

ESSEX ASSOCIATION OF LOCAL COUNCILS



COUNTY UPDATE

Special Finance Edition

No. 153

Report to the EALC Member Councils

Finance 2016/2017

Financial Administration Information

Prepared by Charlene Slade – Responsible Finance Officer/RFO

Treasurer's Report 2017

CLlr David McPherson-Davis

Accounts Year Ending 31st March 2017

Maurice Howard - Auditor

Responsible Financial Officer Report 2017

Charlene Slade - Responsible Finance Officer/RFO

EALC Chief Executive

Report 2017

Joy Darby - Chief Executive 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.

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ADMINISTRATIVE INFORMATION

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

RISK REVIEW

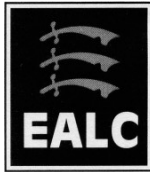
The EALC have reviewed the major risks to which it is exposed and systems have been identified to mitigate those risks. External risks regarding investments have controls in place to minimise the exposure of the Association. Internal risks are minimised by the implementation of financial control and 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 January 2017.

AUDITORS

Maurice Howard has indicated his willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting 2017. 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 2016/2017

Notes to the Accounts—page 3

The audited Annual Accounts are shown on pages 4 and 5 and include a comparison with the previous year.

The Statement of Reserves and the Funds held at the 31st March 2017 are itemised on page 6. These are reviewed annually to ensure that there are sufficient funds for future costs.

The Notes to the Accounts on page 7 together with the report by the Responsible Finance Officer on page 9 provide more detail regarding the performance of the Association.

The surplus of £2074.89 for the year, as shown in the Accounts, was an improvement on the previous year as well as the budget. This was achieved primarily, in spite of a fall in Trading Income, by increased Grants and reduced Running Costs.

The audited Annual Accounts for EA (2013) Ltd, are shown on page 8 again with a comparison with the previous year. These indicate the increase in Rent paid following the review and agreement with the landlord of the lease for the next 6 years from September 2016.

The Report by the independent Auditor to the Association is shown on page 6 in which he confirms that the Accounts comply with the EALC financial regulations.

Essex Association of Local Councils
Statement of Income & Expenditure as at 31 March 2017

Note No.	<u>31/03/2017</u>	<u>31/03/2016</u>
Trading income	71,821.94	75,288.01
Associated Expenditure	<u>-45,795.44</u>	<u>-53,294.07</u>
	26,326.50	21,993.94
Subscriptions		
Members Total Subscriptions	117,373.37	110,299.00
Less NALC Subscriptions	<u>-43,536.05</u>	<u>-36,926.68</u>
	73,837.32	73,372.32
Grants Received		
ECC Grant	40,000.00	40,000.00
1 NALC Transparency Grant	13,307.00	5,007.72
HR Grant	2,500.00	357.00
2 Other grant income	0.00	3,700.00
Interest	<u>1,000.41</u>	<u>1,357.74</u>
	56,807.41	50,422.46
TOTAL NET INCOME	<u>£156,971.23</u>	<u>£145,788.72</u>
Employee Costs	123,586.82	111,766.85
3 Premises	14,279.49	15,387.15
Office	10,541.37	12,584.91
Committee & Governance costs	5,207.39	6,876.76
Audit	843.75	812.50
4 Bad Debt written off	<u>437.52</u>	<u>147,428.17</u>
	154,896.34	147,428.17
TOTAL EXPENDITURE	<u>£154,896.34</u>	<u>£147,428.17</u>
<u>SURPLUS / DEFICIT</u>	<u>£2074.89</u>	<u>-£1,639.45</u>
<u>Appropriations Account</u>		
Accumulated Funds opening balance	55,843.04	57,482.49
Surplus/deficit for year	<u>2074.89</u>	<u>-1,639.45</u>
	57,917.93	55,843.04
<u>Reserve Appropriations</u>		
Legal Costs Reserve	0.00	0.00
Repairs and Renewals Reserve	0.00	0.00
Restructuring Reserve	<u>0.00</u>	<u>0.00</u>
	0.00	0.00
<u>Accumulated Funds closing balance</u>	<u>£57,917.93</u>	<u>£55,843.04</u>

Essex Association of Local Councils
Statement of Financial Position at 31 March 2017

Note No.	<u>31/03/2017</u>	<u>31/03/2016</u>
<u>Non Current Assets</u>		
	Accounted for in inventory asset register	0.00
	0.00	0.00
<u>Current Assets</u>		
	Stock	1,623.89
3	Debtors	5,111.33
4	Payments in Advance	1,038.46
	1 x Bonds	90,000.00
	Deposit Account	15,767.57
	3 x Current Accounts	37,900.65
	Cash	49.36
	<hr/>	<hr/>
	164,066.36	151,491.26
<u>TOTAL ASSETS</u>	£164,066.36	£151,491.26
<u>Reserves</u>		
	Accumulated Funds	57,482.49
	Surplus/Deficit	<u>-1,639.45</u>
	57,917.93	55,843.04
5	Legal Costs Reserve	3,000.00
	Repairs & Renewals Reserve	10,500.00
6	Restructuring Reserve	52,032.00
	65,016.00	65,532.00
<u>Non EALC reserves</u>		
7	Clerks Bursary Reserve	18,881.21
8	Frost Assn Grant balance	2,920.43
9	Maldon Bursary Reserve	118.00
	<hr/>	<hr/>
	21,519.07	21,919.64
	144,453.00	143,294.68
<u>Current Liabilities</u>		
10	Creditors	1,198.32
	Credit Card	708.26
11	Receipts in advance	6,290.00
	Accruals	0.00
	<hr/>	<hr/>
	19,613.36	8,196.58
<u>TOTAL LIABILITIES</u>	£164,066.36	£151,491.26

Essex Association of Local Councils
Annual Accounts for the Year Ended 31st March 2017
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	55,843.04	52,032.00	10,500.00	18,881.21	118.00	3,000.00	2,920.43	143,294.68
Funds Received	0.00							0.00
Surplus/Deficit	2,074.89							2074.89
Transferred								0.00
Grant								0.00
Funds Spent				-8,295.57	-105.00	-516.00	0.00	-8,916.57
Clerks Bursary				8,000.00				8,000.00
Transferred								0.00
Maldon Bursary								0.00
Closing Balance	£57,917.93	£52,032.00	£10,500.00	£18,585.64	£13.00	£2484.00	£2920.43	144,453.00

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 2017 .

The audit work has been undertaken so that I might state 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 31st March 2017 and of it's surplus for the year ended. They have been prepared in accordance with the EALC Financial Regulations dated January 2017

Maurice Howard

FCPFA

(2nd August 2017)

Essex Association of Local Councils

Notes to accompany the EALC 2016/17 Year End Accounts

Note No.

Notes to Statement of Income and Expenditure

- 1 £13,307.00 received from NALC during 2016/17, In two payments of £8307 and £5000
- 2 Other grant income comprises:
No other Grant income received in this financial year .
- 3 Premises rent cost £5250.
- 4 Bad debt consists of unpaid invoices dating back to 2015.

Notes to Statement of Financial Position

- 3 Debtors figure is higher on comparison to last year.
- 4 a). Payments in advance comprises part year rent payment on 25th March 2017.
b). A payment to Vine HR for 2017/18.
- 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 council's 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 Trans fund money still to be paid out to parish councils.
- 11 Receipts in advance £13,015—comprises of CiLCA income (£4950), Course income (£3065) & (£5000) carried forward from NALC, for training provision.

NOTE Funds were received by EALC from NALC during 2016/17 totalling £30,023.28 which were then distributed by EALC to 45 parish councils as Transparency Grant funding.

These funds are therefore not shown as income in the annual accounts.

EA (2013) Ltd

Income and Expenditure account as at 31st March 2017

<u>INCOME</u>	£	£
	<u>2016-17</u>	<u>2015-16</u>
Bal b/fwd	100.00	100.00
EALC contribution to rent	5250.00	4500.00
Essex County Council Contribution to rent	21000.00	21000.00
EALC re-imburement for bank charges	54.00	
	<u>26404.00</u>	<u>25600.00</u>
<u>EXPENDITURE</u>		£
Rent	26250.00	25500.00
Bank charges (service charge)	54.00	
Balance carried fwd	100.00	100.00
	<u>26404.00</u>	<u>25600.00</u>

EA (2013) Ltd

Statement of Financial Position 31st March 2017

	2016-17	<u>2015-16</u>
	£	£
<u>NON CURRENT ASSETS</u>		
Set up Costs	0.00	0.00
<u>CURRENT ASSETS</u>		
Debtors	54.00	0.00
Payments in Advance	6115.38	5884.61
Bank Account	46.00	100.00
Total current assets	£6,215.38	£5,984.61
<u>LESS CURRENT LIABILITIES</u>		
Creditors	0.00	0.00
1 Receipts in Advance	6115.38	5884.61
Total current liabilities	6115.38	5884.61
	<u>100.00</u>	<u>£100.00</u>
<u>SHAREHOLDERS FUNDS</u>		
Balance brought forward	100.00	100.00
	<u>£100.00</u>	<u>£100.00</u>

1 Receipts in Advance - comprising

ECC rent grant

4846.15

EALC contribution to rent in advance

1269.23**6115.38****Opinion on financial statements**

In my opinion the financial statements :

Give a true and fair view of the state of the Company's affairs as at 31st March 2017.

Maurice Howard FCPFA**(21st July 2017)**

**Charlene Slade AATQB
Responsible Financial Officer**

I was appointed the Responsible Finance Officer in the early part of 2017. During which time I have gained good sound knowledge of Essex Association of Local Councils as a whole.

I present to you the Annual Accounts and Statement of Financial Position at the year ended 31st March 2017.

The Essex Association has had a busy year and has maximised the trading income with the introduction of Saturday courses. These courses are run mornings and afternoons. To date the Essex Association has trained a total of 140 Councillors and Clerks on Saturday courses alone.

They consist of Planning Briefings, Marketing Plan Master Course, Chairman Training and the Role of Being a Councillor. These courses have been very successful and will continue to run throughout the year.

Affiliation Subscriptions were as budget. This year the Association held 99.64% membership, Essex is the only County achieving this record number of members.

Essex Association of Local Councils continues to receive support from Essex County Council by way of Grants. These are Grants for training, premises and a core grant. This is fundamental to the Association, enabling us to deliver training and bespoke courses to its affiliated members. The Association also provides other key services of expertise to its members. We are very grateful to Essex County Council for their continued support.

Essex Association of Local Councils ended the year with a surplus of £2074.89. The accumulated fund was increased to £57,917.93. The statement of reserves gives a clear report of the funds held. At this time, I believe the level of reserves are adequate in the event of restructuring the Association. Legal costs reserve has reduced. There is adequate provision for building repairs and renewals.

EA (2013) Ltd is the holding company for the premises. The accounts are also included in this report. There has been an increase in the rent payable from September 2016.

It has been an exciting and interesting beginning to my career with EALC. I am looking forward to meeting many more of our members in the years ahead. I have enjoyed working with a fabulous team of incredibly hard working individuals.

Joy Darby BA (Hons)
Chief Executive Officer

I report on the year ending 31st March 2017.

During this year Carol Hartley ACCA left the employment of the EALC to further her career as a Chartered Accountant, giving notice to us in December 2016. In January 2017 Charlene Slade AATQB was employed and her appointment confirmed in March 2017. During the last few months Charlene has embraced the sector and learnt a great deal about the business of the EALC, and how we manage and run the finances. During this period working with the Auditor Charlene has made some changes in the accounting procedures that will improve the way we report to the Membership. Working with the Treasurer, the Executive by-monthly management accounts are to be improved giving a greater understanding of the EALC financial position.

The challenges for the EALC finances continue to be ever present, and without the support of Essex County Council, and in particular the Leader Cllr David Finch, the services we supply would be greatly diminished. The affiliation fee increase at 1.9% only serves to maintain the status quo.

Training remains a good source of income that assists the EALC financially, and this year with the introduction of Saturday training, we have served more Councillors than previously. Please support the EALC by ensuring that the training we deliver is appropriate and if you require anything else you make it known so we can meet your needs. Remember training paid for at the EALC supports the work of the Association.

I would like to thank the Treasurer and the Auditor for the continued support and direction. Additionally I would like to thank Charlene and congratulate her on the first set of accounts that have been prepared for this AGM.

The 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.**