

**Registered number: 08166412**

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

**Directors' report and financial statements**

**For the year ended 31 March 2020**

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

**Company Information**

**Directors**

J Arnell (appointed 1 June 2019)  
M Brunt (appointed 10 July 2019)  
K Dukes  
M Harris  
R Hopkins (appointed 5 August 2019)  
D Humphreys (appointed 10 July 2019)  
A Jones (appointed 5 August 2019)  
D Joy  
J J Kapsalis  
C Kemp  
R Liard  
P Marshall (appointed 18 October 2019)  
C Mason (appointed 5 August 2019)  
A J Newman  
N Platts (appointed 23 May 2019)  
F Rutter (appointed 1 June 2019)  
J O Sharrock  
A Tickell  
T A Wates

**Registered number**

08166412

**Registered office**

1 Bell Lane  
Lewes  
East Sussex  
BN7 1JU

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

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

**Directors' report**  
**For the year ended 31 March 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

**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 Coast to Capital area does not fit the template. Rather than a single identifiable city region, it is a network of functional economic hubs around Gatwick airport which is the most important asset in our area.

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 have a formal strategic relationship with the London LEP in relation to Croydon as it is fundamental to the economic success of the growth corridor from Gatwick airport to London. We also have a formal relationship with the South East LEP in relation to Lewes as it is a vital part of the economy of Greater Brighton.

We published our ambitious new Strategic Economic Plan, Gatwick 360, in 2018 which is available to download on our website and we are working on producing a Local Industrial Strategy for the region. Through extensive local consultation with businesses, public partners, and civil society, we will build on the unique local strengths identified in Gatwick 360 to ensure our area reaches its economic potential through increased productivity.

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

**Directors' report (continued)**  
**For the year ended 31 March 2020**

Our main achievements during 2019/20 included:

- **Strategy and Policy** – preparing a strong evidence base in preparation for the Local Industrial Strategy and consulting widely on its finding with over 80 stakeholders and partners through a series of engagement events.
- **Local Growth Fund (LGF)** – two major project openings including Shoreham Flood Defences and The Aldingbourne Trust. Excellent progress made across our live projects including Preston Barracks (Plus X) and the Crawley Growth Programme.
- **Growing Places Fund** – utilising a revolving investment fund of £23.7 million to provide loan finance to business. Portfolio of seven high growth projects currently under management.
- **European Structural and Investment Funds (ESIF)** – £38.4 million in ESIF funding has been contracted to deliver 58 ESIF projects in the Coast to Capital area.
- **Growth Hub** – providing business support services through a team of Account Managers to 869 businesses which resulted in 1472 referrals with a take-up rate of 45.6%. Working with an Expert in Residence to ensure to ensure that the Coast to Capital Growth Hub engagement with, and support of, women business leaders is equitable.
- **Escalator Programme** – Delivery of the, nationally recognised best practice, Coast to Capital Escalator programme providing peer to peer cohorts for scaling businesses for 35 scaling businesses.
- **Growth Grants** – Integration of Coast to Capital Growth Grants within the Coast to Capital Growth Hub delivering £391,712 of grant funding to 5 growth businesses.
- **Enterprise Advisor Network** – working with business people to provide careers advice in 82 mainstream schools and colleges across the region.

Going forward into 2020/2021 top-level priorities will be to:

- Agree a Local Industrial Strategy which will support the economic recovery of the region given the significant challenge we will be facing due to COVID-19.
- Deliver our Local Growth Fund projects on time and on budget. Leverage in and deploy future resources more strategically in pursuit of excellent economic growth.
- Deliver our services to businesses and their workforces, including the Coast to Capital Growth Hub, Escalator Programme, Growth Grants and Backing Business Grants to support businesses to adapt, evolve and innovate - along with the delivery of the Enterprise Adviser Network.
- Continue to promote the work of Coast to Capital, engage with stakeholders on developments across all areas of the business and ensure internal processes, functions and governance are delivered efficiently and are fully compliant with Government requirements.

**Directors**

The directors who served during the year were:

J Arnell (appointed 1 June 2019)  
M Brunt (appointed 10 July 2019)  
K Dukes  
M Harris  
R Hopkins (appointed 5 August 2019)  
D Humphreys (appointed 10 July 2019)  
A Jones (appointed 5 August 2019)  
D Joy  
J J Kapsalis  
C Kemp  
R Liard  
P Marshall (appointed 18 October 2019)  
C Mason (appointed 5 August 2019)  
A J Newman

**Coast to Capital**  
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**Directors' report (continued)**  
**For the year ended 31 March 2020**

F Rutter (appointed 1 June 2019)  
J O Sharrock  
A Tickell  
T A Wates  
S Allen (resigned 31 May 2019)  
D Gayler (resigned 5 September 2019)  
L M Goldsmith (resigned 18 October 2019)  
P E Jones (resigned 30 June 2019)  
N Juba (resigned 31 May 2019)  
M La Rooy (resigned 31 January 2020)  
G H Wall (resigned 2 May 2019)  
D Yates (resigned 22 May 2019)

**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.

**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.

**Coast to Capital****(A company limited by guarantee)****Directors' report (continued)****For the year ended 31 March 2020****Post balance sheet events**

Since the year end, the impact of COVID-19 has had a significant impact on the ability of companies to operate as they had done before. This impacts Coast to Capital and local stakeholders. Coast to Capital is reliant on government funding and is confident that the core and contracted funding will continue. There is expected to be a decline in certain income streams that are linked to underlying interest rates. Coast to Capital continues to operate during this time and has been working to support businesses in the area through the pandemic through the award of Business Backing Grants, the Growth Hub responding to business support enquiries and collaborating with local stakeholders to provide virtual events. Going forward Coast to Capital will play a leading role across our area to strategically determine the local economic priorities and undertake activities to drive economic recovery.

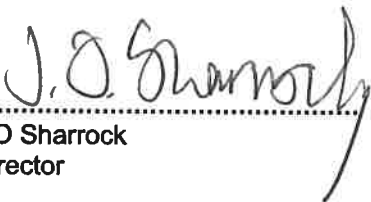
**Auditors**

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 O Sharrock  
Director

Date: 23 July 2020

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

**Independent auditors' report to the members, as a body, of Coast to Capital**

**Opinion**

We have audited the financial statements of Coast to Capital (the 'Company') for the year ended 31 March 2020, 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 2020 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

**Independent auditors' report to the members, as a body, of Coast to Capital (continued)**

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**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.

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

**Independent auditors' report to the members, as a body, of Coast to Capital (continued)**

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, 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.

**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.

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.

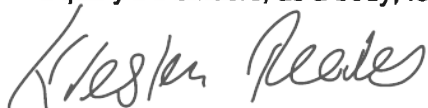
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

**Independent auditors' report to the members, as a body, of Coast to Capital (continued)**

**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: 3 September 2020

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

**Statement of comprehensive income**  
**For the year ended 31 March 2020**

|  | Note | Core<br>£        | Contracted<br>£  | Discretionary<br>£ | Projects<br>£    | 2020<br>£        | 2019<br>£        |
|--|------|------------------|------------------|--------------------|------------------|------------------|------------------|
| <b>Incoming resources</b>              |      |                  |                  |                    |                  |                  |                  |
| Interest receivable and similar income |      | 2,981            | -                | -                  | 651,067          | 654,048          | 635,199          |
| Grant income receivable                |      | 1,535,609        | 799,120          | -                  | 386,132          | 2,720,861        | 2,265,086        |
| Operating income                       |      | 152,337          | 14,500           | -                  | 172,000          | 338,837          | -                |
| Management charges receivable          |      | -                | 3,651            | -                  | 12,000           | 15,651           | -                |
| <b>Total income</b>                    |      | <b>1,690,928</b> | <b>817,271</b>   | <b>-</b>           | <b>1,221,199</b> | <b>3,729,398</b> | <b>2,900,285</b> |
| <b>Resources expended</b>              |      |                  |                  |                    |                  |                  |                  |
| Corporate affairs                      |      | (113,387)        | -                | -                  | -                | (113,387)        | (95,255)         |
| Governance and board                   |      | (361,069)        | -                | -                  | -                | (361,069)        | (258,051)        |
| Administration                         |      | (272,653)        | -                | -                  | -                | (272,653)        | (215,124)        |
| Business engagement and communications |      | (199,469)        | -                | -                  | -                | (199,469)        | (153,801)        |
| <b>Corporate</b>                       |      | <b>(946,577)</b> | <b>-</b>         | <b>-</b>           | <b>-</b>         | <b>(946,577)</b> | <b>(722,231)</b> |
| Strategy and policy                    |      | -                | -                | (504,379)          | -                | (504,379)        | (176,974)        |
| European Structural Investment Fund    |      | -                | (106,000)        | -                  | -                | (106,000)        | (124,137)        |
| <b>Strategy and policy</b>             |      | <b>-</b>         | <b>(106,000)</b> | <b>(504,379)</b>   | <b>-</b>         | <b>(610,379)</b> | <b>(301,111)</b> |
| Local Growth Fund                      |      | -                | -                | -                  | (439,121)        | (439,121)        | (350,143)        |
| Business growth grants                 |      | -                | -                | -                  | (53,375)         | (53,375)         | (100,565)        |
| Growing places fund                    |      | -                | -                | -                  | (350,218)        | (350,218)        | (307,350)        |
| <b>Investments (Projects)</b>          |      | <b>-</b>         | <b>-</b>         | <b>-</b>           | <b>(842,715)</b> | <b>(842,715)</b> | <b>(758,058)</b> |

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

|                                       | Note | Core<br>£        | Contracted<br>£  | Discretionary<br>£ | Projects<br>£    | 2020<br>£          | 2019<br>£          |
|---------------------------------------|------|------------------|------------------|--------------------|------------------|--------------------|--------------------|
| Enterprise Advisor Network            |      | -                | (218,647)        | -                  | -                | (218,647)          | (266,787)          |
| Growth Hub                            |      | -                | (467,842)        | -                  | -                | (467,842)          | (369,227)          |
| Growth Champions                      |      | -                | (86,912)         | -                  | -                | (86,912)           | (41,229)           |
| <b>Services</b>                       |      | -                | <b>(773,402)</b> | -                  | -                | <b>(773,402)</b>   | <b>(675,224)</b>   |
| <b>Total resources expended</b>       |      | <b>(946,577)</b> | <b>(879,402)</b> | <b>(504,379)</b>   | <b>(842,715)</b> | <b>(3,173,073)</b> | <b>(2,456,624)</b> |
| <b>Surplus before taxation</b>        |      | <b>744,351</b>   | <b>(62,131)</b>  | <b>(504,379)</b>   | <b>378,484</b>   | <b>556,325</b>     | <b>443,661</b>     |
| Taxation                              |      |                  |                  |                    |                  | (123,703)          | (120,688)          |
| <b>Surplus for the financial year</b> |      |                  |                  |                    |                  | <b>432,622</b>     | <b>322,973</b>     |

There was no other comprehensive income for 2020 (2019:£nil)

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

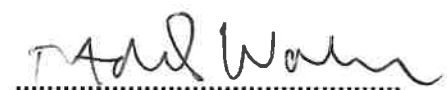
**Coast to Capital**  
**(A company limited by guarantee)**  
**Registered number: 08166412**

**Balance sheet**  
**As at 31 March 2020**

|  | Note | 2020<br>£                      | 2019<br>£                    |
|--|------|--------------------------------|------------------------------|
| <b>Fixed assets</b>                            |      |                                |                              |
| Tangible assets                                | 6    | <u>106,782</u>                 | <u>-</u>                     |
|  |      | <b>106,782</b>                 | <b>-</b>                     |
| <b>Current assets</b>                          |      |                                |                              |
| Debtors: amounts falling due within one year   | 7    | 603,706                        | 898,054                      |
| Current asset investments                      | 8    | -                              | 136                          |
| Cash at bank and in hand                       | 9    | <u>3,175,217</u>               | <u>563,259</u>               |
|  |      | <b>3,778,923</b>               | <b>1,461,449</b>             |
| Creditors: amounts falling due within one year | 10   | <u>(2,817,332)</u>             | <u>(825,697)</u>             |
| <b>Net current assets</b>                      |      | <u><b>961,591</b></u>          | <u><b>635,752</b></u>        |
| <b>Total assets less current liabilities</b>   |      | <u><b>1,068,373</b></u>        | <u><b>635,752</b></u>        |
| <b>Net assets</b>                              |      | <u><u><b>1,068,373</b></u></u> | <u><u><b>635,752</b></u></u> |
| <b>Capital and reserves</b>                    |      |                                |                              |
| Profit and loss account                        |      | <u><b>1,068,373</b></u>        | <u><b>635,752</b></u>        |
|  |      | <u><u><b>1,068,373</b></u></u> | <u><u><b>635,752</b></u></u> |

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:



**T A Wates**  
 Director

Date: 23 July 2020

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 2020**

**1. General information**

Coast to Capital is private company limited by guarantee and is incorporated in England and Wales with the registration number 08166412. Its registered office is 1 Bell Lane, Lewes, East Sussex, BN7 1JU.

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 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-19 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.

**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 arrangement fees in connection with delivering loan monies from the Growing Places Fund.

**Core**

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

**Project**

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

**Contracted**

We receive grants to fully fund the Growth Hub and part fund the Enterprise Adviser Network (50%) and our European work (around 50%).

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

**Notes to the financial statements**  
**For the year ended 31 March 2020**

**2. Accounting policies (continued)**

**2.4 Expenditure**

Costs directly attributable to specific project are charged against the income and shown as an expense. Where the LEP 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.

**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.

**Contracted**

Our contractual expenditure includes provision for delivering services for Government such as the Growth Hub, Enterprise Advisor Network and our European Structural Funds.

**Discretionary**

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



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

**Notes to the financial statements**  
**For the year ended 31 March 2020**

**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. The London Borough of Croydon are the Accountable Body and manage and deploy all capital funding on behalf of the LEP 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 statement 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.

The also LEP 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**

The LEP 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 are 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 then a provision is made against this down to its recoverable 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 profit or loss 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.

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**Notes to the financial statements**  
**For the year ended 31 March 2020**

**2. Accounting policies (continued)**

**2.8 Taxation**

The company is a grant aided local enterprise partnership and its economic advisory activities are wholly maintained by contributions. As a result the net surplus arising from these activities is treated as non-trading by virtue of Section 79 of the Income and Corporation Taxes Act 1988. The company is liable to corporation tax on bank interest and other investment income.

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 .

**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 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.11 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.

**2.12 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.

**2.13 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.

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**2. Accounting policies (continued)**

**2.14 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.

**2.15 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 assumption 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 31 (2019 - 33).

**5. Interest receivable**

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| Interest receivable on loans            | 1,348,554      | 1,231,583      |
| Less provision against overdue interest | (1,009,487)    | (600,332)      |
| Overdue interest received in the year   | 312,000        | -              |
| Bank interest                           | 2,981          | 3,948          |
|   | <u>654,048</u> | <u>635,199</u> |

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

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**For the year ended 31 March 2020**

**6. Tangible fixed assets**

|                                     | Fixtures and<br>fittings<br>£ | Office<br>equipment<br>£ | Total<br>£     |
|-------------------------------------|-------------------------------|--------------------------|----------------|
| <b>Cost or valuation</b>            |                               |                          |                |
| At 1 April 2019                     | 27,115                        | 7,593                    | 34,708         |
| Additions                           | 99,299                        | 26,854                   | 126,153        |
| Disposals                           | (27,115)                      | (7,593)                  | (34,708)       |
| At 31 March 2020                    | <u>99,299</u>                 | <u>26,854</u>            | <u>126,153</u> |
| <b>Depreciation</b>                 |                               |                          |                |
| At 1 April 2019                     | 27,115                        | 7,593                    | 34,708         |
| Charge for the year on owned assets | 14,895                        | 4,476                    | 19,371         |
| Disposals                           | (27,115)                      | (7,593)                  | (34,708)       |
| At 31 March 2020                    | <u>14,895</u>                 | <u>4,476</u>             | <u>19,371</u>  |
| <b>Net book value</b>               |                               |                          |                |
| At 31 March 2020                    | <u>84,404</u>                 | <u>22,378</u>            | <u>106,782</u> |
| At 31 March 2019                    | <u>-</u>                      | <u>-</u>                 | <u>-</u>       |

**7. Debtors**

|                                | 2020<br>£      | 2019<br>£      |
|--------------------------------|----------------|----------------|
| Other debtors                  | 558,587        | 874,444        |
| Prepayments and accrued income | 45,119         | 23,610         |
|                                | <u>603,706</u> | <u>898,054</u> |

Other debtors includes grant funding for activities delivered in 2019/20 which at year end was not received (£87,298), interest on funds held with Croydon Council (£311,332) a rent deposit (£34,325) and season ticket loans (£3,423). The grant funding not received included Croydon Council (LGF £38,579; Growth Grants £30,003), Department for Business, Energy and Industrial Strategy (Growth Hub £87,296), Careers Enterprise Company (Enterprise Advisor Network £53,629).

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**Notes to the financial statements**  
**For the year ended 31 March 2020**

**8. Current asset investments**

|                      | 2020<br>£ | 2019<br>£  |
|----------------------|-----------|------------|
| Unlisted investments | -         | 136        |
|                      | <u>-</u>  | <u>136</u> |
|                      | <u>-</u>  | <u>136</u> |

Fourshore (HOT) Limited and Fourshore (OFF) Limited, in which the company owns 40% of the ordinary share capital, were created as special purpose vehicles in connection with a significant property development which is being funded through the Growing Places Fund.

The shares in the two companies continued to be carried at cost in accordance with FRS 102 and the stated accounting policy and were impaired during the year down to £nil.

**9. Cash and cash equivalents**

|                          | 2020<br>£        | 2019<br>£      |
|--------------------------|------------------|----------------|
| Cash at bank and in hand | <b>3,175,217</b> | 563,259        |
|                          | <u>3,175,217</u> | <u>563,259</u> |
|                          | <u>3,175,217</u> | <u>563,259</u> |

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

|                                    | 2020<br>£        | 2019<br>£      |
|------------------------------------|------------------|----------------|
| Trade creditors                    | <b>81,023</b>    | 303,981        |
| Corporation tax                    | <b>123,703</b>   | 120,688        |
| Other taxation and social security | <b>32,347</b>    | 38,499         |
| Other creditors                    | -                | 7,252          |
| Accruals and deferred income       | <b>2,580,259</b> | 355,277        |
|                                    | <u>2,817,332</u> | <u>825,697</u> |
|                                    | <u>2,817,332</u> | <u>825,697</u> |

Accruals and deferred income includes deferred income relating to SEEDA Legacy Funding for Growth Hub 2018/2021 of £204,166 (2019 - £291,078), deferred income relating to LGF funding for the office move of £59,500, a Backing Business Grant of £2,000,000 (2019 - £nil) and accruals of £316,593 (2019 - £64,199).

**11. 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.

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**For the year ended 31 March 2020**

**12. 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 £21,957,396 (2019 - £24,655,409). During the year interest and other charges due to the company totalled £1,348,554 (2019 - £1,231,583), of this amount £399,067 (2019 - £631,250) was received together with a further £312,000 (2019 - £Nil) due from earlier periods.

The company returned £3,395,500 (2019 - £562,728) to the Growing Places Fund during the year. There were no advances of capital this year (2019 - £400,000). This note makes no assessment of the recoverability of the loans to organisations and companies.

**13. 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 12). The total amount of the fund is £23.7 million. During the year the company repaid £3,395,500 (2019 - £562,728) to the fund. To assist with COVID-19, £2,000,000 of the fund was released to the company as a revenue grant in the form of a Backing Business grant scheme. Any unused revenue grant is repayable to the Growing Places Fund.

**14. 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.

**15. Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 2020<br>£      | 2019<br>£    |
|--|----------------|--------------|
| Not later than 1 year                        | 57,208         | 3,207        |
| Later than 1 year and not later than 5 years | 176,391        | -            |
|  | <u>233,599</u> | <u>3,207</u> |