Company Number: 3037449

LONDON COUNCILS LIMITED
(A Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2015

LONDON COUNCILS LIMITED

REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2015

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LONDON COUNCILS LIMITED

DIRECTORS' REPORT
For the year ended 31 March 2015

The Directors submit their annual report and the audited financial statements of London Councils Limited for the year ended 31 March 2015.

Principal Activities

London Councils Limited was established in March 1995, following the merger of the Association of London Authorities (ALA) and the London Boroughs Association (LBA), with the objects of consultation as to the common interests of member authorities and discussion of matters relating to local government. From 1 April 2000, these functions transferred to the London Councils Joint Committee. London Councils Limited has been retained solely to record all transactions relating to the holding and rental of property and in relation to the employment of the two political advisers.

London Councils' political advisers serve and support London local government and the members belonging to their London Councils party group. The political advisers are also the main point of contact between London Councils and other national/regional or local groupings of their respective national political parties. There are political advisers for the Conservative and Labour parties.

Business Review

London Councils Limited's results for the financial year ended 31 March 2015 show a breakeven position (2014: a breakeven position). London Councils Limited's Profit and Loss Account at 31 March 2015 amounted to £Nil (2014: £Nil).

On 22 December 2008, the company acquired a lease at Block 2, Angel Square, Islington, London, EC1V 1NY to accommodate the Parking and Traffic Appeals Service which relocated to Angel Square on 7 February 2009. The lease was originally due to end on 24 March 2015 but it was extended to 24 July 2015 to allow for the refurbishment of a new premises acquired at Chancery Exchange, 10 Furnivall Street, London EC4. The lease on the new property commenced on 3 February 2015 and runs until 29 March 2025. The annual cost of both the leases will be recharged to London Councils' Transport and Environment Committee.

On 10 April 2012, the company renewed the lease at 59½ Southwark Street, London, SE1 0AL for a ten year period commencing on 26 March 2011 to 25 March 2021.

Provision of Information to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the London Councils Limited's auditors are unaware; and

The Directors have taken all the steps that ought to have taken as the Directors in order to make themselves aware of any relevant audit information and to establish that London Councils Limited's auditors are aware of that information.

LONDON COUNCILS LIMITED

DIRECTORS' REPORT
For the year ended 31 March 2015

Directors and Directors' Interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Position	**Name**
Chair:	Mayor Jules Pipe
Deputy Chair:	Cllr Claire Kober
Vice Chairs:	Mr Mark Boleat Cllr Ruth Dombey Cllr Teresa O'Neill

All directors have an interest in London Councils Joint Committee, as members, which is the ultimate parent undertaking.

The Directors receive no emoluments (2014: Nil) for services provided to London Councils Limited.

Exemption Statement

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved and signed on behalf of the Directors

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Mayor Jules Pipe
Chair of London Councils Limited

14 July 2015

LONDON COUNCILS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

Report on the financial statements

Our opinion

In our opinion, London Councils Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

London Councils Limited's financial statements comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the 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 misstatements or inconsistencies we consider the implications for our report.

andrew

Andrew Lowe (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

14 July 2015

LONDON COUNCILS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2015

	Note	2015	2014
		£	£
TURNOVER		1,784,342	1,773,708
COST OF SALES		(1,707,987)	(1,718,446)
GROSS PROFIT		76,355	55,262
Administrative Expenses		(6,267)	(18,985)
OPERATING PROFIT	3	70,088	36,277
Interest Payable and Similar Charges	4	(10,363)	0
Interest Receivable and Similar Income	5	6,521	5,268
Transfer to London Councils' Joint Committee	6	(66,246)	(41,545)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		0	0
Tax on result on ordinary activities	10	0	0
RESULT FOR THE FINANCIAL YEAR	**14**	**0**	**0**

All amounts relate to continuing operations.

There is no material difference between the result on ordinary activities before taxation and the result for the financial year stated above and their historical costs equivalents

The company has no recognised gains or losses other than those included in the profit and loss account and, therefore, no separate statement of total recognised gains and losses has been presented.

LONDON COUNCILS LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

	Note	2015	2014
		£	£
Current assets			
Debtors	11	890,127	765,389
Cash at bank and in hand		30,736	0
		920,863	765,389
Current liabilities			
Creditors: amounts falling due within one year	12	(355,594)	(327,145)
Provisions for Liabilities	13	(337,825)	(196,415)
Net current assets		227,444	241,829
Provisions for Liabilities	13	(227,444)	(241,829)
Net assets		**0**	**0**
Profit and Loss Account	14	0	0
Total Shareholders' funds		**0**	**0**

The financial statements and notes on pages 7 to 14 were approved by the Directors of the Company on 23 June 2015.

Signed on behalf of the Directors by

Mayor Jules Pipe
Chair of London Councils Limited

14 July 2015

Cllr Teresa O'Neill
Director of London Councils Limited

14 July 2015

1. COMPANY STATUS

London Councils Limited is a company limited by guarantee and does not have any share capital. The liability of the Directors is limited to £1 each in the event of the Company being wound up.

2. ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below:

a. Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

b. Income and Expenditure

Income and Expenditure is recognised on an accruals basis.

c. Turnover

Turnover represents the invoiced value of goods sold and services provided net of Value Added Tax. Over half of the turnover is derived from member subscriptions with the balance derived from rental income, premises and accommodation. The turnover and pre-tax result is wholly attributable to the principal activities, which arose wholly in the United Kingdom. Revenue from the provision of services is recognised when the Company can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Company.

d. Leasing

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

e. Provisions

A provision is recognised in the financial statements when there is a present obligation as a result of a past event, it is probable that a payment would be made to settle the obligation and a reliable estimate of the obligation can be made. The present obligation is measured at the discounted value of the future cash flows using an appropriate discount factor.

f. Pensions

The company is unable to identify its share of the assets and liabilities of the Defined Benefit Pension Scheme, As such, the costs of participating in this scheme are recognised as they are incurred.

3. OPERATING PROFIT

	2015	2014
	£	£
The operating profit is stated after charging:		
Auditors' Remuneration payable for the statutory audit	1,230	1,120
Operating Leases	852,358	803,434
	853,588	**804,554**

4. INTEREST PAYABLE AND SIMILAR CHARGES

This amount represents the finance costs in relation to the unwinding of the discounted property provisions (note 13).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

This amount represents allocation of interest on cash balances held by the City of London. At the year end the cash balance amounted to £30,736 (2014: Nil).

6. TRANSFER TO LONDON COUNCILS JOINT COMMITTEE

	2015	2014
	£	£
Transfer to London Councils Joint Committee	66,246	41,545

All operating profits after inclusion of interest are transferred to the London Councils Joint Committee of which the Company is a wholly owned subsidiary.

7. DIRECTORS' REMUNERATION

The Directors did not receive any emoluments or compensation for loss of office (2014: £Nil). Emoluments received as members of the London Councils Joint Committee, which is the parent undertaking will be disclosed in the financial statements of the London Councils Joint Committee.

8. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Company during the year was 2 (2014: 3). All staff are employed as political advisers.

Staff costs comprise of the following elements:	2015 £	2014 £
Wages and salaries	76,878	122,650
Social Security Costs	7,490	11,335
Other Pension Costs	3,991	14,382
Total Staff Costs	**88,359**	**148,367**

9. PENSIONS

Retirement benefits are provided through the London Pension Fund Authority (LPFA) Local Government Pension Scheme (LGPS).

In relation to FRS17 valuations, as at 31 March 2015 the Pension Scheme had a deficit of £25.449 million (2014: deficit of £16.197 million). As required by FRS17, the defined benefit deficit for the Pension Scheme has been measured using the projected unit method. As the company is unable to identify its share of the underlying assets and liabilities, under FRS17, payments into the scheme are accounted for as if the scheme was a defined contribution scheme. The LGPS regulations require the Scheme to carry out a full actuarial valuation every three years. This valuation is the starting point for the 'roll forward' for the annual FRS17 valuation using the projected unit method. The difference between the triennial actuarial valuation and the annual FRS17 valuation is due to the use of different actuarial assumptions and calculation methodologies. The last triennial actuarial valuation of the Scheme took place as at 31 March 2013. The valuation resulted in a deficit of £847,000 (2010: £931,000). Further details of the plans and the assumptions applied can be found in the audited financial statements of London Councils Joint Committee available from 59½ Southwark Street, London, SE1 0AL. The cost of contributions to the pension scheme during the financial year amounts to £3,991 (2014: £14,382). There were no outstanding or prepaid contributions (2014: Nil).

10. TAX ON RESULT ON ORDINARY ACTIVITIES

London Councils Limited is exempt from charge to income tax, corporation tax and capital gains tax under S.519, Income and Corporation Taxes Act 1988.

11. DEBTORS

	2015 £	2014 £
Trade Debtors	614,356	638,423
Other Debtors	75,069	22,121
Prepayments and accrued income	200,702	104,845
	890,127	**765,389**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Bank loans and overdrafts	0	93,142
Accruals and deferred income	355,594	234,003
	355,594	**327,145**

The bank loans and overdrafts balance stated above relates to the Company's overdraft with the City of London. No interest was charged on this balance as the City of London calculates annual interest income or charge based on an entity's average daily cash balance and the Company held a positive average daily cash balance during the year.

13. PROVISIONS FOR LIABILITIES

	Property Lease Provisions £
Balance at 1 April 2014	**438,244**
Additional Provisions made in 2014/15	130,820
Discount unwind (note 4)	10,363
Amounts used in 2014/15	0
Unused amounts reversed in 2014/15	(14,158)
Balance at 31 March 2015	**565,269**

Analysis of total provisions:

	£
Current	337,825
Non-current	227,444
Total Provision	**565,269**

13. PROVISIONS FOR LIABILITIES (continued)

The Company has established a provision for its contractual obligations included within its property leases. The lease for Angel Square requires dilapidation and internal decoration work to be carried out at the end of the extended lease term in July 2015.

The lease for Southwark Street requires internal and external decoration works to be carried out in March 2016 and dilapidation works to be carried out in March 2021.

The lease for Chancery Exchange requires internal decoration work to be carried out every three years commencing from March 2018 and general dilapidation work to be carried out at the end of the lease in March 2025.

14. RESERVES

	Profit and Loss Account £
Balance at 1 April 2014	0
Result for the financial year	0
Balance at 31 March 2015	0

15. FINANCIAL COMMITMENTS – OPERATING LEASES

The Company uses leased properties under the terms of operating leases. The amounts paid under these arrangements during the year amounted to £852,358 (2014: £803,434).

The annual commitment under non-cancellable operating leases expiring:

	2015 £	2014 £
Within one year	89,008	268,950
Within two to five years	0	0
Over five years	789,401	529,225

16. ULTIMATE PARENT ENTITY

The Company is a wholly controlled subsidiary undertaking of the London Councils Joint Committee, in which the results of the company are consolidated. The consolidated financial statements of the London Councils Joint Committee are circulated to the public and may be obtained from the London Councils Joint Committee, 59½ Southwark Street, London, SE1 0AL. No other group financial statements include the results of the company.

16. ULTIMATE PARENT ENTITY (continued)

The Company is exempt under FRS 8 - Related party disclosures from disclosing related party transactions with the group and is exempt under FRS1 – Cashflow statements (revised 1996) from disclosing a cash flow statement as it is a small company.