BACKGROUND**



## **STRONGER, *TOGETHER.***

Growth Hub Plus is a new and extended business support service focused on driving businesses forward, reaching their maximum potential.

We will do this by providing six key services.

These consist of →

# 6 KEY SERVICES

## Social & digital support

1

Social  
Media  
Support

2

Digital  
Audit

3

Case Study  
Creation

# 6 KEY SERVICES

## Research & finding support

4

Growth  
Champion  
Programme

5

Grant &  
funding  
search

6

Market  
research



# PROMOTIONAL FLYER

Coast to  
Capital  
Growth Hub

PLUS

**STRONGER, *TOGETHER*.**

Our new PLUS service is **coming soon**

Offering businesses an alternative pathway of support



Coast to  
Capital  
Growth Hub

PLUS

## SERVICES

### Social Media Support

Stumped on social media?

Our team can help!

Providing you with all the tools you need to get your business online.

### Digital Audit

Deep diving into your businesses online and social platforms, providing audit services to help boost business.

### Case Studies

Looking to get your positive reviews out there?

We can help produce case studies in either written or visual formats.

### Growth Champion Programme

Get access to our exclusive network of experts who can help you overcome any barriers to growth.

### Grant & Funding Search

Let us do the hard work!

Looking for funding? We will provide you with a grant funding report tailored to your business needs.

### Market Research

Looking for industry insights or your competitors' market?

We'll do the research for you.

**Get in touch** for more information



SCAN ME





**PAYMENT  
GATEWAY**



## PAYMENT GATEWAY

We will be making improvements over the coming weeks to our website. As agreed by the management team, we will be switching to a new website host which will integrate a payment gateway for fast and easy purchase of any of the six key services.





## KNOWLEDGE HUB

As we develop our website, we will also have a link to the 'Knowledge Hub' where additional information can be accessed.

This will be a separate online information hub where all of the information on the existing Growth Hub and Coast to Capital websites can be stored so that we can keep the new website very simple, slick and attractive.



## C2C Growth Hub Knowledge Hub

For all your business support resources.



### Business Support Resources

Read and review knowledge base resources, available for you to view when you need.



### Category manager

Access resources using the navigation tool or search bar depending on your needs.

## Browse by category



### Funding & Grants

Funding & Grant opportunities for businesses located in the Coast to Capital area.



### Business Support Programmes


Business Support programmes available for businesses looking to grow.



### Business Marketing

Stuck on Marketing ideas for your business? Resources to help you level-up!


Filter

▼  Funding & Grants

LoCase Greening Grants


Community Solar Accelerator Grants

Invest4 (delivered by The Business Hothouse Programme)


▼  Business Support Programmes

The RISE Programme

Help To Grow - Management

▼  Business Marketing

BIPC Sussex - Marketing Support

▼  Start-up Support


Coast to Capital Growth Hub & Start-ups

University of Chichester - Hot House Programme

🏠


🔍 Search

📺



## Funding & Grants


3 Articles in this category

 Written by Coast to Capital Growth Hub

[Share](#) [Dark](#)


### LoCase Greening Grants

The Low Carbon Across the South and East (LoCASE) programme provides businesses with a grant (that doesn't have to be paid back) of up to £10,000. West Sussex LoCASE is delivered for Clean Growth UK members in Sussex through our South East...

 Written by Coast to Capital Growth Hub  
Updated on : 17 Aug 2022


### Community Solar Accelerator Grants


Community Solar Accelerator is a European Regional Development Fund (ERDF) funded, SME support project, delivered by Brighton Energy Co-op. The project aims to support the shift towards a low carbon economy in the Coast to Capital region and b...

 Written by Coast to Capital Growth Hub  
Updated on : 17 Aug 2022

### Invest4 (delivered by The Business Hothouse Programme)

The Invest4 grant fund can award funding between £2,000 and £170,000 to start-ups and established businesses in the coast-to-capital area that meet the eligibility criteria . You can discover quickly if your business or start-up will be approve...

 Written by Coast to Capital Growth Hub  
Updated on : 19 Aug 2022

Powered by 

Coast to  
Capital  
Growth Hub

*PLUS*

**THANK YOU**

**ANY QUESTIONS?**

**Enterprise Adviser Network (EAN) and Careers Hub**

The Coast to Capital EAN works to connect senior, local business leaders with senior leaders in local schools and colleges to help motivate and inspire young people and make a major impact on their future career prospects.

The purpose of the network is to create powerful lasting connections between local businesses and education establishments in order to equip young people with the skills they need. To do this we have a team of Enterprise Coordinators who each support schools and colleges in their area and link them to local businesses.

**Update****Enterprise Adviser Network Area**

Careers in Construction (2 weeks of work experience) – a 'pix & mix' of resources and opportunities for young people to engage in careers in construction was launched in June 22 with the strapline 'no student left behind'. The offer to schools & colleges included Building Green Foundations virtual work experience with 4 live employer talks, Build your Future Home competition, a live Q&A session with Willmott Dixon Sustainability Manager, Thakeham Homes Virtual Insight Day with Speakers for Schools and Construction Careers Leaders Resource Board.

**Careers Hub Area**

The Careers Hub have been working with website developer Urban Hax to create an easy to navigate labour market information website for young people with special educational needs and disabilities (SEND), their parents & carers and Careers Advisers who provide 1-1 personal guidance. Your Future Coast to Capital will be live in September 2022.

**Case Study****Summer Conference**

In June 2022, the Careers Hub & EAN hosted a Summer Conference at Crawley College for our careers professionals, Enterprise Advisers and stakeholders.

Our attendees heard from the inspirational Nicola Hall, Director of Education and Funding at The Careers & Enterprise Company, along with a number of other fantastic guest speakers.

The event enabled us to showcase the work we've done and the distance we've travelled in the past 2 years. It was also a valuable opportunity for Careers Leaders to undertake CPD and to networking with businesses.

Louise McMenamin from Holy Trinity CofE School said "I really enjoyed yesterday's conference, it was inspiring and allowed time for reflection and networking which is so welcome. Thank you for organizing it". Kathryn Belmore from Harmonious HR said "Fantastic event! Really enjoyed meeting and connecting with the Careers Hub community, along with listening to so many great speakers who were both motivational and inspiring. So much great work being done".

We are now looking forward to developing a programme of CPD and networking sessions for 22-23 academic year for our fantastic Careers Leaders and Enterprise Advisers.

## Coast to Capital Targets

The tables below show the movement towards targets in our Grant Offer Letter in Coast to Capital for the EAN area (table 1) and the Careers Hub (table 2) for all institutions.

Table 1: EAN Area targets and actuals

	Revised Target	August 2022 (Term 3)
Benchmark 1	40%	63%
All EAN schools/colleges to achieve at least 2 Gatsby Benchmarks		56 of 59 (95%)
The EAN to achieve an average of at least 4 Gatsby Benchmarks		4.9 average (National average 3.8)
Clear evidence of progress in BM5 and BM6 should be made throughout the year		On track

Table 2: Careers Hub targets and actuals

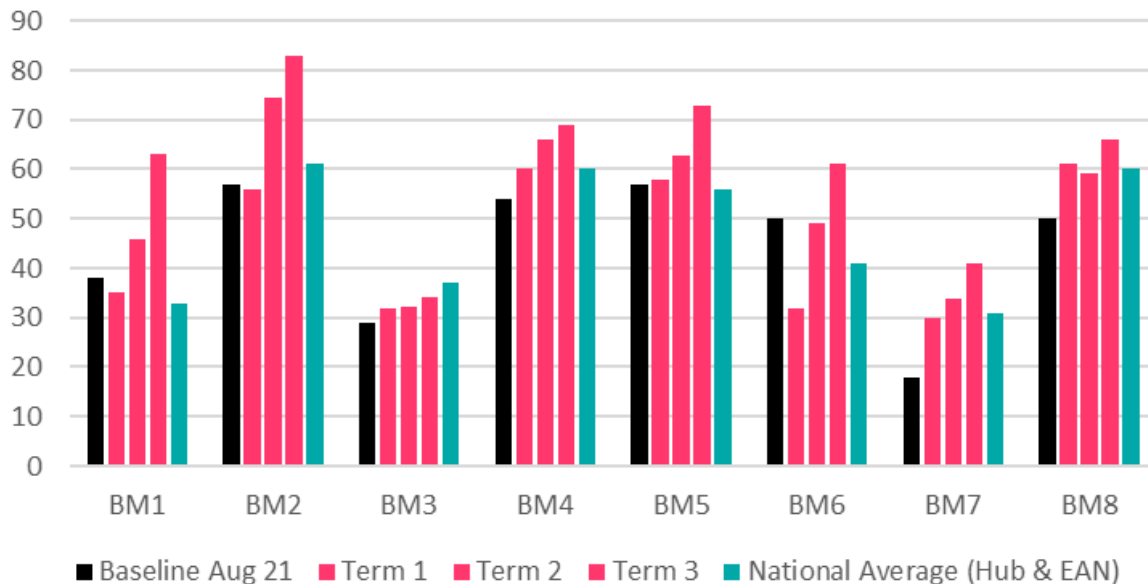
	Revised Target	August 2022 (Term 3)
Benchmark 1	80%	63%
All Hub schools/colleges to achieve at least 3 Gatsby Benchmarks		28 of 35 (80%)
The Hub to achieve an average of at least 5 Gatsby Benchmarks		4.4 average (National average 4.7)
Clear evidence of progress in BM5 and BM6 should be made throughout the year		On track

Figures include SEND & APC Education Centers. All matched institutions.

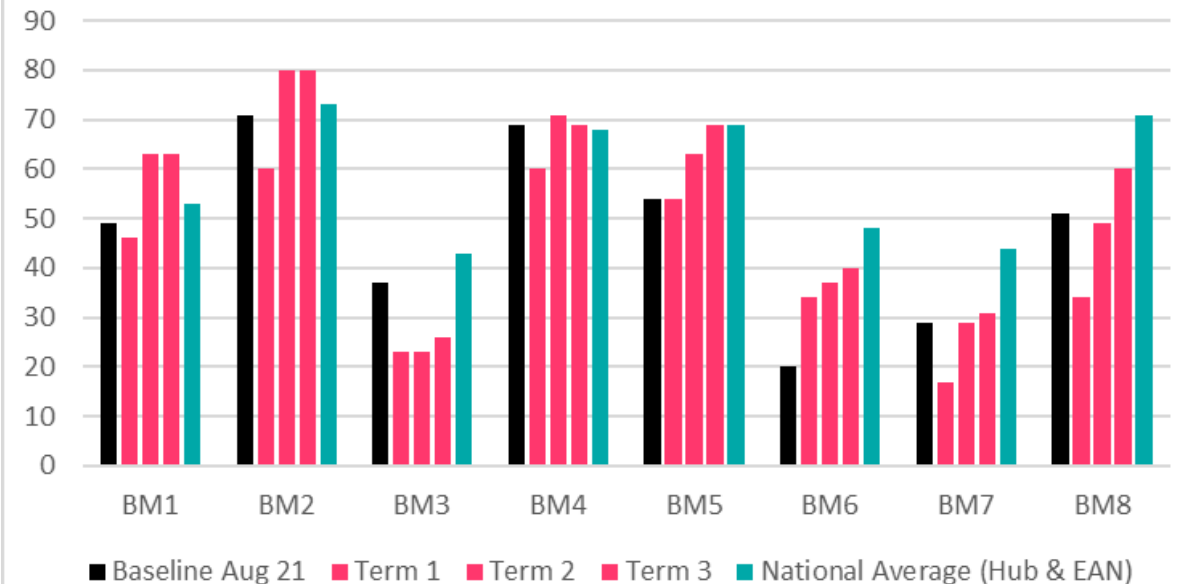
## Performance against Targets

The data below provides information collected from the most recent Compass reports submitted by the EAN area and Careers Hub schools and colleges (July 2022), as well as national data from Careers and Enterprise Company (CEC) on how the programme is progressing towards meeting our contractual targets. Graphs show the % of institutions fully achieving each benchmark (at 100%).

Coast to Capital Enterprise Adviser Network



Coast to Capital Careers Hub





**Reference:** Coast to Capital Board Meeting  
**Date:** 13 October 2022  
**Report Title:** Chair's Report  
**Report by:** Julie Kapsalis  
**Item No:** 3b  
**Part:** A

---

## Recommendation:

- The Board is asked to **note** the Chair's Report.
- 

## 1. Chair's Report

I am pleased to provide the following summary of my activity as Chair since our last Board meeting.

### Catalyst South

I continue my work as Chair of Catalyst South group of LEPs:

- Attended the LEP Network EDI workshop on the Black Entrepreneurs Programme
- Meeting with Skills and Public Sector Lead at KPMG
- Attended LEP Network Board virtual calls
- Attended The Gender Index Steering Group
- Chaired Catalyst South Chairs/CEOs meeting

### External Stakeholders

On behalf of Coast to Capital I attended the following external events/meetings:

- Attended the Dynamic Business Awards – received the Corporate Social Responsibility Award
- Meetings with Surrey Chamber of Commerce to inform the successful bid for the Local Skills Improvement Plan for Surrey and Hampshire
- Meeting with Fiona Shafer (MDHub) and Lesly Alcock (Platinum) to plan feature on ESG in 2023 Platinum Magazine
- Meeting with Carlene Jackson, Cloud 9 Insight
- Attended Surrey Skills Leadership Forum
- Attended One Surrey Growth Board
- Attended 'No One Left Behind – Skills & Employment Network' – Surrey County Council

- Speaker at The Future of UK Infrastructure Delivery and the Levelling Up Agenda
- Host of the Women in Construction lunch at the SE Construction Expo
- Appointed to the Regional Clusters Advisory Board and attended the first Board
- Meeting with University of Chichester, Surrey Wildlife Trust and Nescot to explore work on NatureTech and skills development
- Attended Gatwick Diamond Business Annual General Meeting
- Quarterly meeting with Gatwick Airport Limited

### **Internal and Board Member Meetings**

- I continue to hold weekly meetings with Tony as the acting CEO
- Attended a meeting with Cllr Paul Marshall and Becky Shaw to discuss ongoing relations with WSCC
- Meeting with Matt Furniss, Surrey CC
- Meeting with Karen Dukes and Richard Hopkins

## **2. Diversity Statement**

Any Equality, Diversity and Inclusion work undertaken by me for Coast to Capital has been referenced in the report.

## **3. Legal Statement**

This paper has undergone a legal review by the Accountable Body.

## **4. Finance Statement**

There are no decisions to be taken in this report and therefore no financial implications.



**Meeting:** Coast to Capital Board Meeting  
**Date:** 13 October 2022  
**Report Title:** Financial Statement Approval  
**Report by:** Carli Foster  
**Item No:** 5a  
**Part:** A

---

## Recommendation:

Following review by the Audit and Risk committee, the Board is asked to **approve** the draft financial statements for the year ended 31 March 2022.

---

## Context

The audit has now been completed and the draft financial statements for the year ended 31 March 2022 are presented for review.

### Financial Summary

Total income for 2021-22 was £3.9m compared to £6.1m in 2020-21 a decrease of £2.2m (37%) driven by grant income receivable.

The prior year figure includes £2.8m of grants issued by Coast to Capital in response to COVID 19 compared to £1.3m in 2021-22. Prior year also included £0.2m in relation to EU transition funds.

Local authority contributions were £360k in 2021-22 compared to £420k in 2020-21.

Contracted grant income decreased from £1.2m to £1m and Projects reduced from £0.7m to £0.4m due to lower staff costs.

Total expenditure for 2021-22 was £3.6m (£6m 2020-21), which includes £1.3m relating to grants issued by Coast to Capital in response to COVID 19. The decrease is due to tight control over discretionary spend maintained in response to uncertainty surrounding the future of the organisation.

Headcount at the start of the financial year was 35 and is 23 as at 31 March. There has been a freeze on recruitment including replacing employees who have left throughout the year.

There was an unrestricted surplus of £220k at the end of the year, which

brings reserves to £1.3m.

The year-end cash position was £2m.

## **Resources expended**

### **Corporate**

(£94k, 10%) YoY reduction driven by lower staff and overhead costs.

### **Strategy & Policy**

(£194k, 59%) YoY reduction in costs due to the Local Industrial Strategy being cancelled and then an internal restructure. However, the Skills work continued.

### **Projects**

(£1.8m, 51%) reduction in costs due to COVID 19 recovery grants. Local Growth Fund costs were also higher in the prior year as a result of the Getting Building Fund.

### **Services**

(£341k, 27%) decrease YoY as 2020-21 included £204k related to EU transition and £171k for Growth Champion costs.

Growth Hub costs were £30k less than last year due to a reduction in staff costs. The Peer to Peer network was £118k compared to £150k last year as 8 Cohorts delivered rather than 10.

The decreases were offset by £110k related to the regional projects team delivering consultancy work.

## **Balance sheet**

### **Fixed Assets**

The Fixed Asset balance relates to the office move costs to Pacific House and office equipment. All assets related to the fixtures and fittings at Pacific House were written off due to the lease being terminated.

### **Other debtors**

Other debtors of £279k includes funding for activities delivered in 2021-22 which at year end was not received (Peer to Peer £119k, EAN £39k, WSCC contribution £85k and consultancy income £35k), these are not considered to be at risk.

Interest on funds held with Croydon Council 54k (settled in Apr-22)

Rent deposit £34k (received in Apr-22)

Prepayments £57k

### **Creditors**

The balance of £1m includes the following:

Trade creditors £180k  
Accruals £211k (£187k relates to Accountable Body Fees)  
Other Creditors £58k GPF capital repayments to be transferred to BHCC  
EAN funds £72k  
Skills fund £34k  
Seeda legacy fund £29k  
Getting Building Fund £25k  
ERDF £253k  
PAYE, Pension and Corporation tax £57k

### **Management response to accounting and internal control points raised**

Due to ongoing uncertainty around the future of the organisation and funding, we don't have the resources or capacity to change accounting system. However, we will work with the external bookkeeper to see if we can improve our current accounting system and processes.

The management reporting is currently being redesigned to reduce manual data manipulation and will be presented to management on a monthly basis. The financial performance and position of the organisation is scrutinised by the Finance and Resources Committee on a quarterly basis. We are also reviewing the process for making this available to the Board of Directors.

The accounts not being kept up to date in the first quarter of this financial year was an exceptional event due to staff shortages and maternity leave. Everything is now up to date and invoicing will be done promptly going forward.

### **Diversity Statement**

There are no diversity implications for consideration.

### **Legal Statement**

This paper has been reviewed by Brighton and Hove City Council as the Accountable Body.

### **Financial Statement**

Financial information has been prepared in line with the financial statements provided by the independent auditors.

### **Annexes:**

Annex D - Draft Financial Statements for the year ended 31 March 2022  
Annex E - Key Audit Findings

**Registered number: 08166412**

**This draft produced on 9/8/2022 09:48**

## **Coast to Capital**

**(A company limited by guarantee)**

**Directors' report and financial statements**

**For the year ended 31 March 2022**

DRAFT

**Coast to Capital**  
**(A company limited by guarantee)**

**Company Information**

**Directors**

J Arnell  
M Brunt  
K Dukes  
R Hopkins  
A Jones  
D Joy  
J Kapsalis  
R Liard  
P Marshall  
C Mason  
S Gunner (appointed 8 December 2021)  
A Middleton (appointed 1 December 2021)  
F Rutter  
J Longmore  
P Mac Cafferty  
N Bramhall (appointed 25 May 2021)

**Registered number**

08166412

**Registered office**

DMH Stallard  
Griffin House  
153 High Street  
Crawley  
West Sussex  
RH10 1DQ

**Coast to Capital**  
**(A company limited by guarantee)**

**Contents**

	Page
<b>Directors' report</b>	1 - 4
<b>Independent auditors' report</b>	5 - 8
<b>Statement of comprehensive income</b>	9 - 10
<b>Balance sheet</b>	11
<b>Notes to the financial statements</b>	12 - 19

DRAFT

**Coast to Capital**  
**(A company limited by guarantee)**

**Directors' report**  
**For the year ended 31 March 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Principal activities and business review**

Coast to Capital is one of 38 Local Enterprise Partnerships (LEPs) across England - but the only one lucky enough to be responsible for driving the economic growth and sustainable success of this beautiful, vibrant, and exceptionally well-connected region.

As a LEP, we are here to provide strategic leadership, connect business with support and act as a catalyst for transformational change. As an ambitious and professional business-led collaboration between the private, public and education sectors we work in partnership to deliver a successful strategy for economic growth.

The economic hubs of Greater Brighton, West Sussex, and East Surrey each have their own distinct sense of identity, offering a powerful draw for businesses, entrepreneurs, and visitors from London, across the UK and the rest of the world.

We concentrate on the most important opportunities to sustainably grow our business base, attracting investment, and generating jobs. We aim to build an economy which is more diverse and more resilient, and with the necessary infrastructure upgrades to drive job creation, build supply chains between large and small business and provide training opportunities for residents. We are committed to harnessing this responsibility and position of influence by providing leadership to the regional economy.

Over the past year, we got to grips with new opportunities and ongoing challenges by restructuring the organisation based on emerging priorities, with teams in place to support Business & Engagement, Skills, Innovation & Labour Markets, Regional Projects and Investment. Together, we are proactively looking to carve out our future to continue to be the strategic leaders of regional economic development.

**Coast to Capital**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**For the year ended 31 March 2022**

Our Growth Hub responded to over 1300 business support enquiries, advising on complex challenges and opportunities arising from Brexit and the COVID-19 pandemic.

Our Investment team have continued to monitor our portfolio of over 120 projects such as the University of Chichester Nursing school which started taking students from September, made possible with a £1.2 million Getting Building Fund (GBF) investment from Coast to Capital. Our flagship £8.65 million GBF project, the Crawley Innovation Centre, also made progress as the future site was announced, placed right at the heart of the Manor Royal Business Improvement District.

The work of our Skills Board continued to set out a regional skills strategy to match the needs of our economic geography and to ensure that both HE and FE provision is relevant to employers' requirements.

We also supported the regional economy by forming a 'Regional Projects' department, drawing on the vast specialist knowledge from across the organisation. Colleagues have since provided support to partners ranging from Business Case development, expert funding advice and data analysis. This approach has enabled us to diversify our income, marking a departure from our publicly funded business model by piloting a consultancy arm of the business.

Our work on Equality, Diversity and Inclusion is breaking boundaries and challenging convention. Diversity fosters growth and innovation and is integral to the delivery of our strategy and we are proud that this year, Coast to Capital continued to champion diversity and was the first LEP to sign up to the 'Investing in Women Code'.

**Our main achievements during 2021/22 included:**

- Delivering a successful second Peer Networks programme for SMEs.
- Successfully delivering our commitments in relation to our £276 million Local Growth Fund, £23.7 million Growing Places Fund and £19.2 million Getting Building Fund.
- Delivering the Enterprise Advisor Network, the Careers Hub.
- Responding to Government investment in the economy by supporting regional projects with £1.57 million allocated to 20 projects for Business Case development.

**Future priorities**

Looking ahead, government's recently published Levelling-Up White Paper marked a watershed moment for LEPs, formally embedding them in the policy agenda for the first time and setting the course for their future relationship with national and local government.

It has been a clear affirmation of the role LEPs have played in regional economic growth and builds on our recent achievements, and we look forward to sharing our priorities for the year ahead in our 2022/23 Business Plan, set to be published in the summer.

In line with government's commitment, we will continue to deliver key services and programmes that work towards building a stronger, smarter and greener economy.



**Coast to Capital**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**For the year ended 31 March 2022**

This includes embedding a strong, independent, and diverse local business voice in regional decision making, developing strategic economic plans in partnership with local leaders, and delivering several functions on behalf of government departments including:

- Strategic regional economic planning such as the development of a local economic strategy that aligns with priorities in the Levelling Up White Paper.
- Programmes such as the Growth Hub business advice service, the Careers Hub and maintaining local skills and labour market intelligence.
- Monitoring and reporting to Government on Local Growth Funds and Getting Building Fund grant award projects.
- Supporting local partners by embedding a business voice into local economic strategy as well as supporting the submission of bids to the UK Shared Prosperity Fund and future rounds of Levelling Up Funding.
- We may be invited to contribute to, and support devolution deals, where our partners decide to pursue these.

We welcome the confirmation from Ministers that Coast to Capital will continue to play a key role in supporting local economies. This reflects a substantial programme of work up to 2030 and gives us the clarity we have long sought, enshrining a clear role for local business leaders in the future devolution landscape.

Whilst our core funding allocation has been reduced, we have been working hard to reconfigure LEP operations and have confidence that we can continue to deliver an exceptional service. We have a clear vision and direction and look forward to working with government on this exciting agenda.

A key part of our work in supporting the regional economy and our partners will continue to be to offer a consultancy service to deliver specific commissions on behalf of our partners.

Our activity in the next financial year will be delivered with the support of our Accountable Body, Brighton and Hove City Council.

**Directors**

The directors who served during the year were:

J Arnell  
M Brunt  
K Dukes  
M Harris (resigned 31 March 2022)  
R Hopkins  
D Humphreys (resigned 10 November 2021)  
A Jones  
D Joy  
J Kapsalis  
C Kemp (resigned 7 May 2021)  
R Liard  
P Marshall  
C Mason  
S Gunner (appointed 8 December 2021)  
A Middleton (appointed 1 December 2021)  
F Rutter  
J Sharrock (resigned 18 November 2021)  
J Longmore  
P Mac Cafferty  
N Bramhall (appointed 25 May 2021)

**Coast to Capital**  
**(A company limited by guarantee)**

**Directors' report (continued)**  
**For the year ended 31 March 2022**

**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.

**Auditors**

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

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

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

.....  
J Kapsalis  
Director

Date:

**Coast to Capital**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of Coast to Capital**

**Opinion**

We have audited the financial statements of Coast to Capital (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of 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 2022 and of its profit 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

**Coast to Capital**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of Coast to Capital (continued)**

**Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

**Coast to Capital**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of Coast to Capital (continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

*Capability of the audit in detecting irregularities, including frauds*

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation, and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud;
- Assessment of identified fraud risk factors;
- Confirmation of related parties to registers, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business;
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships; including related party transactions, that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance;
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions;
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation;
- Agreeing the existence of cash balances at the year end to online banking.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Coast to Capital**  
**(A company limited by guarantee)**

**Independent auditors' report to the members of Coast to Capital (continued)**

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 of 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 Auditors' 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 Auditors' 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.

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.

**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 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.

Richard Spofforth (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

Horsham  
Date:

**COAST TO CAPITAL**  
(A company limited by guarantee)

**Statement of comprehensive income**  
**For the year ended 31 March 2022**

	Note	Core £	Contracted £	Discretionary £	Projects £	COVID Recovery £	2022 £	2021 £
<b>Incoming resources</b>								
Interest receivable and similar income		189	-	-	123,671	-	123,860	132,897
Grant income receivable		989,720	984,619	-	370,197	1,254,907	3,599,443	5,693,229
Operating income		109,505	-	-	-	-	109,505	250,003
Management charges receivable		-	-	-	31,200	-	31,200	30,000
<b>Total income</b>		<b>1,099,414</b>	<b>984,619</b>	<b>-</b>	<b>525,068</b>	<b>1,254,907</b>	<b>3,864,008</b>	<b>6,106,129</b>
<b>Resources expended</b>								
Corporate affairs		(36,440)	-	-	-	-	(36,440)	(137,192)
Governance and board		(288,488)	-	-	-	-	(288,488)	(357,278)
Administration		(450,267)	-	-	-	-	(450,267)	(289,665)
Business engagement and communications		(80,795)	-	-	-	-	(80,795)	(166,085)
<b>Corporate</b>		<b>(855,990)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(855,990)</b>	<b>(950,220)</b>
Strategy and policy		-	-	(57,953)	-	-	(57,953)	(256,802)
Skills		-	(77,559)	-	-	-	(77,559)	(65,455)
European Structural Investment Fund		-	-	-	-	-	-	(7,255)
<b>Strategy and policy</b>		<b>-</b>	<b>(77,559)</b>	<b>(57,953)</b>	<b>-</b>	<b>-</b>	<b>(135,512)</b>	<b>(329,512)</b>
Local Growth Fund		-	-	-	(190,534)	-	(190,534)	(375,026)
Business Growth Grants		-	-	-	(21,576)	-	(21,576)	(120,655)
Growing Places Fund		-	-	-	(149,628)	-	(149,628)	(171,096)
Backing Business Grants/Getting Building		-	-	-	(39,659)	-	(39,659)	(1,970,699)
Skills and innovation		-	-	-	(28,512)	-	(28,512)	-
Business Recovery Grants		-	-	-	-	(1,254,907)	(1,254,907)	(840,502)
<b>Investments (Projects)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(429,909)</b>	<b>(1,254,907)</b>	<b>(1,684,816)</b>	<b>(3,477,978)</b>

**COAST TO CAPITAL**  
**(A company limited by guarantee)**

	Note	Core £	Contracted £	Discretionary £	Projects £	COVID Recovery £	2022 £	2021 £
Enterprise Advistor Network		-	(216,197)	-	-	-	(216,197)	(226,471)
Growth Hub		-	(500,594)	-	-	-	(500,594)	(536,500)
Growth Champions		-	-	-	-	-	-	(170,877)
Peer to Peer		-	(118,922)	-	-	-	(118,922)	(150,000)
Regional		-	(110,404)	-	-	-	(110,404)	-
EU Transition		-	-	-	-	-	-	(203,535)
<b>Services</b>		-	(946,117)	-	-	-	(946,117)	(1,287,383)
<b>Total resources expended</b>		(855,990)	(1,023,676)	(57,953)	(429,909)	(1,254,907)	(3,622,435)	(6,045,093)
<b>Surplus before taxation</b>		243,424	(39,057)	(57,953)	95,159	-	241,573	61,036
Taxation							(21,080)	(25,816)
<b>Surplus for the financial year</b>							<b>220,493</b>	<b>35,220</b>

There was no other comprehensive income for 2022 (2021:£nil)

The notes on pages 11-19 form part of these financial statements.



**Coast to Capital**  
**(A company limited by guarantee)**  
**Registered number: 08166412**

**Balance sheet**  
**As at 31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	6	<u>4,476</u>	<u>77,971</u>
		<b>4,476</b>	<b>77,971</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	423,873	759,338
Cash at bank and in hand	8	<u>1,986,860</u>	<u>2,110,651</u>
		<b>2,410,733</b>	<b>2,869,989</b>
Creditors: amounts falling due within one year	9	<u>(1,091,123)</u>	<u>(1,844,367)</u>
<b>Net current assets</b>		<b>1,319,610</b>	<b>1,025,622</b>
<b>Total assets less current liabilities</b>		<b>1,324,086</b>	<b>1,103,593</b>
<b>Net assets</b>		<b>1,324,086</b>	<b>1,103,593</b>
<b>Capital and reserves</b>			
Profit and loss account		<u>1,324,086</u>	<u>1,103,593</u>
		<b>1,324,086</b>	<b>1,103,593</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

.....  
**J Kapsalis**  
 Director

Date:

The notes on pages 12 to 19 form part of these financial statements.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**1. General information**

Coast to Capital is a private company limited by guarantee and is incorporated in England and Wales with the registration number 08166412. Its registered office is Dmh Stallard, Griffin House, 153 High Street, Crawley, West Sussex, England, RH10 1DQ.

The principal activity of the Company as a Local Enterprise Partnership is to provide strategic leadership, connect businesses with support and act as a catalyst for transformative change.

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in GBP which is the functional currency of the company and are rounded to the nearest £1.

The following principal accounting policies have been applied:

**2.2 Going concern**

The funding streams available to the company, together in terms of its core grant, other grants and contracted services, have been assessed with the associated costs and future projected cash flows. The directors have a reasonable expectation that the company has adequate resources to continue its activities for the foreseeable future. The directors have considered the level of funds currently held and the expected level of income and expenditure for a period of twelve months from finalisation of these financial statements. These considerations take into account the expected impact of COVID on funding streams and have concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Directors' responsibilities.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Operational income**

Income arising in the period is analysed into either Operational Income or Central/Local Government Grant Funding. Operational income includes fees to cover the costs of administration and monitoring projects.

**Core**

This income is funded by our Core grant from Government and contributions from our Local Authority partners.

**Contracted**

We receive grants to fully fund the Growth Hub and part fund the Enterprise Adviser Network (50%). Contracted also includes income from consultancy projects commissioned by local authorities and businesses.

**Project**

Local Growth Fund (LGF) and Growth Grants are fully capitalised and we receive commercial revenue from our Growing Places fund which is also capitalised.

**2.4 Expenditure**

Costs directly attributable to specific projects are charged against the income and shown as an expense. Where Coast to Capital incurs costs which may be partly attributable to Operational Income and partly to specific projects then the Board allocate such expenditure based on a fair and reasonable assessment of the time and cost expended on each project.

**Core**

Our core expenditure includes provision for our corporate affairs function including the Chief Executive, Governance, Board and Accountable Body services. It also includes the administration of the office and corporate overheads, and our business engagement and communication function.

**Contracted**

Our contractual expenditure includes provision for delivering services for Government such as the Growth Hub, Enterprise Advisor Network and our Peer to Peer networks and Skills work.

**Discretionary**

Our discretionary expenditure includes provision for delivering our Policy & Strategy work.

**Project**

Our project expenditure includes provision for the costs of administering and scrutinising the Local Growth Fund (LGF), Growing Places Fund (GPF) and the Growth Grant programme.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**2. Accounting policies (continued)**

**2.5 Government grants**

**Capital Grants**

Capital grants are funded from Government to provide loans and grants to companies. The requirement of Government is to use "Accountable Bodies" to hold and manage these large amounts of public monies. Brighton and Hove County Council was the Accountable Body for 2021-22 and they manage and deploy all capital funding on behalf of Coast to Capital under a formal management agreement.

Where Coast to Capital has made loans, from these funds, to companies and organisations these loans are not recognised in the financial statements as, in the opinion, of the directors these do not meet the definition of an asset under FRS 102 Section 17 by virtue of the fact that all capital repayments are made to the Accountable Body and therefore no economic benefit will be derived from the loans.

Capital funds that have not been drawn down from the Accountable Body are excluded from the financial statements on the same basis.

The financial statements do not include any liability due to these funds in respect of funds drawn down nor any reserves in respect of these funds.

Further details in respect of the capital grants and loans are disclosed in the notes to these financial statements.

Coast to Capital also acts as agent and receives and pays out grants to claimants on receipt of grant claims. These grants are excluded from the Statement of Comprehensive Income.

**Revenue Grants**

Coast to Capital also receives Government Grants which are revenue in nature and are for the benefit of the LEP, the funds received are under the control of the directors. These are accounted for in the period to which they relate and in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

**2.6 Interest income**

Interest is accounted for on receivable basis. Where accrued interest is outstanding and there is any doubt as to its recoverability, a provision is made equal to its irrecoverable amount. Interest subsequently recovered is recognised in the period in which it is received.

**2.7 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**2. Accounting policies (continued)**

**2.8 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 5 years
Office equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**2.11 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.12 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.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**2. Accounting policies (continued)**

**2.13 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no estimates and assumptions which have had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**4. Employees**

The average monthly number of employees, including directors, during the year was 28 (2021 - 32).

**5. Interest receivable**

	<b>2022</b> <b>£</b>	2021 £
Interest receivable on loans	<b>2,081,686</b>	1,022,823
Less provision against overdue interest	<b>(1,828,295)</b>	(890,223)
Bank interest	<b>189</b>	297
	<b>253,580</b>	132,897

The company receives interest on its cash at bank and is entitled to interest on loans made to companies and organisations from the Growing Places Fund. The company is also entitled to interest on capital on the Growing Places Fund held by the Accountable Body.

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**6. Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 April 2021	<b>99,299</b>	<b>26,854</b>	<b>126,153</b>
Disposals	<b>(99,299)</b>	<b>-</b>	<b>(99,299)</b>
At 31 March 2022	<b>-</b>	<b>26,854</b>	<b>26,854</b>
<b>Depreciation</b>			
At 1 April 2021	<b>34,755</b>	<b>13,427</b>	<b>48,182</b>
Charge for the year on owned assets	<b>19,860</b>	<b>8,951</b>	<b>28,811</b>
Disposals	<b>(54,615)</b>	<b>-</b>	<b>(54,615)</b>
At 31 March 2022	<b>-</b>	<b>22,378</b>	<b>22,378</b>
<b>Net book value</b>			
At 31 March 2022	<b>-</b>	<b>4,476</b>	<b>4,476</b>
At 31 March 2021	<b>64,544</b>	<b>13,427</b>	<b>77,971</b>

**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**7. Debtors**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Other debtors	<b>367,022</b>	645,570
Prepayments and accrued income	<b>56,851</b>	113,768
	<b>423,873</b>	759,338

Other debtors includes grant funding for activities delivered in 2021-22 which at year end was not received of £278,728, interest on funds held with Croydon Council from the prior year of £53,969 and a rent deposit of £34,325.

**8. Cash and cash equivalents**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>1,986,860</b>	2,110,651
	<b>1,986,860</b>	2,110,651

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

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Trade creditors	<b>180,457</b>	152,121
Corporation tax	<b>21,080</b>	25,250
Other taxation and social security	<b>26,379</b>	38,461
Other creditors	<b>66,576</b>	16,608
Accruals and deferred income	<b>796,631</b>	1,611,927
	<b>1,091,123</b>	1,844,367

Accruals and deferred income includes deferred income of £585,367. Primarily relating to monitoring fees of £122,979 (2021 - £163,937), SEEDA Legacy Funding for Growth Hub 2018/2021 of £29,229 (2021 - £33,279), Business recovery grants of £2,113 (2021 - £659,511), LGF funding for the office move of £nil (2021 - £45,500), European Regional Development Fund of £252,843 (2021 - £252,843), Getting Building Fund of £25,341 (2021 - £65,000), Skills Advisory Panel of £34,009 (2021 - £45,167), Backing Business Grants of £34,525 (2021 - £30,356) and other deferred income of £84,328 (2021 - £71,493).

**10. 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.



**Coast to Capital**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the year ended 31 March 2022**

**11. Loans to organisations and companies**

The company has made loans to organisations and companies using the Growing Places Fund.

The capital and interest outstanding at the year end was £11,781,489 (2021 - £22,937,619). During the year interest and other charges due to the company totalled £627,951 (2021 - £1,022,823), of this amount £123,671 (2021 - £132,900) was received together with a further £Nil (2021 - £Nil) due from earlier periods. During the year interest of £2,839,546 relating to earlier periods and capital of £8,598,355 was written off as irrecoverable by the Accountable Body.

The company returned £205,900 (2021 - £16,609) to the Growing Places Fund during the year. There were no advances of capital this year (2021 - £Nil). This note makes no assessment of the recoverability of the loans to organisations and companies.

**12. Capital loan fund**

The company has access to the Growing Places Fund, which it can use to make loans to organisations and companies (see note 11). The total amount of the fund is £11.7m.

During the year the company repaid £205,900 (2021 - £16,609) to the fund. A further £Nil (2021 - £1,630,818) was reallocated from the Local Growth Fund as part replenishment of funds used in the COVID rapid response Backing Business Grant scheme successfully delivered to assist small companies to adapt to the challenges of the pandemic. Any unused revenue grant is repayable to the Growing Places Fund.

**13. Contingent liabilities**

As part of its normal commercial activity, the company has undertaken activities on behalf of partner organisations covering the delivery of specific projects. These projects have been funded by grants received by those partners from the European Regional Development Fund, European Social Fund and the Department for Business Innovation and Skills.

The terms of those grants provide for all or part of the grants to be repaid if the projects were deemed not to have been completed in accordance with the grant terms following inspection by UK and European auditors. European Commission regulations require all documentary evidence relating to projects be kept available for inspection by auditors.

The directors are of the opinion that the likelihood of repaying any monies received is remote and no provision has been made.

**14. Commitments under operating leases**

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Not later than 1 year	<b>4,137</b>	57,208
Later than 1 year and not later than 5 years	-	114,416
	<b>4,137</b>	171,624



# Coast to Capital Key Audit Findings

For the year ended

**31 March 2022**

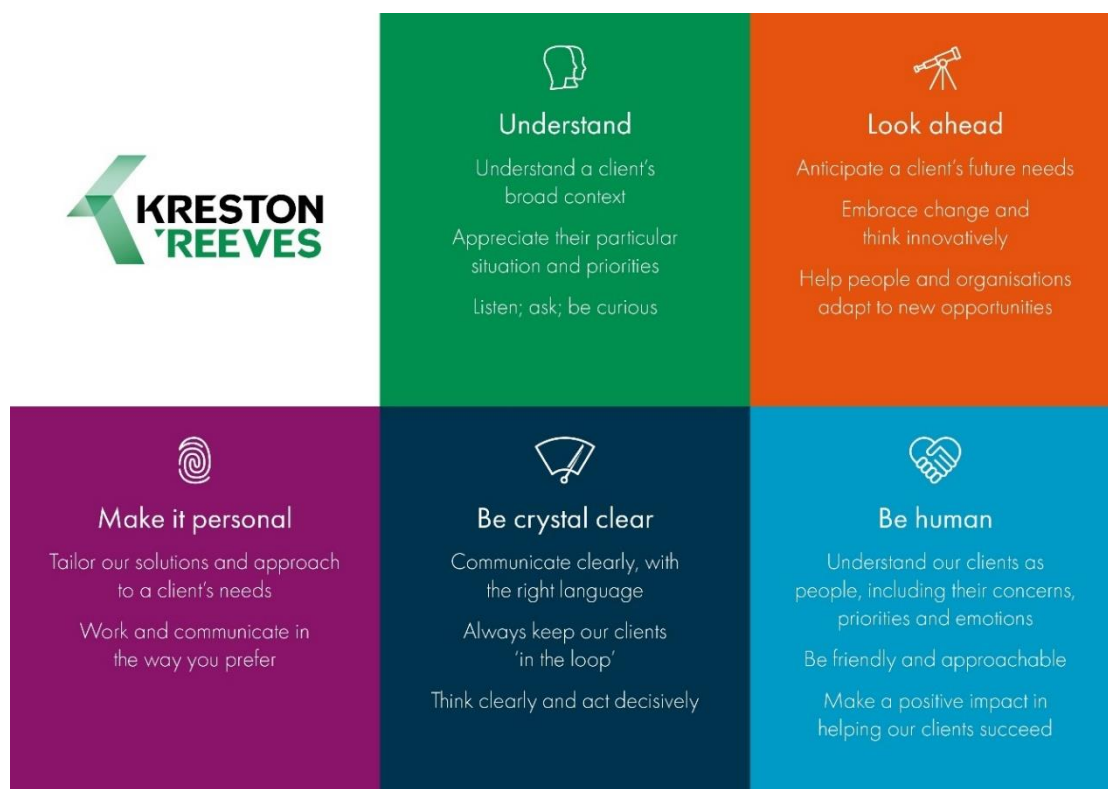
Knowing all your business,  
tax and wealth needs

# Our values



Our values define who we are and how we do things at Kreston Reeves. They reflect our attitudes and behaviours and represent a promise of quality, personal service and commitment to our clients, communities and colleagues.

Collectively and individually we aim to:



## Our awards

We are regularly recognised and shortlisted in prestigious national, regional and industry awards. As well as receiving award recognition ourselves, it's important to us to help recognise and award the successes and growth stories of other businesses. We regularly support and sponsor awards such as Kent MegaGrowth and Sussex Super Growth Awards.



**Key Audit Findings  
For the year ended 31 March 2022**

**Index**

	<b>Page no</b>
1. Introduction and audit summary	1
2. Audit report	3
3. Key audit matters	3
4. Data analytics	4
5. Taxation	6
6. Misstatements encountered during the audit	7
7. The accounting and internal control systems	8

**Appendices**

Appendix I	- Other matters required by International Standards on Auditing to be communicated to you	10
Appendix II	- Summary of adjusted misstatements	11
Appendix III	- Summary of unadjusted misstatements	12
Appendix IV	- Summary of recommendations regarding the accounting and internal control system	13

## Key Audit Findings For the year ended 31 March 2022

### 1. Introduction and audit summary

The purpose of this report is to bring to your attention our findings from the recent audit carried out on Coast to Capital. We appreciate that you will already be aware of the majority of the matters contained in this report through earlier discussions you will have had with the audit team, but we hope that you will find this report a useful summary of those discussions.

We would like to take this opportunity to thank David Smith, Carli Foster and the rest of your accounts team for the assistance they have provided to us during the course of our audit.

Our audit has given us a unique opportunity to understand your business and processes. We have used this opportunity to provide you a service that is of real positive benefit to you.

During the course of our audit work this year we have performed the following tasks which we hope that you will have found to have been of benefit.

- We have assisted you with the preparation of the company's financial statements, ensuring that they comply with all statutory requirements and with accounting standards. In doing so we have ensured that the company has taken advantage of any accounting exemptions available to it so as to avoid any unnecessary over-disclosure of the company's affairs that are not required to be published in publicly available financial statements.
- We have worked with you to prepare the directors' report, ensuring that the company's narrative reporting complies with legislation and provides an accurate reflection of the business' performance and of the risks and uncertainties it faces.
- In order to be able to assist you with the preparation of the company's financial statements we have highlighted to you misstatements in the accounting records discovered by our audit work, and worked with you to ensure that where material these have been corrected. Further information related to misstatements discovered during our audit are set out in Section 6 of this report and supporting Appendices II and III.
- As part of our audit we have reviewed the financial reporting framework under which the company prepares its financial statements. As part of this review we have ensured that the company is complying with Generally Accepted Accounting Principles as well as best practice for your industry sector.
- With the assistance of our specialist tax department we have calculated the company's corporation tax liability for the year. In doing so we have ensured that all relevant reliefs have been taken advantage of in order to minimise the company's liability. Following approval of the financial statements and the completion of our audit our tax team will produce your tax return and work with you to ensure that the company's filing obligations are met. This will include ensuring that the company's financial statements comply with electronic tax filing requirements. For further details see Section 5 of this report.

**Key Audit Findings**  
**For the year ended 31 March 2022**

- We have advised you of planned future changes to corporation tax that are likely to affect the company, providing an indication of their likely impact on the company's future tax liabilities and the timing of their payment. These changes are detailed at Section 5 of this report.
- We have reviewed the company's systems of accounting and internal control systems and made recommendations where these can be improved. These are detailed at Section 7 of this report.

Should you have any questions regarding any of the issues raised in this report please contact Richard Spofforth as the partner responsible for the audit of your company, or any other member of the audit team, who will be happy to provide further explanations as required.

**Kreston Reeves LLP**

Statutory Auditor  
Chartered Accountants

July 2022

### Key Audit Findings For the year ended 31 March 2022

#### 2. Audit report

We can confirm that our audit has not revealed any matters which will require modifications to our audit report. Thus at this stage we expect that an unqualified audit opinion will be issued.

#### 3. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of greatest significance in our audit of the financial statements. These include the significant risks of potential material misstatement that we identified during our planning of the audit and had the greatest impact on our overall audit strategy, which we advised you of in the Audit Plan issued to you prior to the commencement of our work.

We can now report to you how our audit addressed these areas of significant risk and the conclusions we formed.

Area of risk	Audit response
Revenue recognition	<p>A sample of underlying documents was tested to ensure that they were correctly accounted for in the financial statements, based on our understanding of systems and controls, individually testing each material income stream. A sample of transactions around the year end was tested to ensure they had been accounted for in the correct period.</p> <p>No material misstatement was identified in the testing of revenue. Transactions tested were reported in the appropriate period.</p>
Management override of controls	<p>International Standards on Auditing require us to treat the management override of controls in place as a significant risk on all assignments.</p> <p>All material and high risk journals as determined through our data analytics software were reviewed and verified to supporting documentation or further testing.</p> <p>No indications of management override were identified.</p>

## Key Audit Findings For the year ended 31 March 2022

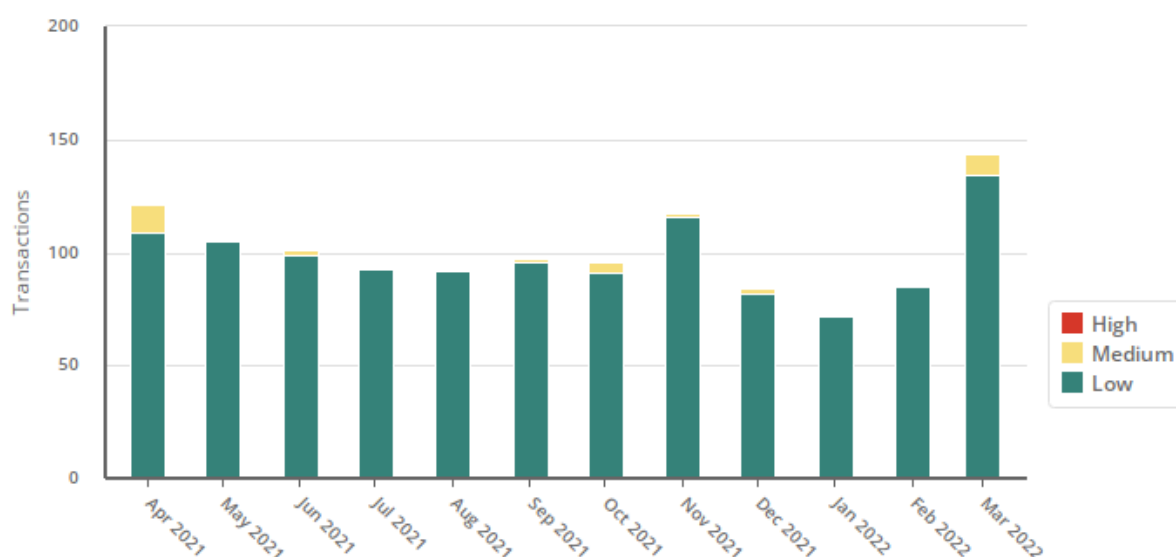
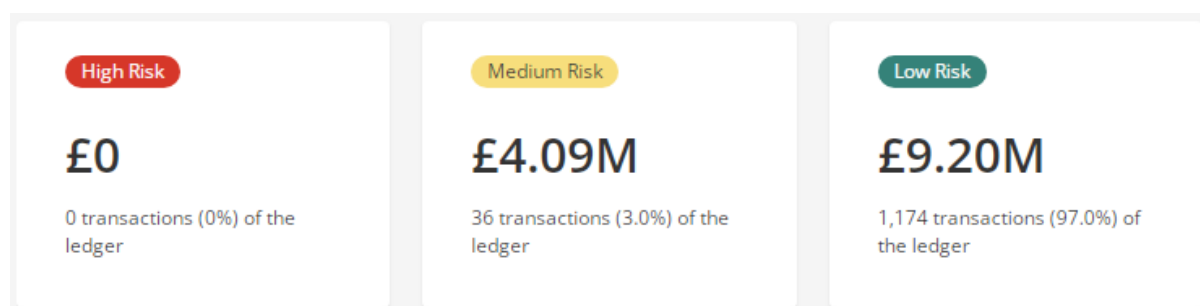
### 4. Data analytics

As previously communicated, we have used data analytics software to support our audit. Data analytics compliments our traditional audit methodology with a comprehensive, risk risk-based approach which through the power of computer assisted techniques examines 100% of the data population.

This risk-based approach is driven by a number of control points and it is the weighting of these control points that determines the assessed risk of a transaction. As detailed in our Audit Plan, this is an area where management can have valuable input to identify potentially high-risk transactions. We have used our knowledge of the company and the data analytics software to tailor the control points which has produced the following risk-based analysis.

#### Overview

The company's dataset has been analysed into the following risk categories:



The above graph shows the total number of transactions per month analysed by risk category.



### Key Audit Findings For the year ended 31 March 2022

#### *Transaction review*

Following this analysis, a number of transactions were selected for further scrutiny. As there were no high risk transactions identified, this included all transactions considered medium risk and a number of low risk transactions.

Review of these journals did not highlight any inappropriate transactions, and all were found to be within the normal and expected course of business based on our knowledge of the company's operations, systems and the sector in which it operates.

A significant number of the transactions reviewed included accruals adjustments. The assessment of these as high risk corroborates with our testing where accruals and provisions are tested to ensure they are reasonable and supporting evidence obtained for any estimates made.

In addition to this, a number of transactions were flagged in relation to specific control points as follows:

#### 1) Material value

- This control point sets the value for which transactions will be flagged which contain a value above the company's assessed material value.

16 transactions were identified and reviewed. These related to the recognition or movement of grant income, bank transfers and the write off of fixed assets.

#### 2) Transaction flow analysis score

- This control point carries a significant weighting as it combines three factors including high value and rare monetary flow where a combination of these factors can be an indicator of transactions which are outside of normal business control.

43 transactions were flagged in this area and a sample was further investigated. On review there were no journals that appeared outside the normal course of business and a significant number of journals were large manual adjustments such as prepayments and accruals around the year end which trigger the control point but are not unexpected given the nature of the business. Some of the year end journals relate to income that had not been invoiced or received at the year end.

#### *Summary*

Transactions in the data set appear to be genuine transactions made in the normal course of business, in line with our expectations and knowledge of the company.

**Key Audit Findings  
For the year ended 31 March 2022**

**5. Taxation**

As part of our audit we have assisted you in calculating the current and deferred tax provisions for inclusion in the financial statements. In order to ensure that our independence and objectivity as the company's auditor is not impaired this work has been undertaken with the assistance of our specialist corporation tax department.

These calculations show that the company has a liability to corporation tax for the year of £23,533 which will be due for payment on 31 December 2022 and provision has been made for this amount in the financial statements.

These provisions have been made based upon the information provided to us during the course of our audit. Following the approval of the financial statements we will provide you with the company's corporation tax return for your approval and confirm the details of the company's corporation tax liability for the year, which may differ from that shown above.

*Future tax changes*

The 2021 Budget Speech contained several changes to business taxation, which along with a number of further changes that had been previously announced may impact on your tax position.

Since 1 April 2017 there has been a single rate of corporation tax of 19% in place. From 1 April 2023, the main rate of corporation tax will rise to 25% for companies with profits over £250,000. For companies with profits of £50,000 or less, they will pay corporation tax at the small profits rate of 19%. Where a company's profits fall between £50,000 and £250,000, they will pay corporation tax at the main rate reduced by marginal relief. The upper and lower limits will be proportionally reduced for short accounting periods and where there are associated companies.

The ability for companies to take advantage of trading losses that have been incurred became more flexible from April 2017. Since that date, losses incurred can be used against profits from other income streams or the profits of other companies within a group, not just against future profits arising from the same trade. There are restrictions though, in that companies may only utilise losses carried forward against up to 50% of their profits above £5m.

Further changes to the treatment of losses have been introduced which took effect from 1 April 2020. From this date the proportion of annual capital gains that can be relieved by brought-forward capital losses will be limited to 50%. From that date the £5m allowance will relate to both capital and income losses.

There is a temporary extension of carry back for trading losses from 12 months to 3 years. The extension applies to trading losses arising in accounting periods ending between 1 April 2020 and 31 March 2022. Trading losses must be first carried back to preceding year before they can be utilised against earlier years. Whilst the trading losses carried back to preceding year are still unlimited, there is a maximum of £2,000,000 for unused trading losses that can then be carried back to the earlier 2 years.

### Key Audit Findings For the year ended 31 March 2022

Changes to capital allowances that have been announced include:

- Since 1 January 2019 the Annual Investment Allowance has been set at £1m for all qualifying investments in plant and machinery. Previously this allowance was only £200,000. This increase in the allowance is set to last until 31 March 2023. The intention is that it will revert back to £200,000 on 1 April 2023.
- From 1 April 2021 to 31 March 2023, a super deduction for capital allowances will be introduced. The super deduction provides 130% allowance for most new plant and machinery acquired by the business which would have qualified for capital allowances at 18% ordinarily. There is also a 50% first year allowance for special rate assets, that would usually qualify for capital allowances at 6%. Exclusions apply, assets must be new and not used, and some assets are excluded entirely such as cars.

For more information on how these changes may impact upon the company please contact your usual Kreston Reeves adviser.

#### *Making Tax Digital*

HMRC have an ambition to become one of the most digitally advanced tax administrations in the world, modernising the tax system to make it more effective, more efficient and easier for taxpayers to comply with.

A major step towards this ambition has been made with the introduction of Making Tax Digital (MTD) for VAT. From 1 April 2019, most VAT-registered entities with a taxable turnover above the VAT threshold of £85,000 have been required to use the MTD service to keep records digitally and use compatible software to submit their VAT Returns. From 1 April 2022, MTD for VAT will be extended to all VAT registered companies.

Plans to extend MTD to other areas of taxation, including corporation tax reporting, are awaited from HMRC, although it has now been confirmed that usage of MTD for Corporation Tax will not be mandated for businesses before 2026. We will keep you informed as further developments arise.

#### **6. Misstatements encountered during the audit**

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit. A number of such misstatements were discovered and following discussions with you and your staff the financial statements have been adjusted accordingly.

The adjustments are for Corporation Tax, a small adjustment to grants receivable and income and an adjustment to include the Business Recovery Grants in income and expenditure.

**Key Audit Findings  
For the year ended 31 March 2022**

Additionally the funds held by the Accountable Body are treated as cash at bank. Within this balance was £118,813 in respect of accrued income which had not been received until after the year end. We have reclassified to other debtors so as not to overstate the cash at bank.

A full summary of adjustments made to the company's results during the course of the audit, including a reconciliation between your management information and the financial statements, can be found within Appendix II.

You should review these adjustments in order to satisfy yourselves that they have been properly made. Confirmation that you have done so should be communicated to us within the letter of representation.

In addition, a number of unadjusted misstatements were discovered during the course of our audit. These are only presentation issue and have no impact on the results for the year.

A full summary of the significant unadjusted misstatements discovered during the course of our audit and their potential impact on the financial statements can be found within Appendix III. This does not include any misstatements discovered during the course of the audit which we consider to be trivial in nature.

We also note that within Account 2102 Other creditors there is liability of £22,468. The narrative is "Balance due from Croydon to be investigated". It is unclear whether this is a liability or not.

**7. The accounting and internal control systems**

As directors of the company you are responsible for ensuring that you have in place a system of internal control that is designed to protect the integrity of your accounting records and thus prevent and detect any irregularities that may occur, including any that may arise as a consequence of fraudulent activity.

The cornerstone of any system of internal control upon which many organisations will rely upon is the segregation of duties, ensuring that no one person can have control over the authorisation, performance and recording of transactions.

We appreciate that for a small organisation such as yours there can be difficulty in putting into place an effective system of internal control that incorporates the segregation of duties. Despite this you should ensure that your systems have in place adequate oversight of the accounting function. Our audit work has shown that your systems could be improved in this regard, for example:

- By moving onto an accounting package with:
  - o Bank transaction integration
  - o Automated purchase invoice processing
  - o Purchase order approvals
  - o Purchase invoice approvals
  - o Management reporting
- Providing monthly internal financial reports to the board, ensuring awareness and

**Key Audit Findings  
For the year ended 31 March 2022**

approval at Board level in a timely manner.

For advice on how to best implement these suggestions please do not hesitate to contact your usual Kreston Reeves adviser. A member of our cloud accounting team can assist with the conversion of historic data, system and process design and management report design.

We found during our work that as a result of the re-organisation that the accounts are not be kept up to date as regularly as before which made our post year end review work more protracted and that one items that would have been invoiced before the year was not invoiced until June 2022.

Please note that the purpose of the audit was to enable us to express an opinion on the financial statements. Our audit did include consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in such circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls. The matters being reported to you are limited to those deficiencies that we have identified during our audit, which was conducted on a test basis, and that we have concluded are of sufficient importance to merit being reported to you, but this does not represent a comprehensive statement of all weaknesses which may exist in the accounting and internal control systems or of all improvements which may be made. We can only address those matters which have come to our attention as a result of the audit procedures which we have performed.

**Key Audit Findings  
For the year ended 31 March 2022**

**Appendix I – Other matters required by International Standards on Auditing to be communicated to you**

*Audit report – further information*

Our audit report contains details of the scope of the audit of the financial statements conducted in accordance with legislative requirements and International Standards on Auditing. Further information on the scope of the audit is set out on the website of the Financial Reporting Council and can be found using the following link:

<https://www.frc.org.uk/Our-Work/Audit-and-Actuarial-Regulation/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>

The original audit report will be signed by Richard Spofforth, being the Senior Statutory Auditor for this assignment, for and on behalf of Kreston Reeves LLP. The financial statements incorporating the original audit report should be retained with the company's other permanent documents. Copies of the financial statements that require a signed audit report, including for filing with Companies House, will be signed as Kreston Reeves LLP as the statutory auditor.

Our audit report has been drafted in accordance with International Standards on Auditing and the latest guidance from the Financial Reporting Council and our Institute. This involves the inclusion of a paragraph which clarifies what our responsibilities as auditors are. It does not affect our responsibilities to the company or yourselves, nor does it mean we would be unwilling to accept responsibility to any third parties, providing that our specific agreement to do so is obtained beforehand.

*Independence*

We can confirm that we have re-evaluated our firm's independence in connection with the audit and can confirm that we are not aware of any factors affecting our independence or objectivity and thus our ability to continue to act as auditor of the company.

*Letter of representation*

Before we can complete our audit, we require from you a letter of representation on your headed notepaper. A draft version of such a letter accompanies this Memorandum. The letter will provide us with additional evidence in areas where we have relied upon representations from staff members during the audit. We suggest that this letter is signed by a representative member of the Board of Directors and that you make your own enquiries of staff to verify that you support the representations that have been made.

*Liability*

This report has been drafted solely to report to you as directors matters in relation to our audit. It has not been drafted with any third parties in mind and thus must not be disclosed to a third party, or quoted or referred to, without our written consent. We do not accept responsibility to any third party in respect of our audit or this report.

**Key Audit Findings**  
**For the year ended 31 March 2022**

**Appendix II - Summary of adjusted misstatements**

		Debit £	Credit £	Impact on profit/(loss) £
<b>Retained profit/(loss) as per accounts presented for audit</b>				<b>205,731</b>
Taxation	9001	21,080		
Corporation Tax	2320		(21,080)	
<i>Corporation tax charge</i>				(21,080)
Other Debtors	1102	35,842		
Grants Received	4210		(35,842)	
<i>To recognise grant income received - late client provided adjustment</i>				35,842
Grants Received	4003		1,254,907	1,254,907
<i>Grants paid</i>	8239	1,254,907		(1,254,907)
<i>Presentation of Business Recovery and Backing Business Grants</i>				
<i>Brighton and Hove CC - Bank Account</i>	1120		118,813	-
<i>Accrued income</i>	1102	118,813		-
<i>Peer to Peer Network Claims x 2 - Reclassify debtor from bank to accrued income</i>				
<b>Retained profit/(loss) as per revised financial statements</b>				<b>220,493</b>

Appendix III - Summary of unadjusted misstatements

	Debit £	Credit £	Impact on profit/(loss) £
<b>Misstatements that are errors of fact</b>			
Grants Received	9,565		
Other Income		(9,565)	
<i>Grant income incorrectly classified</i>			-
Grants Received	4,050		
Grant Expenditure		(4,050)	
<i>Grant income incorrectly recognised.</i>			-
			-

For greater details of the significant unadjusted misstatements discovered during the audit see Section 6.

We would request that you review these misstatements and consider amending the financial statements accordingly. If you decide not to amend the financial statements then your reasons for doing so should be communicated to us within the letter of representation.



**Key Audit Findings**  
**For the year ended 31 March 2022**

**Appendix IV – Summary of recommendations regarding the accounting and internal control system**

In order to assist management in using this report, we categorise our recommendations according to their level of importance:

- Importance 1** Major issues for the attention of senior management/potential significant implications for the company
- Importance 2** Other recommendations to be dealt with
- Importance 3** Minor points representing best practice

**Recommendation 1 – Accrued Income**

Peer to Peer Network claims (x2) were accrued into the year-end accounts. However instead of being recorded against accrued income debtor, the debit was included within the bank balance due from Brighton and Hove County Council (BHCC) suggesting that the funds had been received and were ready to pay across to Coast to Capital. We would only expect funds to be shown within the BHCC account when either they have been agreed with BHCC (in respect of capitalisations) or when BHCC have received the money to pay across to Coast to Capital. In this case the 2 Peer to Peer Network claims were not received by BHCC until 28/04/22 and 09/05/22 respectively therefore at the year-end should have been presented as accrued income and not cash at bank.

*Potential consequences*

The consequence of the above (if uncorrected) is that the bank balance was overstated, and accrued income understated by £118,814.

*Recommendation for corrective action*

We have corrected this in the financial statements and would recommend that at future financial year-end's that the bank account balance represents the balance as agreed by BHCC and that accrued income is correctly reported in debtors.



### London

2<sup>nd</sup> Floor  
168 Shoreditch High Street  
London  
E1 6RA

+44 (0)20 7382 1820

### Canterbury

37 St Margaret's Street  
Canterbury  
Kent  
CT1 2TU

+44 (0)1227 768231

### Brighton

Plus X Innovation Hub  
Lewes Road  
Brighton  
BN2 4GL

+44 (0)1273 811000

### Worthing

A2 Yeoman Gate  
Yeoman Way  
Worthing  
West Sussex  
BN13 3QZ

+44 (0)1903 828728

### Chatham Maritime

Montague Place  
Quayside  
Chatham Maritime  
Chatham  
ME4 4QU

+44 (0)1634 899800

### Horsham

Springfield House  
Springfield Road  
Horsham  
West Sussex  
RH12 2RG

+44 (0)1403 253282

### Chichester

9 Donnington Park  
85 Birdham Road  
Chichester  
West Sussex  
PO20 7AJ

+44 (0)1243 787627

### Discovery Park

Innovation House  
Ramsgate Road  
Sandwich,  
Kent  
CT13 9ND

+44 (0)1304 249476

Website: [www.krestonreeves.com](http://www.krestonreeves.com)

Email: [enquiries@krestonreeves.com](mailto:enquiries@krestonreeves.com)

This document is private and confidential. It may also be privileged or otherwise protected by work product immunity or other legal rules. If you are not the intended recipient, please notify Kreston Reeves. You should not copy or use it for any purpose or disclose its contents to any other person. To do so may be unlawful.

Kreston Reeves LLP (Registered number OC328775) is registered to carry on audit work and is regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at [www.auditregister.org.uk](http://www.auditregister.org.uk), under reference number C001541365. Kreston Reeves Private Client LLP (OC342713) is licensed by the Institute of Chartered Accountants in England and Wales to carry out the reserved legal activity of non-contentious probate in England and Wales and regulated for a range of investment business activities. A list of our members' names is available at our registered office and details of the licensing bodies for our insolvency practitioners can be found at our website. Kreston Reeves Financial Planning Limited are authorised and regulated by the Financial Conduct Authority. Registered in England and Wales with registered numbers 03852054 and OC306454. Registered office: 37 St Margaret's Street, Canterbury, Kent CT1 2TU. Kreston Reeves LLP is a member of Kreston Global which is the trading name of Kreston International, a global network of accounting firms, each of which is a separate independent legal entity and as such has no liability for the acts or omissions of any other member firm. Kreston International is a company registered in England (No: 3453194) and limited by guarantee. Kreston International Limited provides no services to clients and has no liability for the acts or omissions of any member firm. Registered office: 7 Bell Yard, London, WC2A 2JR.



# Coast to Capital

**Meeting:** Coast to Capital Board Meeting  
**Date:** 13 October 2022  
**Report Title:** Management Accounts Update  
**Report by:** Carli Foster  
**Item No:** 3b  
**Part:** B

---

## Recommendation:

The Board is asked to:

- **note** the year to date financial update presented below.
- 

## Financial Update 01 Apr – 31 August 2022

### Income

Budgeted income for the year is £1.7m of which £0.8m cash has been received to date and £0.75m income recognised as at 31 August 2022.

Following negotiations Coast to Capital has accepted an offer from WSCC of £122,000 which is £20,500 less than the discounted local authority contribution requested.

Interest earned on funds held by the Accountable Body in Q1 was £49k compared to full year budget of £50k. A further £20k has been accrued to end of August.

No GPF loan interest income was included in the budget. £120k has been received and recognised, of which £54k relates to interest income incorrectly recorded as a capital repayment by Croydon. The remaining balance relates to Platform 9 and Physical 2 Digital.

INCOME	FY Budget	Cash received	YTD Income *
Core Government Grant	375,000	375,000	156,250
Growth Hub Grant	268,250	-	52,870
CEC	180,511	35,935	35,935
DfE	55,000	-	-
Ringfenced Consultancy	236,617	-	98,590
LGF/GBF/GPF Capitalisation	184,259	-	76,549
Consultancy Income	100,000	58,300	64,839
Interest	50,000	49,475	69,475
Brighton & Hove City Council	75,000	75,000	31,250
Surrey Country Council	37,500	37,500	15,625
West Sussex Country Council	142,500	-	-
East Surrey Districts & Boroughs	40,000	40,000	16,667
GPF Loan Interest	-	119,790	119,790
Other income	-	11,000	11,000
<b>TOTAL INCOME</b>	<b>1,744,637</b>	<b>802,000</b>	<b>748,840</b>

\*This is income recognised as at 31 August 2022 and includes accrued income

## Expenditure

Total costs YTD are £659k vs. budget of £744k (£85k, 11% under budget). This is due to underspend on consultancy business development and employees leaving without being replaced. There are also a number of other vacant positions which are in the process of being filled.

Operations and finance includes £53k related to payroll settlements and PILON not included in the budget. However, by the end of the year Operations and finance could be £46k under budget due to further cost cutting.

	YTD Apr - Aug 2022				FY Budget	5+8 Forecast	Variance (£)	Variance (%)
	Budget	Actual	Variance (£)	Variance (%)				
Careers Hub	95,285	97,314	2,028	2%	283,018	285,574	2,556	1%
Economic Intelligence	39,078	19,742	(19,336)	(49%)	93,787	47,882	(45,904)	(49%)
<b>Economic Intelligence &amp; Careers Hub</b>	<b>134,363</b>	<b>117,056</b>	<b>(17,307)</b>	<b>(13%)</b>	<b>376,805</b>	<b>333,457</b>	<b>(43,348)</b>	<b>(12%)</b>
Growth Hub	105,422	94,520	(10,903)	(10%)	268,250	268,250	-	-
Mole Valley Business Support	23,833	15,818	(8,015)	(34%)	42,900	42,900	-	-
Programmes & Assurance	122,321	112,331	(9,990)	(8%)	228,592	273,208	44,616	20%
<b>Business Support, Programmes &amp; Assurance</b>	<b>251,576</b>	<b>222,669</b>	<b>(28,908)</b>	<b>(11%)</b>	<b>539,742</b>	<b>584,358</b>	<b>44,616</b>	<b>8%</b>
<b>Consultancy Business Development</b>	<b>41,667</b>	<b>-</b>	<b>(41,667)</b>	<b>(100%)</b>	<b>100,000</b>	<b>25,000</b>	<b>(75,000)</b>	<b>(75%)</b>
<b>Operations &amp; Finance</b>	<b>204,309</b>	<b>236,160</b>	<b>31,851</b>	<b>16%</b>	<b>494,573</b>	<b>454,678</b>	<b>(45,895)</b>	<b>(9%)</b>
<b>Accountable Body</b>	<b>35,500</b>	<b>35,500</b>	<b>-</b>	<b>-</b>	<b>85,200</b>	<b>85,200</b>	<b>-</b>	<b>-</b>
<b>Legacy &amp; Governance</b>	<b>61,965</b>	<b>35,787</b>	<b>(26,179)</b>	<b>(42%)</b>	<b>148,317</b>	<b>78,257</b>	<b>(70,060)</b>	<b>(47%)</b>
<b>Growing Places Fund</b>	<b>14,583</b>	<b>11,886</b>	<b>(2,697)</b>	<b>(18%)</b>	<b>35,000</b>	<b>34,247</b>	<b>(753)</b>	<b>(2%)</b>
<b>TOTAL EXPENDITURE</b>	<b>743,964</b>	<b>659,058</b>	<b>(84,906)</b>	<b>(11%)</b>	<b>1,779,637</b>	<b>1,595,196</b>	<b>(184,441)</b>	<b>(10%)</b>

## Cash and reserves

Total cash as at 31 August 2022 was £2m. The monthly burn rate is averaging £152k. Reserves carried forward at 31 March 2022 were £1.3m. £0.55m relates to deferred income and restricted funds and a further £0.5m in the event of the organisation being wound up.

The cashflow forecast was presented to the Finance & Resources Committee, who were

satisfied with the cash management process.

### **Outlook for the rest of the financial year**

Recruitment for vacant positions continues to be challenging due to uncertainty over funding for next year. It's likely that we will see underspend on staff costs compared to budget. Current headcount is 18 with 4 vacancies (1 in the Growth Hub, 1 in Programmes & 2 in Careers Hub).

In light of the reduced contribution from WSCC we have been reviewing costs within Operations to identify further savings.

£15k was included in the budget for three internal audits. Following discussion with the Audit Committee we will be proceeding with the internal controls audit only at this stage so there will be a potential cost saving of c. £10k.

Also, we have reviewed the PR budget which was originally externally sourced & intend to move this in house which will create further savings.

Forecast consultancy income is expected to be £250k - £300k. £65k has been recognised at the end of Q1. There is £138k due from projects currently contracted/in delivery. As this is key area of development we are reviewing our processes and controls. We are also looking at our internal reporting to ensure we are tracking project delivery costs accurately.

There could be a further £50k of interest income on the funds held by the AB depending on cash balances held and interest rate movements over the remainder of the year.

We estimate that a year end surplus will be achieved based on the assumptions & conclusions of our recent 5 month actual 8 month forecast as advised in the above table.

### **Diversity Statement**

There are no diversity implications for consideration.

### **Legal Statement**

This paper has been reviewed by Brighton and Hove City Council as the Accountable Body.