

Audit Committee

Meeting to be held on 23 January 2012

Electoral Division affected: All

Accounts of Lancashire County Developments Limited 2010/11

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

This report sets out the Financial Statements of Lancashire County Developments Limited for 2010/11.

Recommendation

The committee is requested to note the 2010/11 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 2010/11 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 Finance and HR, will attend the meeting to respond to any questions.

The following summarises the key points from the 2010-2011 financial year (ending on 31st March 2011)

LCDL Group Loss before taxation of £1,774,564 for the period. The two major factors that caused the loss were:

- a. Following a valuation of the Rising Bridge Development by LCC Property Group the asset cost value of the development was written down from £4.56million to £3million so impacting the financial loss for the year by £1,513,666. The reduction in value is explained by LCC Property Group

as partly a reflection of current market rates in the area and but mainly as a result of the void situation of the development.

- b. Following the restructure and redundancy process within LCDL a provision for £420,000 needed to be included in the accounts to cover redundancy payouts, payment in lieu of notice and pension strain charges.

The accounts were audited by Grant Thornton who are the company's external auditors. The full report and accounts was then submitted to the LCDL Audit Committee, who recommended the accounts to the Board for signature and filing at Companies House. 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	2010/11	Beryl Rhodes, LCDL Tel : 01772 533603

Reason for inclusion in Part II, if appropriate

N/A