

Enterprise M3 18-19 Capital and Revenue reserve funds

Our financial transactions are reviewed as part of the statutory audit of our Accountable Body, Hampshire County Council's accounts and accounting records. The published audited accounts are found at: <http://documents.hants.gov.uk/finance/HCC-statementofaccounts2018-19-audited.pdf>

Table 1 shows the total funds attributed to Enterprise M3. As at 31 March 2019 Enterprise M3 held £2 million revenue and £42 million capital funds across a range of accounts:

Enterprise M3 Funds: Revenue and Capital	Fund at 1 April 2018	Income	Expenditure	Fund at 31 March 2019
	£'000	£'000	£'000	£'000
REVENUE (Table 2)				
Operational Fund	350	2,001	(1,874)	477
Growth Hub	0	562	(562)	0
Interest	816	661	(65)	1,412
GEF	787	0	(367)	420
SEEDA	156	0	(108)	48
Staff Redundancy	120	0	0	120
Enterprise Zone	0	170	(170)	0
TOTAL REVENUE FUNDS	2,229	3,394	(3,146)	2,477
CAPITAL				
Local Growth Fund	26,400	38,391	(36,850)	27,941
Growing Enterprise Fund	10,200	1,535	0	11,735
Capital to Revenue Fund	3,335	0	(735)	2,600
TOTAL CAPITAL FUNDS	39,935	39,926	(37,585)	42,276
TOTAL FUNDS	42,164	43,320	(40,731)	44,753

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Table 2 provides an analysis of the 2018/19 revenue income and expenditure across all revenue funds¹:

TABLE 2	1	2-7	2	3	4	5	6	7			TABLE 1
2018-19 Revenue	Operational Fund	Other	Growth Hub	Interest	GEF Fund	SEEDA	Staff redundancy	EZ ³	GROSS TOTAL	Inter account transfers	TOTAL (External)
Revenue reserve balance at 31 March 2018	350	1,879	0	816	787	156	120	0	2,229		2,229
INCOME 18-19											
Government funding	700	287	287						987		987
Partner contributions - LA, FE, HE	240								240		240
Application Fee	347								347		347
Salary match funding	48								48		48
EU income	66								66		66
Growth Hub management fee	45								45		45
Other	110								110		110
Interest Receivable		661		661					661		661
EZ ³ : HCC Loan / Business Rates Growth		170						170	170		170
Transfers from other EM3 Revenue Reserve Funds	410	108	108						518	(518)	0
Transfer of Capital 2 Revenue Funds	35	167	167						202		202
TOTAL INCOME	2,001	1,393	562	661	0	0	0	170	3,394	(518)	2,876
EXPENDITURE 18-19											
Staff costs	(1,123)	(149)						(149)	(1,272)		(1,272)
Due Diligence	(216)								(216)		(216)
Research, studies and consultancy	(282)								(282)		(282)
Other running costs	(253)	(43)			(22)			(21)	(295)		(295)
Growth Hub costs		(562)	(562)						(562)		(562)
Transfers from other EM3 Revenue Reserve Funds		(518)		(65)	(345)	(108)			(518)	518	0
TOTAL EXPENDITURE	(1,874)	(1,272)	(562)	(65)	(367)	(108)	0	(170)	(3,146)	518	(2,628)
Movement in year	127	121	0	596	(367)	(108)	0	0	248	0	248
Revenue reserve balance at 31 March 2019	477	2,000	0	1,412	420	48	120	0	2,477	0	2,477

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¹ The Enterprise M3 accounting structure has seven revenue accounts that support the delivery of the Strategic Economic Plan.

1. The Operational Fund the day to day expenditure of the LEP
2. The Growth Hub reserve covers all income and expenditure relating to the Growth Hub
3. The interest reserve accumulates all interest earned on Enterprise M3 capital funds and LGF/GEF loans awarded
4. The GEF fund is a legacy fund available to fund the day to day expenditure of the LEP
5. The SEEDA legacy reserve is a ring-fenced to support business support activities in line with government guidance
6. The staff redundancy reserve covers any staffing liabilities in the event of the LEP being wound down
7. The Enterprise Zone income and expenditure, funded by a loan against future Business Rates Growth