

Registered number: 07635395

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

Directors' Report and Financial Statements

For the Year Ended 31 May 2018



**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Company Information**

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<b>Directors</b>	P L Ackroyd G Adamson G Alcott A K Bhalla M S Bhatti Cllr D J Bush (appointed 25 May 2018) J Callaghan (appointed 1 September 2018) S R Claymore D C Cook I Courts S M Drake Professor Sir D S Eastwood Cllr R G W Grosvenor P Hanlon Cllr B Jones (appointed 1 February 2018) C T Loughran M W Lyons S R Marks T S D Pile (appointed 18 December 2017) - Chair I M P Pritchard M B Rhodes Cllr C J Rogers (appointed 1 October 2018) R K Sleigh M T Smith (appointed 25 May 2018) D P Ward I A Ward M J Wilcox
<b>Company secretary</b>	C Heaphy
<b>Registered number</b>	07635395
<b>Registered office</b>	Baskerville House Ground Floor Baskerville House Centenary Square Broad Street Birmingham B1 2ND
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Contents**

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	Page
<b>Strategic report</b>	1 - 5
<b>Directors' report</b>	6 - 9
<b>Independent auditors' report</b>	10 - 12
<b>Statement of comprehensive income</b>	13
<b>Balance sheet</b>	14
<b>Statement of changes in equity</b>	15
<b>Notes to the financial statements</b>	16 - 21

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Strategic Report**  
**For the Year Ended 31 May 2018**

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**Introduction**

The Directors present their Strategic report for the Greater Birmingham and Solihull Local Enterprise Partnership ("the Company") for the year ended 31 May 2018.

**Legal form and principal activity**

The Company was incorporated on 16 May 2011, its principal activity being to promote economic growth in the area known as Greater Birmingham and Solihull (the local authorities areas of Birmingham, Solihull, Cannock Chase, East Staffordshire, Lichfield, Tamworth, Bromsgrove, Redditch and Wyre Forest).

The Company, incorporated in England, is limited by guarantee of its members and does not have any share capital. The Company operates as a not-for-profit entity, and receives direct support, including financial, from constituent local authorities in addition to grants from Government.

The Company Directors are drawn from the private, education and local authority sectors. None of the Directors are remunerated in this capacity.

**Strategic management**

Greater Birmingham and Solihull Local Enterprise Partnership ("GBSLEP") has a very clear mission set out in its Strategic Economic Plan (SEP), to create jobs and grow the economy and, in doing so, to raise the quality of life for all of those that live and work in the area. Its vision is for Greater Birmingham to be a top global city region and the major driver of the UK economy outside London.

GBSLEP has identified five key sectors (life sciences; creative industries; energy technologies & services; advanced manufacturing & engineering; business, professional & financial services) as future high-growth industries. It has also identified five "cross-cutting" priorities that apply across all sectors in the economy (skills; business support & access to finance; place; emerging & disruptive technologies; digital) that will enable the development of these sectors and growth across the wider economy. A Delivery Plan for each of these 10 areas has been produced; taken together they will enable the delivery of the SEP. They formed the focus of the LEP's activities in 2017/18 (see below for performance).

2017/18 has been another significant year for the LEP, with an increasing focus from Government on the role LEPs play in setting strategic direction for economic growth and realising it through capital and revenue interventions, facilitated by strong partnerships between the public, private and education sectors. Government has also increased the emphasis on how LEPs operate, asking them to do more in terms of transparency, accountability and stakeholder engagement than ever before.

GBSLEP has continued to develop the organisation, to ensure that it meets, and in many cases exceeds Government expectations. It has also invested significantly in programme management capacity to support the delivery of vital economic growth projects across the city-region through its Growth Programme.

The Company's principal sources of income are Government grant (both capital and revenue) and grants from constituent local authorities through the Greater Birmingham & Solihull Business Rates Pool.

The Company Board comprises seven ex-officio nominated representatives of the constituent authorities; one each representing further and higher education institutions; and nine appointed from the private sector. They oversee the operation of the Company, the development of its strategy and the delivery of interventions to enable economic growth.

The Board is supported by the GBSLEP Executive and has delegated authority to a number of sub-Boards.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Strategic Report (continued)**  
**For the Year Ended 31 May 2018**

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**Strategic management (continued)**

The governance structure is being reviewed to ensure that the optimum model for delivering the SEP is in place and to ensure that all requirements within "Strengthened Local Enterprise Partnerships" (the Government's Review of LEPs published in July 2018) have been met.

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

**Business environment**

Over the last 12 months, Greater Birmingham has continued to grow and thrive as the leading core city region for growth in economic output and business start-ups, with higher levels of private sector job creation than the national average and significant levels of inward investment. This growth has benefitted all parts of our geography, with southern Staffordshire and northern Worcestershire growing as fast – if not faster – than the wider city-region. Quality of life is higher than Hong Kong, Los Angeles and Rome – and rising – while Greater Birmingham continues to be the natural home for foreign direct investment outside of London.

However, the growth that Greater Birmingham has seen over the past five years has not benefitted everyone; levels of unemployment remain too high in parts of the city region (and the unemployment gap with the national average has risen by 0.2%), and not all of our residents have the skills and qualifications to share in the benefits of growth (the percentage of the working-age population with at least NVQ3 has fallen by 1.0% relative to the national average). As a consequence, productivity rates continue to lag behind the national average (GVA per hour is £3.73 in Greater Birmingham compared with £3.88 nationally).

Given the economic context in which GBSLEP is operating, it will continue to focus more intently on interventions that will enable local people to develop the skills that are vital to our key growth sectors, as well as measures that support improvements in productivity and job creation.

2017/18 also saw changes in the local and national policy environment. The Government launched its National Industrial Strategy, which sets out its focus for driving greater economic growth. The Mayoral West Midlands Combined Authority's economic agenda also evolved. The LEP Board saw these changes as an opportunity to progress its priorities to in support of national and regional objectives. It was also able to help to embed complementary activities across the different organisations locally to drive economic growth.

The principal risks facing the Company are a reliance on Government and European funding to deliver its objectives; and a considerably uncertain political environment, both locally and nationally. The Company's senior management regularly review strategic risks and their potential impacts on the Company, and take mitigating actions as necessary.

GBSLEP's employees are its most important assets. The team has grown in size and capability in the last year, and open market recruitment has proven to be fruitful – indicating that GBSLEP's employment offer is strong.

There are no particular environmental or human rights matters to disclose.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Strategic Report (continued)**  
**For the Year Ended 31 May 2018**

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**Principal risks and uncertainties**

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

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

**Business performance**

The GBSLEP Board has agreed a suite of eight Key Performance Indicators (KPIs), which measure the extent to which GBSLEP is achieving its mission of creating jobs, growing the economy and improving quality of life. They are indicators that GBSLEP has the ability to influence by working in partnership across the public, private and education sectors.

Progress against these targets therefore guides the development of the LEP's strategy. Performance of the KPIs is monitored at every Board meeting and published in the GBSLEP's Annual Report and on its website.

During 2017/18, GBSLEP made put in place ten Delivery Plans, resulting in a range of interventions in support of its three strategic priorities:

1. A world leader in innovation and creativity
2. Taking full advantage of our global connections
3. Stronger conditions for growth

It's £433m Growth Programme was used to good effect, with £25.70m invested in the year. Going forward, a further £63.87m is set to be invested by the end of 2020/21.

	<b>Previous Years</b>	<b>2017 /18</b>	<b>2018 /19</b>	<b>2019 /20</b>	<b>2020 /21</b>	<b>Total</b>
Growth Deal allocation	£63.20	£25.70	£19.30	£12.72	£31.85	£152.77*

\* this figure excludes the £280m allocated to major transport schemes promoted by GBSLEP through the Growth Deals process by the Department for Transport

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Strategic Report (continued)**  
**For the Year Ended 31 May 2018**

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**Business performance (continued)**

As well as working with partners to develop and deliver interventions for growth, GBSLEP has supported a range of significant projects that will benefit Greater Birmingham and the wider West Midlands, such as the Commonwealth Games and the 5G testbed.

The focus on activity that will complement, add value and draw on the LEP's strengths is important given the regional governance changes and promises to provide a sustainable model for the LEP in the medium-term. GBSLEP is prioritising sectors and cross-cutting interventions that other partners are not, and which are vital to the city region's long-term economic prospects (for example, the development of the Towns & Local Centres Framework).

Enterprise Zone investment has been instrumental in unlocking and accelerating key strategic sites, with Paradise seeing considerable progress. Phase 1 is set to deliver 335,000sqft of prime office space, and PricewaterhouseCoopers has agreed a lease for One Chamberlain Square. The Enterprise Zone has invested £24m to bring forward the Westside extension of the Midland Metro and the development of Centenary Square, whilst £4m of funding has supported the delivery of improvements to the ring road and the progress of key public realm schemes connecting EZ sites and Snow Hill and Birmingham Smithfield.

In 2017/18 the Enterprise Zone Programme achieved the following;

- 1.2ha land reclaimed and made ready for development
- £80.8m of private sector leveraged
- 26,785 sq.m of land developed
- 231 jobs created
- 15 enterprises attracted to EZ sites

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Strategic Report (continued)**  
**For the Year Ended 31 May 2018**

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**Business performance (continued)**

In 2017/18, GBSLEP received £28.056m of income from the following sources:

<b>Income stream</b>	<b>£m revenue</b>	<b>£m capital</b>
Core Funding (Government)	0.500	-
Business Rates Pool (local government)	1.343	-
Growth Hub (Government)	0.513	-
Local Growth Fund (Government; capital)	-	25.700
<b>TOTAL</b>	<b>2.536</b>	<b>25.700</b>

GBSLEP is developing a Medium-Term Financial Plan to ensure that the organisation has the resources in place to deliver its agenda for the next three years.

In 2017/18, an average of 21 people were employed by GBSLEP (including one senior officer); 11 of whom were women.

The Company Board comprises seven ex-officio nominated representatives of the constituent authorities; one each representing further and higher education institutions; and nine appointed from the private sector. They oversee the operation of the Company, the development of its strategy and the delivery of interventions to enable economic growth.

This report was approved by the board on 27 March 2019 and signed on its behalf.

**T S D Pile**  
**Director**





**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Directors' Report**  
**For the Year Ended 31 May 2018**

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The directors present their report and the financial statements for the year ended 31 May 2018.

**Results and dividends**

The deficit for the year, after taxation, amounted to £6,543,081 (2017 - surplus £15,322,505).

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

**Directors**

The directors who served during the year were:

P L Ackroyd  
G Adamson  
G Alcott  
A K Bhalla  
M S Bhatti  
Cllr D J Bush (appointed 25 May 2018)  
S R Claymore  
D C Cook  
I Courts  
S M Drake  
Professor Sir D S Eastwood  
Cllr R G W Grosvenor  
P Hanlon  
Cllr B Jones (appointed 1 February 2018)  
C T Loughran  
M W Lyons  
S R Marks  
T S D Pile (appointed 18 December 2017)  
I M P Pritchard  
M B Rhodes  
R K Sleigh  
M T Smith (appointed 25 May 2018)  
D P Ward  
I A Ward  
M J Wilcox  
G P Chance (resigned 24 May 2018)  
Cllr J M Clancy (resigned 18 September 2017)  
A Cleaves (resigned 30 April 2018)  
Cllr I D Hardiman (resigned 1 October 2018)  
S P Hollis (resigned 31 October 2017)  
M J Hopkins (resigned 31 July 2018)  
Professor P G Maropoulos (resigned 24 May 2018)  
J Callaghan (appointed 1 September 2018)

**Qualifying third party indemnity provisions**

The Company has put in place qualifying third party indemnity provisions for all of the Directors of the Company.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Directors' Report (continued)**  
**For the Year Ended 31 May 2018**

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**Corporate governance**

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

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

Nominations & Governance Committee

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

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

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

Programme Delivery Board

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

GBSLEP Director

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

**Post balance sheet events**

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

**Future developments**

The Strategic Economic Plan outlines three key strategic objectives for delivering economic growth across Greater Birmingham and Solihull:

- Becoming a world leader in innovation and creativity
- Taking full advantage of our global connections
- Creating stronger conditions for growth across our communities

The LEP works across these objectives, building on the scale and diversity of the assets of the GBSLEP area, to enable sustainable economic growth throughout our geography.

With the changing local and national policy context of a Mayoral West Midlands Combined Authority and national government focus on Industrial Strategy, including local industrial strategies, in 2017/18 the LEP Board saw these changes as an opportunity to embed complementary activities across all major organisations locally to drive economic growth. This includes the other West Midlands LEPs, Local Authorities, the West Midlands Combined Authority, the West Midlands Growth Company and the Midlands Engine.

In support of the Strategic Economic Plan and, in order to drive growth, the Board asked the LEPs Executive to focus on specific interventions to drive growth across the economy with a focus on high growth opportunities.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Directors' Report (continued)**  
**For the Year Ended 31 May 2018**

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**Future developments (continued)**

As above, we have identified five future high-growth sectors and five 'crosscutting' priorities that will enable growth across the wider economy.

In consultation with local industry and other partners, we have focused on specific interventions, through the production of delivery plans, where industry identifies constraints on, or opportunities for, growth. For example, the delivery plan for advanced manufacturing and engineering targets sub-sectors where there is clearly identified strength and/or opportunity such as automotive, aerospace and food processing. This attention on overarching high growth sectors is not to downplay the importance of sectors such as construction, retail or logistics in underpinning the wider economy and as key drivers of jobs. However, the priorities on which we have focused are high growth, high opportunity areas where GBSLEP has identified specific areas that we are uniquely placed to add value, maximising the overall economic growth of the region.

**Going concern**

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

**Directors' responsibilities statement**

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Directors' Report (continued)**  
**For the Year Ended 31 May 2018**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

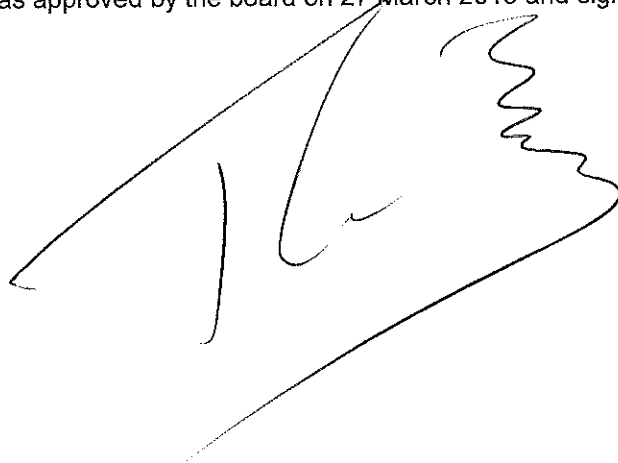
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors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

**Auditors**

The auditors, Dains LLP, were engaged to audit this year's financial statements. A decision as to auditors in future years will be made in due course.

This report was approved by the board on 27 March 2019 and signed on its behalf.

**T S D Pile**  
**Director**

A large, stylized handwritten signature in black ink, consisting of several sweeping, interconnected strokes that form a complex, abstract shape.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited**

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**Opinion**

We have audited the financial statements of The Greater Birmingham and Solihull Local Enterprise Partnership Limited (the 'Company') for the year ended 31 May 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity 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 May 2018 and of its deficit 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.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited (continued)**

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**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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Independent Auditors' Report to the Members of The Greater Birmingham and Solihull Local Enterprise Partnership Limited (continued)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 8, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

27 March 2019

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Statement of Comprehensive Income**  
**For the Year Ended 31 May 2018**

	Note	2018 £	2017 £
Income		34,501,407	64,554,132
Grant expenditure and management costs		(40,750,901)	(48,558,697)
Administrative expenses		(419,551)	(785,725)
<b>Operating (deficit)/surplus</b>		<b>(6,669,045)</b>	15,209,710
Interest receivable and similar income	5	125,964	112,795
<b>(Deficit)/surplus before tax</b>		<b>(6,543,081)</b>	15,322,505
Tax on (deficit)/surplus		-	-
<b>(Deficit)/surplus for the financial year</b>		<b>(6,543,081)</b>	15,322,505
<b>Total comprehensive income for the year</b>		<b>(6,543,081)</b>	15,322,505

The notes on pages 16 to 21 form part of these financial statements.



The Greater Birmingham and Solihull Local Enterprise Partnership Limited  
 (A company limited by guarantee)  
 Registered number:07635395

Balance Sheet  
 As at 31 May 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	2,261,737	3,924,522
Debtors: amounts falling due within one year	6	2,000,000	1,750,000
Cash at bank and in hand	7	76,606,136	81,383,823
		<u>80,867,873</u>	<u>87,058,345</u>
Creditors: amounts falling due within one year	8	(935,666)	(583,057)
<b>Net current assets</b>		<u>79,932,207</u>	<u>86,475,288</u>
<b>Total assets less current liabilities</b>		<u>79,932,207</u>	<u>86,475,288</u>
<b>Net assets</b>		<u><u>79,932,207</u></u>	<u><u>86,475,288</u></u>
<b>Capital and reserves</b>			
Profit and loss account		<u>79,932,207</u>	<u>86,475,288</u>
		<u><u>79,932,207</u></u>	<u><u>86,475,288</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2019.

T S D Pile  
 Director



The notes on pages 16 to 21 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Statement of Changes in Equity**  
**For the Year Ended 31 May 2018**

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	<b>Profit and loss account £</b>	<b>Total equity £</b>
<b>At 1 June 2016</b>	<b>71,152,783</b>	<b>71,152,783</b>
Surplus for the year	<b>15,322,505</b>	<b>15,322,505</b>
<b>Total comprehensive income for the year</b>	<b>15,322,505</b>	<b>15,322,505</b>
<b>At 1 June 2017</b>	<b>86,475,288</b>	<b>86,475,288</b>
Deficit for the year	<b>(6,543,081)</b>	<b>(6,543,081)</b>
<b>Total comprehensive income for the year</b>	<b>(6,543,081)</b>	<b>(6,543,081)</b>
<b>At 31 May 2018</b>	<b>79,932,207</b>	<b>79,932,207</b>

The notes on pages 16 to 21 form part of these financial statements.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2018**

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**1. General information**

The Greater Birmingham and Solihull Local Enterprise Partnership Limited is a private company, limited by guarantee and registered in England and Wales. The address of the registered office is given on the Company Information page. The principal activities of the Company are to promote sustainable private sector investment and growth, business efficiency and competitiveness, economic development and regeneration, and employment in the Greater Birmingham and Solihull area.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

**2.2 Income**

Government grants are accounted for under the performance model as permitted by Financial Reporting Standard 102. Government grants are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Other funding is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**2.3 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.4 Grant expenditure**

Grant expenditure is recognised when there is a legal or constructive obligation, it is probable that settlement is required and the amount can be measured reliably.

**2.5 Taxation**

The Company operates as a not-for-profit entity, and receives direct financial support from constituent local authorities in addition to grants from Government. It does not carry out a trade for tax purposes. As a result, the net surplus arising from these activities is non-trading and is exempt from corporation tax. The Company is liable to corporation tax on bank interest and other investment income.

**2.6 Presentation of Statement of Comprehensive Income**

Due to the nature of the Company's activities, the directors consider that it would be inappropriate to present the Statement of Comprehensive Income in either of the standard formats recognised by the Companies Act 2006. The format adopted has been selected as it presents the categories of income and expenditure more accurately for readers of the financial statements.

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2018**

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**2. Accounting policies (continued)**

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.9 Creditors**

Short term creditors are measured at the transaction price.

**2.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

**3. Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<b>6,000</b>	-

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2018**

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**4. Employees**

The average monthly number of employees, and directors, during the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Directors	22	26
Delivery team	21	15
	<u>43</u>	<u>41</u>

The full time equivalent number of employees in the delivery team was 18.82 (2017 - 13.82).

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	595,651	326,325
Social security costs	65,983	36,405
Pension scheme costs	175,815	76,151
	<u>837,449</u>	<u>438,881</u>

**5. Interest receivable**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other interest receivable	<u>125,964</u>	<u>112,795</u>

The Greater Birmingham and Solihull Local Enterprise Partnership Limited  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 May 2018

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6. Debtors

	2018 £	2017 £
<b>Due after more than one year</b>		
Other loans	<u>2,261,737</u>	<u>3,924,522</u>
	2018 £	2017 £
<b>Due within one year</b>		
Other debtors	-	650,000
Accrued income	<u>2,000,000</u>	<u>1,100,000</u>
	<u>2,000,000</u>	<u>1,750,000</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash and cash equivalents	<u>76,606,136</u>	<u>81,383,823</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other creditors	<u>935,666</u>	<u>583,057</u>

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2018**

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**9. Financial instruments**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at undiscounted amounts receivable	<u><b>80,867,873</b></u>	<u>86,428,345</u>
<b>Financial liabilities</b>		
Financial liabilities measured at undiscounted amounts payable	<u><b>(935,666)</b></u>	<u>(583,057)</u>

Financial assets measured at undiscounted amounts receivable comprise other loans, others debtors and cash and cash equivalents.

Financial liabilities measured at undiscounted amounts payable comprise other creditors.

**10. Reserves**

**Profit and loss account**

The profit and loss account reserve represents cumulative surpluses or deficits, net of other adjustments.

**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.

**12. Contingent liabilities**

The financial statements have been prepared on the basis that the Company does not carry out a trade for tax purposes and therefore is not subject to corporation tax on the net surplus arising from these non-trading activities. This is contingent on receiving confirmation from HM Revenue and Customs that they concur with this view.

**The Greater Birmingham and Solihull Local Enterprise Partnership Limited**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 May 2018**

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**13. Related party transactions**

Birmingham City Centre Enterprise Zone

The Company is responsible for the delivery of the Birmingham City Centre Enterprise Zone, but Birmingham City Council acts as accountable body for Local Enterprise Zones.

Income and expenditure in respect of the Birmingham City Centre Enterprise Zone is therefore not recorded in this Company's financial statements. This is reported in the financial statements of Birmingham City Council.

Greater Birmingham and Solihull Business Rates Pooling Arrangement

The Greater Birmingham and Solihull Business Rates Pool (the Pool) was designated by the Secretary of State in accordance with paragraph 34 of Schedule 7B to the Local Government Finance Act 1988 as a pool of authorities for the purposes of the scheme for the local retention of business rates under schedule 7B to the Act.

Birmingham City Council entered into a pooled budget arrangement in 2013/14 with seven other local authorities including acting as intermediary between the authorities and government in respect of top-up/tariff payments, following the introduction of the Business Rates Retention Scheme. This arrangement has continued in 2017/18. The objective of the Pool is to adopt a strategic approach to promoting growth and job creation that supports the Greater Birmingham and Solihull Local Enterprise Partnership's Strategy for Growth.

The funding provided to the pooled budget includes tariff payments that would otherwise have been paid to the Government. The expenditure met from the budget paid to the Council includes an element of its top-up payments that it would otherwise have received from the Government.

For 2017/18, the Company expects to receive £2m from the Pool (2016/17 - £1.34m).

Growth Hub

During the year, Growth Hub funding of £28,385 (2017 - £Nil) was provided to Birmingham Chamber of Commerce and Industry, which has one director in common with this Company.

**14. Controlling party**

There is no one ultimate controlling party.