

Registered number: 08166412

Coast to Capital

(A company limited by guarantee)

Directors' report and financial statements

For the year ended 31 March 2022

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

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Coast to Capital
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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 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.

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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 providing seed funding for business case development for transformational regional projects 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.

After 2022/23 there is uncertainty over the extent to which there will be central Government funding. Work is ongoing to establish certainty over the future. The directors have strategies in place to generate new income streams and are working towards a balanced budget for 2023/24. The company has sufficient reserves to carry it through for the foreseeable future.

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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: 18/11/22

Coast to Capital
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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.

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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.

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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.

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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: 2 December 2022

COAST TO CAPITAL
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Statement of comprehensive income
For the year ended 31 March 2022

	Note	Core £	Contracted £	Discretionary £	Projects £	COVID Recovery £	2022 £	2021 £
Incoming resources								
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
Total income		1,099,414	984,619	-	525,068	1,254,907	3,864,008	6,106,129
Resources expended								
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)
Corporate		(855,990)	-	-	-	-	(855,990)	(950,220)
Strategy and policy		-	-	(57,953)	-	-	(57,953)	(256,802)
Skills		-	(77,559)	-	-	-	(77,559)	(65,455)
European Structural Investment Fund		-	-	-	-	-	-	(7,255)
Strategy and policy		-	(77,559)	(57,953)	-	-	(135,512)	(329,512)
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)
Investments (Projects)		-	-	-	(429,909)	(1,254,907)	(1,684,816)	(3,477,978)

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	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)
Services		-	(946,117)	-	-	-	(946,117)	(1,287,383)
Total resources expended		(855,990)	(1,023,676)	(57,953)	(429,909)	(1,254,907)	(3,622,435)	(6,045,093)
Surplus before taxation		243,424	(39,057)	(57,953)	95,159	-	241,573	61,036
Taxation							(21,080)	(25,816)
Surplus for the financial year							220,493	35,220

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

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

Balance sheet

As at 31 March 2022

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



.....
J Kapsalis
 Director

Date: 18/11/22

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

Coast to Capital
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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 changes in Government funding. The directors have earmarked a proportion of the reserves to meet future known and expected obligations. The directors 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.

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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.

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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.

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.

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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

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

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

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7. Debtors

	2022	2021
	£	£
Other debtors	367,022	645,570
Prepayments and accrued income	56,851	113,768
	423,873	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

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

9. Creditors: Amounts falling due within one year

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

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