

Audit and Governance Committee
Meeting to be held on 14 January 2013

Electoral Division affected: All

Accounts of Lancashire County Developments Limited 2011/12
(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 2011/12.

Recommendation

The committee is requested to note the 2011/12 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 2011/12 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 following summarises the key points from the 2011-2012 financial year (ending on 31st March 2012)

LCDL Group profit before taxation £4,251,122 for the period. The two major factors that gave rise to the profit were:

1. A £6,000,000 gain arising from the disposal of fixed assets as a result of the fire at the Lancashire Business Park in Leyland. The building was fully insured and our insurers have accepted liability. The accounts reflect the loss of the building and assume that the replacement will be built using the

insurance monies, creating a building of significantly higher value than the one which was destroyed. This appears in the accounts as a £6m profit on disposal of fixed assets.

2. A loss of £1,894,355 resulting from the reduction in the valuation of the property assets following a requirement by the Auditors to have the property portfolio externally valued:

The revaluation of the property portfolio has given rise to a reduction of £17m in the Company's net asset. The property portfolio is therefore now valued at £23million.

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	2011/12	Beryl Rhodes, LCDL Tel : 01772 533603

Reason for inclusion in Part II, if appropriate

N/A