

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

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FOR THE YEAR ENDED 31 MARCH 2014**

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**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2014**

DIRECTORS:

C A Gaskell
H R Hopwood
N R Schofield
T J Wheeler
M K Jones
R P Davis
G A Barlow
T E M David
M J Ashcroft
P Waterman
H L Morrissey
M E Jones
T P O'Neill
C Baker

REGISTERED OFFICE:

Richmond House
Gadbrook Business Centre
Rudheath
Northwich
Cheshire
CW9 7TN

REGISTERED NUMBER:

04453576 (England and Wales)

SENIOR STATUTORY AUDITOR: Michael Benson

AUDITORS:

Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their Strategic report, together with the Directors' report, the financial statements and auditors' report, for Cheshire & Warrington Local Enterprise Partnership ("the Company") for the year ended 31 March 2014.

BUSINESS REVIEW

The income and expenditure account is set out on page 8. The surplus for the year of £226,257 has been transferred to reserves (2013: £38,943).

The financial year 2013/14 may well become to be seen as a seminal year for Local Enterprise Partnerships (LEPs). Although the majority were established in 2011 apart from bringing together leaders from the public, private, education and third sectors and preparing an economic growth plan, they lacked a real focus. That changed with Lord Heseltine's report "No Stone Unturned in Pursuit of Growth" and in Government's subsequent response.

LEPs were suddenly put in the front line to not only establish economic growth plans but to work with local partners to identify investment opportunities, to prioritise them, undertake an initial appraisal of the projects and then manage the application process into the competitive, newly established Local Growth Fund.

In parallel to this work LEPs were charged with preparing the European Structural Investment Fund proposals for the 2014- 2020 programme. Although this will be a national programme, for the first time LEP geographies were to be the building blocks with allocations being made on a LEP area basis.

Sitting behind this new activity, LEPs were still responsible for investing their Growing Places Fund allocations which had been made to help "unlock" stalled employment and residential development schemes.

LEPs had also been charged with agreeing with their Local Transport Authorities submissions for the national "Pinch-point" programmes.

Additional responsibilities for LEPs included skills and employment with a particular focus on ensuring that skills provision is increasingly demand-led, increasing the number of apprenticeships and driving the deployment of broadband infrastructure.

Cheshire and Warrington LEP has successfully managed all these responsibilities.

In July 2014, it was announced that Cheshire and Warrington had been awarded £142.7m under the Local Growth Fund. This was in addition to the £123m allocation for the 2014-2020 ESIF programme.

Included in the Local Growth Fund award is £12.1m for Skills Capital developments across Cheshire and Warrington to support the current and future workforce.

Four projects have been supported under the Growing Places Fund, including a loan to Warrington Borough Council to help open Omega North which is now recognised as the pre-eminent logistics site in the north of England.

In April 2013 it was confirmed that under tranche 3 of the "Pinch-point" programme a road improvement scheme at M57 junction 7 would be supported together with technology improvement schemes at five other locations.

Recognising the increasing responsibilities that LEPs are being asked to undertake, the LEP is now registered as a company limited by guarantee and has formally changed its name to the Cheshire and Warrington Local Enterprise Partnership.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Company arises from reliance on national and local government funding.

The Company's senior management regularly review this risk and the potential impact on the Company and take mitigating action as necessary.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2014**

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.

ON BEHALF OF THE BOARD:

C A Gaskell - Director

11 December 2014

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014**

The directors present their report with the financial statements of the company for the year ended 31 March 2014.

DIVIDENDS

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

DIRECTORS

H R Hopwood has held office during the whole of the period from 1 April 2013 to the date of this report.

Other changes in directors holding office are as follows:

C A Gaskell - appointed 1 November 2013
N R Schofield - appointed 1 November 2013
T J Wheeler - appointed 1 November 2013
A G Farrall - resigned 1 November 2013
M K Jones - appointed 1 November 2013
A D Manley - resigned 1 November 2013
R P Davis - appointed 1 November 2013
C R D Seward - resigned 1 November 2013
C Simpson - appointed 13 May 2013 - resigned 1 November 2013
G A Barlow - appointed 1 November 2013
T E M David - appointed 1 November 2013
M J Ashcroft - appointed 1 November 2013
P Waterman - appointed 1 November 2013
H L Morrissey - appointed 1 November 2013
M E Jones - appointed 1 November 2013
T P O'Neill - appointed 1 November 2013
C Baker - appointed 1 November 2013

EMPLOYMENT POLICIES

The company is committed to the principle of equal opportunities in employment and to ensuring that all employees receive fair treatment irrespective of their sex, religion, ethnic origin, or disability. The company is committed to improving the skills of its people. Through training and development and nurturing a culture in which they feel valued, the company encourages them to work to their full potential. The company has regular and open communication channels to involve staff in business developments.

CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance and meets regularly. A number of matters are reserved for the Board's approval including the overall strategy for the company, annual budgets and business plans, major items of expenditure on projects and funding requirements from key stakeholders.

The Board has delegated responsibilities to the following committees, formally constituted with terms of reference:

Finance and Audit Committee
M J Ashcroft
T J Wheeler
N R Schofield

The Finance and Audit Committee oversees the effective operation of financial control and management reporting, and makes recommendations on the appointment of external auditors.

Appointments and Remuneration Committee
T E M David
C Gaskell
M Jones

Appointments and Remuneration Committee oversees the identification and recommendation of the new directors to the Board and all strategy and policy matters on salaries and terms of employment of company employees.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2014**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C A Gaskell - Director

11 December 2014

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

We have audited the financial statements of Cheshire & Warrington Local Enterprise Partnership for the year ended 31 March 2014 on pages eight to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Michael Benson (Senior Statutory Auditor)
for and on behalf of Murray Smith LLP
Chartered Accountants
Statutory Auditor
Darland House
44 Winnington Hill
Northwich
Cheshire
CW8 1AU

11 December 2014

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
TURNOVER		991,422	371,786
Cost of sales		<u>300,136</u>	<u>130,392</u>
GROSS SURPLUS		691,286	241,394
Administrative expenses		<u>464,029</u>	<u>206,451</u>
OPERATING SURPLUS	3	227,257	34,943
Other finance income	10	<u>-</u>	<u>4,000</u>
		227,257	38,943
Other finance costs	10	<u>1,000</u>	<u>-</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		226,257	38,943
Tax on surplus on ordinary activities	4	<u>-</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR		226,257	38,943
Retained surplus brought forward		<u>47,513</u>	<u>92,570</u>
		273,770	131,513
Actuarial gain on defined benefit pension scheme		<u>17,000</u>	<u>(84,000)</u>
RETAINED SURPLUS CARRIED FORWARD		<u><u>290,770</u></u>	<u><u>47,513</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current or previous year.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2014**

	2014 £	2013 £
SURPLUS FOR THE FINANCIAL YEAR	226,257	38,943
Actuarial gain/(loss) on retirement benefit scheme	17,000	(84,000)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>243,257</u>	<u>(45,057)</u>

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**BALANCE SHEET
31 MARCH 2014**

	Notes	2014 £	£	2013 £	£
FIXED ASSETS					
Tangible assets	5		12,488		2,390
CURRENT ASSETS					
Debtors	6	310,017		112,211	
Cash at bank and in hand		252,333		120,003	
		<u>562,350</u>		<u>232,214</u>	
CREDITORS					
Amounts falling due within one year	7	142,769		38,730	
NET CURRENT ASSETS			<u>419,581</u>		<u>193,484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			432,069		195,874
CREDITORS					
Amounts falling due after more than one year	8		(1,299)		(1,361)
PENSION LIABILITY	10		<u>(140,000)</u>		<u>(147,000)</u>
NET ASSETS			<u>290,770</u>		<u>47,513</u>
RESERVES					
Income and expenditure account			<u>290,770</u>		<u>47,513</u>
	12		<u>290,770</u>		<u>47,513</u>

The financial statements were approved by the Board of Directors on 11 December 2014 and were signed on its behalf by:

C A Gaskell - Director

H R Hopwood - Director

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	1	145,766	(45,584)
Capital expenditure	2	(13,436)	-
Increase/(decrease) in cash in the period		<u>132,330</u>	<u>(45,584)</u>

**Reconciliation of net cash flow
to movement in net funds**

	3		
Increase/(decrease) in cash in the period		<u>132,330</u>	<u>(45,584)</u>
Change in net funds resulting from cash flows		<u>132,330</u>	<u>(45,584)</u>
Movement in net funds in the period		132,330	(45,584)
Net funds at 1 April		<u>120,003</u>	<u>165,587</u>
Net funds at 31 March		<u>252,333</u>	<u>120,003</u>

The notes form part of these financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

1. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating surplus	227,257	34,943
Depreciation charges	3,338	1,840
Increase in debtors	(197,806)	(70,348)
Increase/(decrease) in creditors	103,977	(16,019)
Difference between pension charge and cash contributions	9,000	4,000
Net cash inflow/(outflow) from operating activities	<u>145,766</u>	<u>(45,584)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014 £	2013 £
Capital expenditure		
Purchase of tangible fixed assets	(13,436)	-
Net cash outflow for capital expenditure	<u>(13,436)</u>	<u>-</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	120,003	132,330	252,333
	<u>120,003</u>	<u>132,330</u>	<u>252,333</u>
Total	<u>120,003</u>	<u>132,330</u>	<u>252,333</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost accounting convention and in accordance with all applicable Accounting Standards.

Turnover

Turnover represents income from grants and donations received and the invoice value of subscriptions excluding Value Added Tax.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation is being charged by equal annual instalments, commencing with the period in which the assets are first available for use, so as to write off each asset's cost, less any residual value, over its expected useful economic life. The following rates of depreciation have been used:-

Computer equipment	- 33.3% Straight line
Fixtures & Fittings	- 20% Straight line

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

For defined benefit schemes the amount charged to the income and expenditure account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded, with assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Capital grants

These are treated as a deferred reserve and written off over the lifetime of the related assets.

Taxation

The company is a grant aided local agency organisation and its economic advisory activities are wholly maintained by contributions from altruistic member organisations. 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.

Grants

The income from grants is released to the profit and loss account as to apply the accruals concept of matching income and expenditure. Income is only recognised when there is reasonable assurance that the grant will be received.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	213,744	137,923
Social security costs	21,526	13,928
Other pension costs	30,600	25,750
	<u>265,870</u>	<u>177,601</u>

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

	2014	2013
Employees	<u>6</u>	<u>3</u>

3. OPERATING SURPLUS

The operating surplus is stated after charging:

	2014	2013
	£	£
Depreciation - owned assets	3,338	1,840
Auditors' remuneration	3,250	2,850
Accountancy	<u>4,338</u>	<u>4,238</u>
Directors' remuneration	63,750	95,000
Directors' pension contributions to money purchase schemes	<u>8,265</u>	<u>16,530</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>1</u>	<u>1</u>
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4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2014 nor for the year ended 31 March 2013.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

4. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Surplus on ordinary activities before tax	226,257	38,943
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	45,251	7,789
Effects of: Income not chargeable as from members	(45,251)	(7,789)
Current tax charge	-	-

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2013	4,137	66,349	70,486
Additions	596	12,840	13,436
At 31 March 2014	4,733	79,189	83,922
DEPRECIATION			
At 1 April 2013	4,137	63,959	68,096
Charge for year	69	3,269	3,338
At 31 March 2014	4,206	67,228	71,434
NET BOOK VALUE			
At 31 March 2014	527	11,961	12,488
At 31 March 2013	-	2,390	2,390

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	303,597	99,804
Other debtors	568	-
Prepayments and accrued income	5,852	12,407
	310,017	112,211

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	93,095	22,000
Social security and other taxes	45,497	2,116
Accruals and deferred income	4,177	14,614
	<u>142,769</u>	<u>38,730</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Deferred capital grants	<u>1,299</u>	<u>1,361</u>

9. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	2014	2013
	£	£
Expiring:		
Between one and five years	<u>381</u>	<u>381</u>

10. EMPLOYEE BENEFIT OBLIGATIONS

The company participates in a "multi-employer" scheme, "Cheshire Pension Fund", the assets of which are held in a separate trustee administered fund. Contributions are paid into the scheme in accordance with the recommendations of an independent actuary on the basis of triennial valuations.

In accordance with the Scheme's actuarial advice the company is making three lump sum payments of £31,000 each in the years ending 31 March 2015, 2016 and 2017 and increased employer contributions to address the deficit.

The three local authority members have committed to meet any pension deficit should the company not be able to discharge its liabilities.

The latest actuarial valuation was carried out at 31 March 2014.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Present value of funded obligations	(2,128,000)	(1,335,000)
Fair value of plan assets	1,988,000	1,188,000
	<u>(140,000)</u>	<u>(147,000)</u>
Present value of unfunded obligations	-	-
Deficit	<u>(140,000)</u>	<u>(147,000)</u>
Net liability	<u><u>(140,000)</u></u>	<u><u>(147,000)</u></u>

The amounts recognised in surplus or deficit are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Current service cost	31,000	26,000
Interest cost	60,000	54,000
Expected return	(59,000)	(58,000)
Past service cost	-	-
	<u>32,000</u>	<u>22,000</u>
Actual return on plan assets	<u><u>797,000</u></u>	<u><u>127,000</u></u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Opening defined benefit obligation	1,335,000	1,104,000
Current service cost	31,000	26,000
Contributions by scheme participants	9,000	9,000
Interest cost	60,000	54,000
Actuarial losses/(gains)	721,000	153,000
Benefits paid	(28,000)	(11,000)
	<u><u>2,128,000</u></u>	<u><u>1,335,000</u></u>

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Opening fair value of scheme assets	1,188,000	1,041,000
Contributions by employer	22,000	22,000
Contributions by scheme participants	9,000	9,000
Expected return	59,000	58,000
Actuarial gains/(losses)	738,000	69,000
Benefits paid	(28,000)	(11,000)
	<u>1,988,000</u>	<u>1,188,000</u>

The amounts recognised in the statement of recognised gains and losses are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Actuarial gains/(losses)	17,000	(84,000)
	<u>17,000</u>	<u>(84,000)</u>
Cumulative amount of actuarial gains/(losses)	<u>(149,000)</u>	<u>(166,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2014	2013
	£	£
Equities	1,472,000	880,000
Bonds	258,000	166,000
Property	139,000	71,000
Cash	119,000	71,000
	<u>1,988,000</u>	<u>1,188,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate	4.30%	4.50%
Expected return on scheme assets	5.90%	5.00%
Future salary increases	3.60%	5.10%
Future pension increases	2.80%	2.80%

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

10. EMPLOYEE BENEFIT OBLIGATIONS - continued

Amounts for the current and previous four periods are as follows:

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit pension plans					
Defined benefit obligation	(2,128,000)	(1,335,000)	(1,104,000)	(965,000)	(1,105,000)
Fair value of scheme assets	1,988,000	1,188,000	1,041,000	978,000	838,000
Deficit	(140,000)	(147,000)	(63,000)	13,000	(267,000)
Experience adjustments on scheme liabilities	-	1,000	(8,000)	50,000	-
Experience adjustments on scheme assets	-	69,000	(33,000)	(17,000)	161,000

11. RELATED PARTY DISCLOSURES

During the year the company entered into transactions in the normal course of business with the following member organisations, in which common directors have non financial interests, to deliver the economic development services in the Cheshire and Warrington sub region.

Contributions received towards operating costs:

Warrington Borough Council	£144,000
Cheshire East Council	£29,000
Cheshire West and Chester Council	£29,000

Government Core Funding and Growing Places Fund operating costs totalling £797,430 was also received through Cheshire East Council in its role as the accountable body.

Amounts paid for projects in year:

Warrington Borough Council	£5,000
Cheshire East Council	£17,000
Cheshire West and Chester Council	£6,500

In addition to the above, Cheshire West and Chester Council waived the annual rent charge to the company which would have amounted to £15,000.

The amounts outstanding from member organisations by the company are summarised as follows:

Warrington Borough Council	£33,298	(2013 - £4,498)
Cheshire East Council	£270,299	(2013 - £95,300)

12. RECONCILIATION OF MOVEMENTS IN RESERVES

	2014 £	2013 £
Surplus for the financial year	226,257	38,943
Other recognised gains and losses relating to the year (net)	17,000	(84,000)
Net addition/(reduction) to reserves	243,257	(45,057)
Opening reserves	47,513	92,570
Closing reserves	290,770	47,513

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2014**

13. LIMITED LIABILITY

Liability is limited by guarantee to £1 per member. The number of members at the period end was three.

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	2014		2013	
	£	£	£	£
Turnover				
Subscriptions	72,000		114,000	
WBC	120,000		120,000	
LEP Core Funding	558,847		66,153	
North West Research Collaborative	-		11,245	
Growing Places Fund	178,419		49,394	
Capacity Round 2	-		3,600	
Cheshire Employer and Skills Development Fund	-		7,394	
Other income	13,256		-	
DFT award	48,900		-	
	<u> </u>	991,422	<u> </u>	371,786
Cost of sales				
LEP Core Funding	231,717		66,153	
North West Research Collaborative	-		11,245	
Growing Places Fund	68,419		49,394	
Capacity Round 2	-		3,600	
	<u> </u>	300,136	<u> </u>	130,392
GROSS SURPLUS		691,286		241,394
Expenditure				
Insurance	18,034		1,655	
Directors' salaries	63,750		95,000	
Directors' social security	6,497		10,904	
Directors' pension contributions	8,265		16,530	
Wages	149,994		42,923	
Social security	15,029		3,024	
Pensions	22,335		9,220	
Recruitment costs	25,020		-	
Post, stationery and consumables	5,680		2,056	
Travel and subsistence	3,999		3,357	
Motor expenses	5,756		3,932	
Subscriptions	16,256		500	
Office equipment	14,755		6,561	
External relations	66,995		2,671	
Sundry expenses	61		(1,533)	
Legal & professional	29,833		15	
Auditors' remuneration	3,250		2,850	
Accountancy	4,338		4,238	
Entertainment	535		476	
	<u> </u>	460,382	<u> </u>	204,379
		230,904		37,015
Finance costs				
Bank charges		309		232
Carried forward		230,595		36,783

This page does not form part of the statutory financial statements

**CHESHIRE & WARRINGTON LOCAL ENTERPRISE
PARTNERSHIP (REGISTERED NUMBER: 04453576)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014**

	2014		2013	
	£	£	£	£
Brought forward		230,595		36,783
Other finance income/costs				
Interest income on pension scheme assets	59,000		58,000	
Interest on pension scheme liabilities	(60,000)		(54,000)	
		(1,000)		4,000
		229,595		40,783
Depreciation				
Fixtures and fittings	70		-	
Computer equipment	3,268		1,840	
		3,338		1,840
NET SURPLUS		<u>226,257</u>		<u>38,943</u>