

**Audit and Governance Committee**  
Meeting to be held on 27 January 2014

Electoral Division affected: All
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**Accounts of Lancashire County Developments Limited 2012/13**  
(Appendix 'A' refers)

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**Executive Summary**

This report sets out the Financial Statements of Lancashire County Developments Limited for 2012/13.

**Recommendation**

The Committee is requested to note the 2012/13 Statement of Accounts for Lancashire County Developments Limited.

**Background**

Lancashire County Developments Limited (LCDL) is the council's economic development company and is focussed on delivery in line with the County Council's Economic Development Framework.

On the 17th July 2003, the Full Council, on the recommendation of the Cabinet, resolved that the Lancashire County Developments Limited audited Statement of Accounts be reported to the Audit Committee for information.

An overview of 2012/13 for the company by its Chair may be seen on pages 3 and 4 of the Financial Statements for LCDL, which are attached at Appendix 'A'. Beryl Rhodes, LCDL Head of Commercial and Central Finance, will attend the meeting to respond to any questions.

The LCDL Group of Companies are legally required to have their financial records audited annually. The appointed Auditors are Grant Thornton Chartered Accountants.

The following points summarise the key points from the 2012-2013 financial year (ending on 31<sup>st</sup> March 2013)

1. LCDL Group profit pre tax £4,663,998 for the period

In summary:

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Profit from normal operations	506
Gain on disposal of assets as a result of fire	8,212
Loss on Revaluation of Property Portfolio	(4,054)
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Pre tax Profit after exceptional items	4,664

2. The major reason for this profit is a £8,212,062 gain on disposal of fixed assets arising from the insurance proceeds received as a result of the fire at the Lancashire Business Park in Leyland. The building was fully insured and our insurers have accepted liability and paid £16.2million to the Company. The accounts reflect the loss of the building but also this year reflects the costs of the replacement buildings as Assets in Construction of £11,840,754.
3. There is within the accounts a loss of £4,054,284 resulting from the reduction in the valuation of the property assets following a requirement by the Auditors to have the Leyland property externally valued. The revaluation of the property portfolio results in the property portfolio therefore now valued at £25,950,000
4. The Bank Balance stands at £20,543,673 on the Group Balance sheet but this is offset by an overdraft amount in creditors of £11,541,956. Therefore the net bank balance for the Group is £9,001,717.
5. The Balance sheet net worth of the LCDL Group of companies totals £36,078,397

The report and accounts was submitted to the LCDL Audit Committee, who recommended the accounts to the Board for signature. The accounts have subsequently been approved for signature by the LCDL Board and filed at Companies House.

### **Consultations**

N/A

### **Advice**

N/A

### **Implications:**

This item has the following Risk Management implications:

N/A

**Implications:** Other

This item has the following implications:

N/A

**Local Government (Access to Information) Act 1985  
List of Background Papers**

Paper	Date	Contact/Directorate/Ext
Financial Statements working papers	2011/12	Beryl Rhodes, LCDL Tel : 01772 533603

Reason for inclusion in Part II, if appropriate

N/A