

South East
Local Enterprise Partnership



Statement of Accounts

Financial Year 1st April 2015 to 31st March 2016

Produced by the Accountable Body – Essex County
Council

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Section One - Introduction

Introduction

- 1.** The South East Local Enterprise Partnership (SELEP) brings together key leaders from business, local government, further and higher education in order to create the most enterprising economy in England through exploring opportunities for enterprise whilst addressing barriers to growth.
- 2.** Covering Essex, Southend, Thurrock, Kent, Medway and East Sussex, the South East LEP is the largest strategic enterprise partnership outside of London. The South East LEP is one of 39 partnerships set up by the Government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create local jobs.
- 3.** The South East LEP is an unincorporated informal partnership. To facilitate the operations of the SELEP, Essex County Council acts as the Accountable Body for the partnership. This means that the Council receives funds and makes payments on behalf of the SELEP, oversees contract management with suppliers and ensures that the Partnership has sufficient cash flow.

Revenue Expenditure

- 4.** The original revenue expenditure budget for the South East LEP for financial year 2015/16 was set at £1,145,000. The following income streams were budgeted to support the expenditure in year:
 - Core Grant from Central Government of £500,000;
 - Contribution from Local Government partners of £200,000;
 - Application of £100,000 of the Growing Places Fund revenue grant to support the administration costs of the fund; and
 - A contribution of £345,000 from the SELEP's own reserve.
- 5.** At the end of the financial year SELEP had applied a total of £2,166,309 of revenue Government Grants, received a total of £200,000 in partner contributions and £215,618 of external interest was received in respect of balances held for the Growing Places Fund and Local Growth Fund.
- 6.** Revenue Government Grants applied included £799,394 of Growth Hub funding, £441,370 of SEEDA Legacy Funds, £20,000 of Transport Delivery Excellence Grant and £37,649 of Digital Capability Grant that were not confirmed at time of

Section One - Introduction

budgeting. It also included an application of £367,897 of GPF Revenue Funding to match that claimed by the Harlow Enterprise Zone.

- 7.** Total gross expenditure at the end of the financial year totalled £2,775,695. Of this amount, £1,666,310 relates to expenditure funded from the unbudgeted grant applied detailed above.
- 8.** In total the Partnership's expenditure exceeded income by £193,769, which has been funded through a withdrawal from the general reserve.

Growing Places Fund Grant

- 9.** A grant of £49 million was made to the South East LEP under the Growing Places Fund initiative. The Growing Places Fund grant was to be used to establish a revolving infrastructure fund that could be used across the LEP area to bring forward economic regeneration projects that have stalled.
- 10.** The GPF grant was fully allocated by the South East LEP Board in 2011/12 but appraisals, due diligence and legal agreements took longer to complete than originally anticipated. A total of £14.21 million of the grant was paid out in loans during the financial year and repayments of £700,000 were made.

Local Growth Fund Grant

- 11.** Capital grants of £70.95 million were made to the South East LEP to deliver the Growth Deal as agreed between the partnership and Government. Of this £70.95 million, £69.87million was allocated to upper tier Local Authorities and further education colleges across the partnership geography to invest in projects approved by the partnership's Accountability Board. The remaining £1.077 million has been carried forward for application in 2016/17.

Section Two – Statement of Responsibilities

Statement of Responsibilities

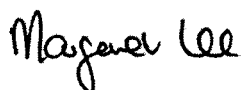
12.Executive Director for Corporate Services’ responsibilities

The Executive Director for Corporate Services is responsible for the preparation of the South East LEP’s Statement of Accounts in accordance with proper practices as set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the ‘Code of Practice’). In preparing this Statement of Accounts, The Executive Director for Corporate Services has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates which were reasonable and prudent
- Complied with the Code of Practice
- Kept proper, up to date, accounting records
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

13.Executive Director for Corporate Services’ certificate

I certify that this Statement of Accounts has been prepared in accordance with proper practices, and presents a true and fair view of the financial position of the South East Local Enterprise Partnership at 31 March 2016 and its expenditure and income for the year then ended.



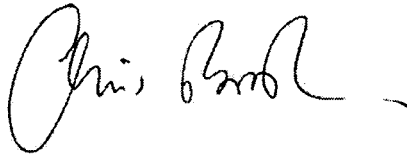
Margaret Lee, Executive Director for Corporate Services

9 October 2017

Section Two – Statement of Responsibilities

14. Chairman of the South East LEP Board's certificate

I approve these accounts on behalf of the South East Local Enterprise Partnership Board and confirm that they were considered by the Strategic Board at its meeting on 9th June 2017.

A handwritten signature in black ink, appearing to read 'Chris Brodie', with a horizontal line extending to the right.

Christian Brodie

Chairman of the South East Local Enterprise Partnership

22nd September 2017

Section Three – Statement of Accounts

Statement of Accounts

15. The Partnership's accounting statements for 2015/16 comprise:

- **Movement in Reserves Statement**

This statement shows the movement in year on the different reserves held by the Partnership, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure or reduce contributions) and 'unusable' reserves. The General Fund Balance at the line 'Balance at 31 March 2016' shows the funds available to the Partnership in 2016/17 and future financial years.

- **Comprehensive Income and Expenditure Statement**

This statement shows the accounting cost in the year of providing services in accordance generally accepted accounting practices.

- **Balance Sheet**

The Balance Sheet shows the value of the assets and liabilities recognised by the Partnership and the Accountable Body. The net assets of the Partnership are matched by the reserves held by the Partnership. Reserves are reported in two categories:

Usable reserves – those the Partnership may use to fund expenditure.

Unusable reserves – those that the Partnership is not able to use to fund expenditure. These include reserves that hold adjustments between accounting and funding certain transactions which are permitted under regulations.

- **Cash Flow Statement**

The cash flow statement shows the changes, during the reporting period, in cash and cash equivalents of the Partnership. It shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

16. Supplementary information is set out within the notes to the accounts to provide further information on the financial performance of the Partnership during 2015/16.

Section Three – Statement of Accounts

Movement in Reserves Statement

For the years ended 31 March 2015 and 31 March 2016

	Notes	Usable Reserves		Unusable Reserves		Total Usable Reserves	Unusable Reserves		Total Unusable Reserves	Total Reserves
		General Fund Balance	Capital Grants Unapplied Account	Capital Adjustments Account	Financial Instruments Adjustment Account		Accumulating compensated absences Adj A/C			
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2014		(239)	-	-	1,035	-	-	1,035	796	
Movement in Reserves during 2014/15										
Deficit on Provision of Services		(8)	-	-	-	-	-	-	(8)	
Total Comprehensive Income and Expenditure		(8)	-	-	-	-	-	-	(8)	
Adjustments between accounting basis & funding under regulations		(199)	-	-	197	2	197	2	199	
(Increase) / decrease in 2014/15		(207)	-	-	197	2	197	2	(8)	
Balance at 31 March 2015		(446)	-	-	1,232	2	1,234	2	788	
Movement in Reserves during 2015/16										
Deficit on Provision of Services	19	1,287	-	-	-	-	-	-	1,287	
Total Comprehensive Income and Expenditure		1,287	-	-	-	-	-	-	1,287	
Adjustments between accounting basis & funding under regulations	19	(1,093)	-	-	1,094	(1)	1,094	(1)	1,093	
(Increase) / decrease in 2015/16		194	-	-	1,094	(1)	1,093	(1)	1,287	
Balance at 31 March 2016		(252)	-	-	2,326	1	2,327	1	2,075	

Section Three – Statement of Accounts

Comprehensive Income and Expenditure Statement

For year ended 31 March 2016

	2014/15			Notes	2015/16			Net Expenditure £000
	Gross expenditure £000	Govt Grants £000	Other Income £000		Gross expenditure £000	Govt Grants £000	Other Income £000	
	1,167	(995)	(196)	19,20	72,649	(72,040)	(200)	409
Cost of Services								
	197	-	(181)	19,21	1,094	-	(216)	878
Financing and Investment Income and Expenditure								
	1,364	(995)	(377)		73,743	(72,040)	(416)	1,287
(Surplus) / Deficit on provision of services								

Section Three – Statement of Accounts

Balance Sheet as at 31 March 2016

31 March 2014	31 March 2015 (IFS)	PPA £000	31 March 2015 Restated £000	Note	31st March 2016
£000	£000	£000	£000		£000
11,002	15,215		15,215	24	27,635
11,002	15,215		15,215		27,635
37,821	33,180		33,180	25	20,099
37,821	33,180		33,180		20,099
(333)	(365)		(365)		(237)
(3,810)	(3,342)		(3,342)	20	(3,019)
(45,476)	(45,476)		(45,476)	20	(46,553)
(49,619)	(49,183)		(49,183)		(49,809)
(796)	(788)		(788)		(2,075)
(239)	(444)	(2)	(446)		(252)
(239)	(444)	(2)	(446)		(252)
-	-		-	22	-
1,035	1,232		1,232	21	2,326
-	-	2	2	23	1
1,035	1,232	2	1,234		2,327
796	788		788		2,075

Section Three – Statement of Accounts

Cash Flow Statement for year ended 31 March 2016

2014/15 £000	Notes		2015/16 £000
231	26	Operating activities	644
(231)	26	Investing activities	(644)
-		Financing activities	-
<hr/>		Net (increase) / decrease in cash and cash equivalents	<hr/>
-		Cash and cash equivalents at 1st April	-
-		Cash and cash equivalents at 31st March	-

Section Three – Statement of Accounts

Notes to the Statements of Accounts

17. Accounting Policies

Introduction

The Statement of Accounts summarises the Partnership's transactions for the 2015/16 financial year, and its position as at 31 March 2016. The accounting policies explain the basis for the recognition, measurement and disclosure of transactions and other events within the Statement of Accounts.

The Partnership's Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2015/16, insofar as that is applicable to the activities of the Partnership, supported by International Financial Reporting Standards (IFRS) and statutory regulations.

Accounting for Capital Grants

The Local Growth Fund Capital Grant awarded from DCLG and the Local Authority LTP Major Project Capital Grant were both awarded to the SELEP via the Accountable Body. Whilst these are capital grants they won't result in the creation of a non-current asset within the ownership of SELEP. This is because the grant is passed onto the relevant delivery organisation where the asset will be created or enhanced.

However, there are two further situations in Local Government where expenditure may be capitalised:

- Expenditure is defined by **Regulation** as capital: and
- Expenditure is classified by **Government Direction** as capital

Such expenditure is referred to as '**revenue expenditure funded from capital under statute**' (REFCUS). Both the Local Growth Fund Capital Grant and the Local Authority LTP Major Project Capital Grant have been treated in this way.

Where reliance is placed on the statutory definition of capital expenditure rather than the accounting definition, any expenditure incurred must be charged to the Comprehensive Income and Expenditure Statement. However, this is then mitigated by a transfer from the Capital Adjustment Account in the Movement in Reserves Statement, thereby neutralising the impact of the expense on the General Fund.

The effect of the transfer from the Capital Adjustment Account is to enable the SELEP to apply capital resources (i.e. capital grant) to the financing of the expenditure defined as capital by Regulation (i.e. to the financing of REFCUS expenditure).

Section Three – Statement of Accounts

Accounting for Loans

The Growing Places Fund loan advances are made on an interest free basis, which means that they are accounted for as soft loans. In order to comply with the CIPFA Code of Practice and statutory regulation it is necessary to measure such loans at fair value in the Financial Statements.

In the case of loan advances, such as GPF loan advances made by the South East LEP, the value of the advance made is presented in the accounts as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument and for an organisation with similar credit rating.

All GPF loan advances have been made to upper tier authorities and therefore the prevailing rate of interest used was that available from the Public Works Loan Board on the day of the advance.

The sum by which the amount lent exceeds the fair value of the loan shall be charged to Surplus or Deficit on the Provision of Services. This deficit does not require funding as it is an accounting adjustment only. This adjustment is held in the Financial Instruments Adjustment Account.

Over the life of the loan the value of the adjustment will be reduced in each year until the value of the loan advances match loan repayments in cash terms.

18. Accruals of Income and Expenditure

The Partnership accounts for income and expenditure in the year the effects of the transactions are experienced, not simply when the cash payments are made or received. In particular:

- **Receipt of goods and services:** expenditure is recognised when the goods are consumed and the services received by the Partnership.
- **Interest:** Amounts payable on borrowings and receivable on investments are accounted for on the basis of the effective interest rate for the relevant financial instrument rather than according to the cash flows fixed or determined by the contract.
- **Debtors and Creditors:** where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet.

Section Three – Statement of Accounts

19. Adjustments between Accounting Basis and Funding under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset (Local Growth Payments) is charged as expenditure to the Comprehensive Income and Expenditure Statement in the year against the cost of services line.

Where the cost of this expenditure is met from existing capital resources, such as capital grants, a transfer is made in the Movement in Reserves Statement to the Capital Adjustment Account to mitigate the impact on the General Balance.

An analysis of the adjustments made under statute can be found overleaf.

Section Three – Statement of Accounts

Adjustments between accounting basis and funding under Regulations – 2014/15

2014/15	Notes	General Fund Balance £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000
Adjustments involving the Capital Adjustment Account (CAA)					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>					
Depreciation and impairment of non current assets				-	-
Capital grants and contributions applied				-	-
Revenue expenditure funded from capital under statute				-	-
Value of assets disposed of during the year				-	-
Adjustments involving the Capital Adjustment Account					
Adjustments involving the Capital Grants Unapplied Account					
Grants applied to financing (transferred to the CAA)				-	-
Grants and contributions unapplied				-	-
Adjustments involving the Capital Grants Unapplied A/C					
Adjustments involving the Financial Instruments Adjustment Account (FIAA)					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement differ from costs chargeable in accordance with statutory requirements	21	(197)	-	(197)	197
Adjustments involving the FIAA					
Adjustments involving the Accumulated Absences Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in accordance with statutory requirements	23	(2)	-	(2)	2
Adjustments involving the Accumulated Absences Account					
Total adjustments		(199)	-	(199)	199

Section Three – Statement of Accounts

Adjustments between accounting basis and funding under Regulations – 2015/16

2015/16	Notes	General Fund Balance £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Total Unusable Reserves £000
Adjustments involving the Capital Adjustment Account (CAA)					
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>					
Depreciation and impairment of non current assets				-	-
Capital grants and contributions applied	19	69,873	-	69,873	(69,873)
Revenue expenditure funded from capital under statute	22	(69,873)	-	(69,873)	69,873
Value of assets disposed of during the year				-	-
Adjustments involving the Capital Adjustment Account					
Adjustments involving the Capital Grants Unapplied Account					
Grants applied to financing (transferred to the CAA)				-	-
Grants and contributions unapplied				-	-
Adjustments involving the Capital Grants Unapplied A/C					
Adjustments involving the Financial Instruments Adjustment Account (FIAA)					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement differ from costs chargeable in accordance with statutory requirements	21	(1,094)	-	(1,094)	1,094
Adjustments involving the FIAA					
Adjustments involving the Accumulated Compensated Absences Adjustment Account					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in accordance with statutory requirements	23	1	-	1	(1)
Adjustments involving the Accumulated Absences Account					
Total adjustments		(1,093)	-	(1,093)	1,093

Section Three – Statement of Accounts

20. Grant Income

Government grants and third party contributions and donations are recognised as due and credited as income in the Comprehensive Income and Expenditure Statement, when there is reasonable assurance that:

- There are no conditions attached to them or that the Partnership has complied with the conditions attached to them; and
- The grants and contributions will be received.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the grant or condition are required to be consumed by the Partnership as specified, or future economic benefits or service potential must be returned to the awarding body.

Where a grant or contribution has been received, but the conditions are not satisfied, the amount will be carried in the Balance Sheet as a grant receipt in advance.

Section Three – Statement of Accounts

An analysis of the grants that have been credited to the Net Cost of Services within the Comprehensive Income and Expenditure Statement is as follows:

2014/15			2015/16		
Capital grants £000	Revenue grants £000	Total £000	Capital grants £000	Revenue grants £000	Total £000
Department of Business, Innovation and Skills					
-	-	-	-	800	800
-	-	-	-	441	441
-	-	-	-	37	37
-	-	-	-	1,278	1,278
Department for Transport					
-	45	45	-	-	-
-	-	-	-	20	20
-	-	-	1,500	-	1,500
-	45	45	1,500	20	1,520
Department of Communities and Local Government					
-	421	421	-	368	368
-	529	529	-	500	500
-	-	-	68,373	-	68,373
-	950	950	68,373	868	69,241
-	995	995	69,873	2,166	72,039

An analysis of the grants carried in the Balance Sheet as a receipt in advance is as follows:

2014/15			2015/16		
Capital £000	Revenue £000	Total £000	Capital £000	Revenue £000	Total £000
Department of Business, Innovation and Skills					
-	-	-	-	1	1
-	-	-	-	1	1
Department for Transport					
-	33	33	-	33	33
-	-	-	-	43	43
-	33	33	-	76	76
Department of Communities and Local Government					
45,477	3,309	48,786	45,477	2,942	48,419
-	-	-	1,077	-	1,077
45,477	3,309	48,786	46,554	2,942	48,419
45,477	3,342	48,819	46,554	3,019	48,496

Section Three – Statement of Accounts

21. Financial Instruments

The SELEP has made a number of loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable in the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Instruments Adjustment Account

This account absorbs the timing differences arising from different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2014/15 £000		2015/16 £000
1,035	Balance as at 1 April	1,232
493	Amortisation of discounts to the General Fund	1,648
(296)	Transfer from the General Fund for the difference between amounts credited/debited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statutory provisions	(554)
<u>1,232</u>	Balance as at 31 March	<u>2,326</u>

Section Three – Statement of Accounts

22. Capital Adjustments Account

The Capital Adjustments Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. This includes adjustments made on the application of Revenue Expenditure Funded from Capital under Statute (REFCUS).

2014/15 £000	2015/16 £000
- Balance as at 1 April	-
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
- Revenue expenditure financed from capital under statute	69,873
<hr/>	<hr/>
- Net written out amount of the cost of non-current assets consumed in the year	
Capital financing applied in the year	
- Capital grants applied to finance revenue expenditure funded from capital	(69,873)
<hr/>	<hr/>
- Balance as at 31 March	-

Section Three – Statement of Accounts

23. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would arise on the General Fund Balance from accruing for paid absences earned but not taken in the year (e.g. annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

2014/15 Restated £000		2015/16 £000
-	Balance as at 1 April	2
	Settlement or cancellation of accrual made at the end of the preceding year	(2)
2	Amount accrued for at the end of the current year	1
<u>2</u>	Amount by which officer remuneration charged in the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	<u>(1)</u>
<u>2</u>	Balance as at 31 March	<u>1</u>

24. Long Term Debtors

Long term debtors are the loan advances made to upper tier authorities from the Growing Places Fund. As at note 21 above, the value of these advances are recognised at the present value of repayments over the life of the loan. This is because the loans are made at a nil interest rate. The cash value of loan advances this year was £million. The difference in value between this and the value recognised as a long term debtor is shown in the Financial Instruments Adjustment Account which is an unusable reserve.

25. Short Term Debtors

The Partnership's cash is held by Essex County Council, as part of the Council's role as Accountable Body for the Partnership. The cash held by the Accountable Body is recognised on the Balance Sheet of the Partnership as a short term debtor.

26. Cash Flows from operating, investing and financing activities

The amount of net cash flows arising from operating activities is a key indicator to the extent to which the operations of the Partnership are funded by way of grant income or contributions.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Partnership's future service delivery.

Section Three – Statement of Accounts

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Partnership. Currently the Partnership has no borrowing.

The Partnership's cash is held by the Accountable Body (see note 25) and therefore is recognised as short term debtor rather than cash on the Balance Sheet and Cash Flow Statement

The cash flows from operating, investing and financing activities include the following items:

Section Three – Statement of Accounts

2014/15 £000	Notes	2015/16 £000
	Cash flows from operating activities	
	Cash inflows	
(527)	Grants	(1,844)
(196)	Sales of goods and rendering of services	(200)
(181)	Interest received	(216)
<u>(904)</u>		<u>(2,260)</u>
	Cash outflows	
272	Cash paid to and on behalf of employees	514
863	Other payments for operating activities	2,390
<u>1,135</u>		<u>2,904</u>
<u>231</u>		<u>644</u>
	Net outflows of cash from operating activities	644
	Cash flows from investing activities	
	Cash inflows	
(4,641)	Proceeds from short and long term investments	(13,081)
-	Other receipts from investing activities	(70,950)
<u>(4,641)</u>		<u>(84,031)</u>
	Cash outflows	
4,410	Other payments for investing activities	83,387
<u>4,410</u>		<u>83,387</u>
<u>(231)</u>		<u>(644)</u>
	Net outflows of cash from investing activities	(644)
	Cash flows from financing activities	
	Cash inflows	
-	Cash receipts of short and long term borrowing	-
-	Other receipts from financing activities	-
<u>-</u>		<u>-</u>
	Cash outflows	
-	Cash payments for the reduction of liabilities related to finance leases	-
-	Repayment of short and long term borrowing	-
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
<u>-</u>		<u>-</u>
	Net outflow of cash from financing activities	-
	Net (increase) / decrease in cash and cash equivalents	-
	Cash and cash equivalents at 1st April	-
	Cash and cash equivalents at 31st March	-

Section Four – Statement of Accounts

Independent auditor's report to the Board and Executive Members of South East Local Enterprise Partnership and Essex County Council

We have audited the Statement of Accounts of South East Local Enterprise Partnership for the year ended 31 March 2016 on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC code of Practice on Local Authority Accounting in United Kingdom 2015/16.

This report is made solely to the Board and Executive Members of South East Local Enterprise Partnership, and Essex County Council as the accountable body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board and Executive Members of South East Local Enterprise Partnership, as a body, and to Essex County Council as the accountable body, those matters we are required to state to them in an auditor's 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 Board and Executive Members of South East Local Enterprise Partnership and Essex County Council as the accountable body, for our audit work, for this report or the opinions we have formed.

Respective responsibilities of the accountable body and the auditors

The Executive Director for Corporate Services of Essex Council is responsible for the preparation of the Statement of Accounts and for being satisfied that the amounts contained therein give a true and fair view within the context of the financial reporting framework.

Our responsibility is to audit, and express an opinion on, the Statement of Accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit and Statement of Accounts

An audit involves obtaining evidence about the amounts and disclosures in the Statement of Accounts sufficient to give reasonable assurance that the Statement of Accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and have been adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Director for Corporate Services of Essex County Council; and the overall presentation of the Statement of Accounts.

In addition, we read all the financial and non-financial information in the Statement of Accounts to identify material inconsistencies with 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 misstatement or inconsistencies we consider the implications for our report.

Section Four – Statement of Accounts

Opinion on the Statement of Accounts

In our opinion the Statement of Accounts:

- Give a true and fair view of the financial position of the Local Enterprise Partnership as at 31 March 2016 and of the Local Enterprise Partnership's expenditure and income for the year then ended;
- Have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16.



Mr Athos Louca FCCA ICPAC (Senior Statutory Auditor)
For and on behalf of Loucas
Chartered Certified Accountants
Statutory Auditor
The Carriage House
Mill Street
Maidstone
Kent
ME15 6YE

Date: 11/10/2017