

Company Number: 3037449

LONDON COUNCILS LIMITED
(A Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2014

LONDON COUNCILS LIMITED
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2014

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LONDON COUNCILS LIMITED
DIRECTORS' REPORT
For the year ended 31 March 2014

The Directors submit their annual report and the audited financial statements of London Councils Limited for the year ended 31 March 2014.

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 of property and in relation to the employment of the three 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, Labour and Liberal Democrat parties.

Business Review

London Councils Limited's results for the year ended 31 March 2014 show a breakeven position (2013: a breakeven position). London Councils Limited's Profit and Loss Account at 31 March 2014 amounted to £Nil (2013: £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 annual cost of the lease 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 2014

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	(appointed 9 July 2013)
	Cllr Teresa O'Neill	
	Cllr Derek Osbourne	(resigned 13 June 2013)

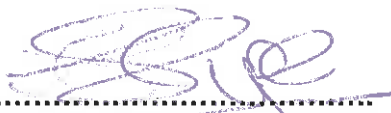
All directors have an interest in London Councils Joint Committee, as members, which is the ultimate parent undertaking.

The Directors receive no emoluments 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


.....
Mayor Jules Pipe
Chair of London Councils Limited

15 July 2014

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.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by London Councils Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

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.

In addition, we read all the financial and non-financial information in the Report and Financial Statements 31 March 2014 (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.

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.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

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: 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 Directors' Responsibilities Statement 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 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.



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

15 July 2014

LONDON COUNCILS LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2014

	Note	2014 £	2013 £
TURNOVER		1,773,708	1,712,881
COST OF SALES		(1,718,446)	(1,692,125)
GROSS PROFIT		55,262	20,756
Administrative Expenses		(18,985)	(4,361)
OPERATING PROFIT – continuing operations	3	36,277	16,395
Interest Receivable and Similar Income	4	5,268	1,277
Transfer to London Councils' Joint Committee	5	(41,545)	(17,672)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		0	0
Tax on result on ordinary activities	9	0	0
RESULT FOR THE FINANCIAL YEAR	13	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 2014

	Note	2014 £	2013 £
Current assets			
Debtors	10	765,389	791,762
		<u>765,389</u>	<u>791,762</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(327,145)	(481,172)
Provisions for Liabilities	12	(196,415)	-
Net current assets		<u>241,829</u>	<u>310,590</u>
Provisions for Liabilities	12	(241,829)	(310,590)
Net assets		<u><u>0</u></u>	<u><u>0</u></u>
Profit and Loss Account	13	0	0
Total Shareholders' funds		<u><u>0</u></u>	<u><u>0</u></u>

The financial statements and notes on pages ~~7~~⁷ to ~~11~~¹³ were approved by the Directors of the Company on 10 July 2014.

Signed on behalf of the Directors by



Mayor Jules Pipe
Chair of London Councils Limited

15 July 2014



Cllr Claire Kober
Director of London Councils Limited

15 July 2014

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2014

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. 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.

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.

LONDON COUNCILS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

3.	OPERATING PROFIT	2014	2013
		£	£

The operating profit is stated after charging:

Auditors' Remuneration	1,120	1,180
Operating Leases	803,434	803,434
	<u>804,554</u>	<u>804,614</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

This amount represents allocation of interest on cash balances held by the City of London.

5. TRANSFER TO LONDON COUNCILS JOINT COMMITTEE

	2014	2013
	£	£
Transfer to London Councils Joint Committee	41,545	17,672

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

6. DIRECTORS' REMUNERATION

The Directors did not receive any emoluments or compensation for loss of office (2013: £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.

7. STAFF NUMBERS AND COSTS

The monthly average number of persons employed by the Company during the year was 3 (2013: 3).

	2014	2013
	£	£
Staff costs comprise of the following elements:		
Wages and salaries	122,650	138,450
Social Security Costs	11,335	11,866
Other Pension Costs	14,382	21,829
Total Staff Costs	<u>148,367</u>	<u>172,145</u>

8. PENSIONS

Retirement benefits are provided through the Local Government Pension Scheme (LGPS).

LONDON COUNCILS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2014

8 PENSIONS (continued)

In relation to FRS17 valuations, as at 31 March 2014 the Pension Scheme had a deficit of £16.197 million (2013: deficit of £14.017 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.

9. 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.

10. DEBTORS

	2014	2013
	£	£
Trade Debtors	638,423	669,167
Other Debtors	22,121	18,443
Prepayments and accrued income	<u>104,845</u>	<u>104,152</u>
	<u>765,389</u>	<u>791,762</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Overdraft	93,142	318,858
Accruals and deferred income	<u>234,003</u>	<u>162,314</u>
	<u>327,145</u>	<u>481,172</u>

The overdraft 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.

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2014

12. PROVISIONS FOR LIABILITIES

	Property Lease Provisions £
Balance at 1 April 2013	310,590
Additional Provisions made in 2013/14	127,654
Amounts used in 2013/14	0
Unused amounts reversed in 2013/14	0
Balance at 31 March 2014	438,244

Analysis of total provisions:

	£
Current	196,415
Non-current	241,829
Total Provision	438,244

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 term in March 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.

13. RESERVES

	Profit & Loss Account £
Balance at 1 April 2013	0
Result for the financial year	0
Balance at 31 March 2014	0

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2014

14. 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 £803,434 (2013: £803,434).

The annual commitment under non-cancellable operating leases expiring:

	2014	2013
	£	£
Within one year	268,950	0
Within two to five years	0	274,209
Over five years	529,225	529,225

15. ULTIMATE PARENT ENTITY

The Company is a wholly owned 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.

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.

