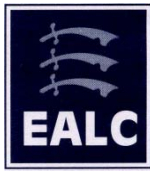


ESSEX ASSOCIATION OF LOCAL COUNCILS



COUNTY UPDATE

Special Finance Edition

No. 131

Report to the EALC Member Councils

Finance 2014/15

Financial Administration Information

Prepared by Carol Hartley - Finance Officer

Treasurer's Report 2015

Cllr David McPherson-Davis

Accounts Year Ending 31st March 2015

Maurice Howard - Auditor

EALC Chief Executive

Responsible Financial Officer Report 2015

Joy Darby - Chief Executive Officer

2014/15 Report on Finances

Carol Hartley - Finance Officer

This update is available free to all members of the Essex Association of Local Councils.

Membership of the EALC is open to all Parish Councils, Parish Meetings & Town Councils.

Published by :
Essex Association of Local Councils
42B High Street
Great Dunmow
Essex CM6 1AH

Tel: 01371 879722 Fax: 01371 879733

ADMINISTRATIVE INFORMATION

Chairman	Cllr John Gili-Ross, West Bergholt PC, Colchester District	
Treasurer	Cllr David McPherson-Davis	
CEO	Joy Darby BA Hons (RFO) FILCM	
Finance Officer	Carol Hartley MAAT CAT	
Office Address	42B High Street, Great Dunmow Essex, CM6 1AH	
Auditor	Maurice Howard, CPFA	
Bankers	Barclays Bank Plc High Street, Chelmsford Essex, CM1 1BG	Unity Trust Bank Plc Nine Brindleyplace Birmingham, B1 2HB

RISK REVIEW

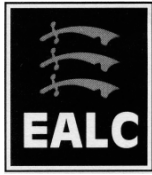
The EALC have reviewed the major risks to which it is exposed and systems have been identified to mitigate those risks. External risks regarding investments have controls in place to minimise the exposure of the Association. Internal risks are minimised by the implementation of financial control and regulation procedures. These procedures are regularly reviewed to ensure that they still meet the needs of the Association. The insurance policy of the Association is reviewed annually, as per the financial regulations. The EALC has reviewed its Financial Regulations and adopted a new set as of May 2015.

AUDITORS

Maurice Howard has indicated his willingness to continue in office and will be proposed for reappointment at the Annual General Meeting 2015. Audit to the Association's accounts and systems are carried out at year-end together with a mid year interim audit.

PENSIONS

The EALC participates in a defined benefit scheme operated by Essex County Council. The contributions are determined by Essex County Council. Although the fund is a defined benefit scheme, EALC are grouped together with other similar employers, it is not possible to separately identify its share of the underlying assets and liabilities and it is therefore accounted for as a defined contribution scheme. The EALC contribute monthly to the employees pension scheme as set by Essex County Council's Pension Office. Currently EALC is fully funded. During 2014 the EALC adopted a Pension Policy Statement in line with legal requirements.



COUNTY UPDATE

Special Finance Edition

David McPherson-Davis Treasurer

Treasurer's Financial Report 2014/15 Notes to the Accounts

The Annual Accounts of the Association for the year ended 31st March 2015 and a comparison with the previous year are set out on pages 4 and 5 of the report.

The Statement of Reserves and Funds held by the Association are shown on page 6 of the report. These are reviewed annually to ensure that there is sufficient provision for potential future costs.

In addition there are notes to the Accounts on page 7 together with the report on page 10 by the Financial Officer which explain in more detail the performance of the Association.

The Annual Accounts for EA(2013)Ltd are shown on pages 8 and 9 for information but really only record the source of the rents payable.

The independent auditor has confirmed on page 6 that the Accounts comply with the EALC financial regulations.

The Association has now been at 42b High Street, Great Dunmow for more than a year and the annual running costs are now more easily identifiable compared with previous years.

In spite of a reduction in trading income and increased full year running costs the small deficit for the year 2014/5 was kept to a minimum thanks to the continued grant support from Essex County Council and others.

I believe that the Association is now well established at the current well maintained premises, remains currently financially secure as reflected in the Reserves and that with the continued support of the members and associates should continue to prosper.

Essex Association of Local Councils

Statement of Income & Expenditure for the year ended 31 March 2015

Note No.	<u>31/03/2015</u>	<u>31/03/2014</u>
Trading income	55,688.90	64,737.31
Associated Expenditure	<u>-39,316.83</u>	<u>-47,034.17</u>
	16,372.07	17,703.14
Subscriptions		
Members Total Subscriptions	109,208.95	108,668.52
Less NALC Subscriptions	<u>-36,151.50</u>	<u>-35,533.57</u>
	73,057.45	73,134.95
Grants Received		
ECC Grant	40,000.00	40,000.00
1 ECC Premises Grant	0.00	10,533.25
HR Grant	5,000.00	4,734.85
2 Other grant income	5,196.00	0.00
Interest	<u>1,345.77</u>	<u>1,706.74</u>
	51,541.77	56,974.84
TOTAL NET INCOME	<u>£140,971.29</u>	<u>£147,812.93</u>
Employee Costs	107,105.65	103,752.72
Premises	16,542.25	14,143.93
Office	11,273.17	10,126.11
Committee & Governance costs	6,055.52	5,282.42
Office Move	0.00	8,202.51
Audit	<u>937.50</u>	<u>962.00</u>
	141,914.09	142,469.69
TOTAL EXPENDITURE	<u>£141,914.09</u>	<u>£142,469.69</u>
<u>SURPLUS / DEFICIT</u>	<u>-£942.80</u>	<u>£5,343.24</u>
<u>Appropriations Account</u>		
Accumulated Funds opening balance	58,425.29	56,082.05
Surplus/deficit for year	<u>-942.80</u>	<u>5,343.24</u>
	57,482.49	61,425.29
Reserve Movements		
Legal Costs Reserve	0.00	-3,000.00
Repairs and Renewals Reserve	0.00	0.00
Moving Reserve	<u>0.00</u>	<u>0.00</u>
	0.00	-3,000.00
<u>Accumulated Funds closing balance</u>	<u>£57,482.49</u>	<u>£58,425.29</u>

Essex Association of Local Councils
Statement of Financial Position as at 31 March 2015

Note No.	<u>31/03/2015</u>	-	<u>31/03/2014</u>
<u>Non Current Assets</u>			
Accounted for in inventory asset register	0.00		0.00
<u>Current Assets</u>			
Stock	1,826.90		2,658.12
3 Debtors	1,777.45		20,026.98
4 Payments in Advance	1,038.46		1,681.87
1 x Bonds	90,000.00		90,000.00
Deposit Account	25,549.40		8,345.27
3 x Current Accounts	34,959.23		26,024.90
Cash	76.45		78.52
	155,227.89		148,815.66
<u>TOTAL ASSETS</u>	£155,227.89		£148,815.66
<u>Reserves</u>			
Accumulated Funds	58,425.29		56,082.05
Surplus/Deficit	-942.80		2,343.24
	57,482.49		58,425.29
5 Legal Costs Reserve	3,000.00		3,000.00
Repairs & Renewals Reserve	10,500.00		10,500.00
Moving Reserve	n/a		0.00
6 Restructuring Reserve	52,032.00		52,032.00
<u>Non EALC reserves</u>			
7 Clerks Bursary Reserve	18,992.96		14,888.46
8 Frost Assn Grant balance	9,410.35		0.00
9 Maldon Bursary Reserve	118.00		118.00
	94,053.31		80,538.46
<u>Current Liabilities</u>			
Creditors	1,911.34		5,754.07
Credit Card	880.75		442.84
10 Receipts in advance	450.00		3,655.00
11 Accruals	450.00		0.00
	3,692.09		9,851.91
<u>TOTAL LIABILITIES</u>	£155,227.89		£148,815.66

Essex Association of Local Councils
Annual Accounts for the Year Ended 31st March 2015
Statement of Reserves and Funds Held.

	Accumulated Funds	Restructuring Reserve	Repairs & Renewals Reserve	Clerks Bursary Reserve	Maldon Bursary Reserve	Legal Costs Reserve	Frost Est. Reserve	Balance
	£	£	£	£	£	£	£	£
Opening Balance	58,425.29	52,032.00	10,500.00	14,888.46	118.00	3,000.00	0.00	138,963.75
Funds Received	0.00						10,000.00	10,000.00
Surplus/Deficit	-942.80							-942.80
Transferred								0.00
Grant								0.00
Funds Spent				-3,895.50			-589.65	-4,485.15
Clerks Bursary				8,000.00				8,000.00
Transferred								0.00
Maldon Bursary								0.00
Closing Balance	£57,482.49	£52,032.00	£10,500.00	£18,992.96	£118.00	£3,000.00	£9,410.35	151,535.80

REPORT OF THE INDEPENDENT AUDITOR APPOINTED AT THE AGM

I have audited the financial statements of the Essex Association of Local Councils for the year ended 31 March 2015.

The audit work has been undertaken so that I might state to the Association's members those matters I am required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Association and its members, for my audit work, for this report, or for the opinions I have formed.

Respective responsibilities of the EALC and auditors

The RFO, Finance Officer and Treasurer of the EALC are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with good practice.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In my opinion the financial statements:

Give a true and fair view of the state of the Associations affairs as at 31 March 2015 and of its deficit for the year then ended. They have been prepared in accordance with the EALC Financial Regulations dated September 2011.

Maurice Howard
CPFA

M Howard

(DATE) 24.6.2015

Essex Association of Local Councils

Notes to accompany the EALC 2014/15 Year End Accounts

Note No.

Notes to Statement of Income and Expenditure

1 'ECC Premises Grant' is now shown in EA(2013) Ltd accounts only.

2 'Other grant income' comprises:

£1000 NALC Grant

£1296 water repairs grant from ECC

£1500 apprentice grant from Harlow College

£400 from NALC for Standards of Practice work

£1000 from Essex Police for the EALC Police Conference

£5196 total

Notes to Statement of Financial Position

3 Debtors figure greatly reduced due to effective credit control

4 Payments in advance comprises part year rent payment on 25th March 2015

5 Legal costs reserve - provision for re-negotiation of lease agreement in due course.

6 Restructuring reserve - provision in the event that EALC should cease to trade.

7 Funds provided by ECC to assist with member councils' training costs.

8 Frost Association Grant- funds provided by NALC and administered by EALC to assist with establishment of new local council in Thurrock.

9 Maldon Bursary reserve -funds supplied by Maldon council to assist their area with training costs.

10 Receipts in advance - comprises receipts from councils for block-bookings in 2015/16.

11 Accruals - salary payments owing to staff for hours worked in 2014/15 period.

EA(2013) LTD**Income and Expenditure account as at 31st March 2015**

INCOME	£	£
EALC contribution to rent	4500.00	
Essex County Council Contribution to rent	21000.00	
		25500.00
		£ 25,500.00
EXPENDITURE	£	£
Rent		25500.00
		£ 25,500.00

EA (2013) Ltd**Statement of Financial Position 31st March 2015**

	2014-15	2013-14
NON CURRENT ASSETS	£	£
Set up Costs	0.00	0.00
CURRENT ASSETS		
Debtors	0.00	0.00
Payments in Advance	5884.61	5884.61
Bank Account	100.00	8634.00
Total current assets	£5,984.61	£14,518.61
LESS CURRENT LIABILITIES		
Creditors	0.00	8534.00
Receipts in Advance	5884.61	5884.61
Total current liabilities	5884.61	14418.61
	£100.00	£100.00
SHAREHOLDERS FUNDS		
Balance brought forward	100.00	100.00
	£100.00	£ 100.00

In my opinion the financial statements:

Give a true and fair view of the state of EA(2013)ltd affairs as at 31 March 2015.

Maurice Howard (CPFA)

M Howard

Date 24.6.2015

Page 8

Joy Darby BA (Hons)
Chief Executive Officer
Responsible Financial Officer

Dear Chairmen, Councillors and Clerks of the EALC Member Councils

As the RFO I present the Accounts for 2014/2015 to you in this Annual Report. At the end of the Financial Year the EALC presents a deficit of £942.80 and this is reduced against the expected budget deficit of -£5887.16. Staff have worked hard to keep costs down and maximise income.

Trading income has seen a slight reduction in contribution to overheads, due to the fall off in training booked at the end of the financial year, we believe due to the forthcoming elections in May 2015.

The premises grant is now directly shown as going into the EA(2013)Ltd Accounts and therefore grant income is down slightly. Other grant income was increased and actuals are shown in note 2 to the accounts. The majority of grants received are from Essex County Council and the EALC wishes to record its thanks for the continued support.

During the year the Finance Officer has worked on improving the systems, including the following:

- Increased control and efficiency in collecting income, and reduction on debtors can be seen in the accounts.
- The development of other staff to use the SAGE Accounting package including the raising of invoices and the banking of funds. This will aid continuity for the future, further training is planned.
- Due to legislation changes Member Councils are now able to pay online, and EALC has facilitated this for those moving to an electronic system.
- Following the adoption of the new EALC Constitution (September 2014), a new set of Financial Regulations have been written during the financial year, and these were placed to the May 2015 EALC Executive and approved.

The EALC Finance Committee, Chaired by the Treasurer, works hard to ensure that Member funds are spent wisely, accounted for appropriately and income is generated where possible. The Treasurer has an important role in the running of the finances and is often undertaking work for the EALC, to meet his responsibilities. The EALC acknowledges with thanks the work undertaken by Cllr McPherson-Davis and the support he provides to staff.

The Finance Committee reports to the EALC Executive, who oversee the work of the Executive for the Membership. There are a large number of Members who contribute to the workload, a list is available in the Annual Report. All Executive Members play an important role in managing the Association and the development of services to Member Councils.

**Carol Hartley
Finance Officer**

Trading Income

The fall in trading income in 2014/15 can be wholly attributed to the fact that it was an election year and many Councils refrained from undertaking training courses towards the latter part of the year until they could be sure that their Councillors would continue with a new term in office. We are likely to see an overall increase in training provision for the coming year.

Expenditure

Overall expenditure is slightly less than last year despite increasing costs and overheads. This reflects the Association's excellent procurement policy in obtaining value for money goods and services.

Deficit

2014/15 shows an overall deficit figure of £942.80 compared with the previous year's surplus of £5343.24. This is the combined result of lower trading income, an increase in staff costs together with a full year of premises and utility costs.

Essex Association of Local Councils wishes to thank Essex County Council for the continued support and financial commitment to enable services to be delivered to the Parish sector in Essex.

Special Finance Edition

ESSEX ASSOCIATION of LOCAL COUNCILS

**42B High Street,
Great Dunmow, Essex. CM6 1AH.**