



# ESSEX ASSOCIATION OF LOCAL COUNCILS

COUNTY UPDATE  
SPECIAL FINANCE EDITION



# Essex Association of Local Councils County Update Special Finance Edition

No.199

## Report to the EALC Member Councils

### Finance 2019/2020

#### Financial Administration Information

Prepared by Charlene Slade

#### Treasurer's Report 2020

Cllr David McPherson-Davis

#### Accounts Year Ending 31st March 2020

Maurice Howard - Auditor

#### EALC Chief Executive Report 2020 and Responsible Finance Officer Report 2020

Charlene Slade - Chief Executive Officer

#### Support and Thanks

The Essex Association of Local Councils (EALC) 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.

#### Published by :

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

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

## **ADMINISTRATIVE INFORMATION**

Chairman	Cllr Peter Davey
Treasurer	Cllr David McPherson-Davis
CEO	Charlene Slade AATQB
Sage Administrator	Lucy Alston- Nogueira
Office Address	42B High Street, Great Dunmow Essex, CM6 1AH
Auditor	Maurice Howard, FCPFA
Bankers	Barclays Bank Plc High Street Chelmsford Essex CM1 1BG
Bankers	Unity Trust Bank Plc Nine Brindley Place 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 July 2018.

## **AUDITORS**

Maurice Howard has indicated his willingness to continue in office and will be proposed for reappointment at the Annual General Meeting 2020. 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's Report**

Treasurers Financial Report for 2019/2020

Notes to the Accounts – Page 7

The Audited Annual Accounts of the Association for the year 2019/20, with previous year comparisons, are shown on pages 4 and 5.

The Statement of Reserves and the Funds held at the 31st March 2020 are itemised on page 6. The Closing Balance shows an improvement for the year mainly as a result of a significant increase in Trading.

The additional work relating to the administration of Essex County Council Grants is reflected in both Income and Expenditure.

The Notes to the Accounts on page 7 together with the comprehensive report by the Responsible Finance Officer on page 13 provide more detail regarding the performance of the Association. These are also shown with comparison pie charts.

The audited Annual Accounts for EA(2013) Ltd, and notes to the Accounts are shown on page 8, 9 and 10 and are also mentioned by the Responsible Finance Officer in her Report.

The Report by the independent Auditor to the Association is shown on page 6 and also on page 10 for EA(2013) Ltd in which he confirms that the Accounts comply with the EALC Financial Regulations.

Looking ahead the Association has to consider the short and long term effects on its finances of Covid-19.

Essex Association of Local Councils  
Statement of Income & Expenditure as at 31 March 2020

Note No.	31/03/2020	31/03/2019	
1	Services Provided to Members	123,365.21	80,483.68
	Publications & Mail Services	3,265.85	1,685.54
2	Other income	677.00	1,776.34
		<u>127,308.06</u>	<u>83,945.56</u>
	<b>Subscriptions</b>		
2a	Members Total Subscriptions	126,312.45	124,138.86
	Less NALC Subscriptions	-46,577.86	-45,922.16
		<u>79,734.59</u>	<u>78,216.70</u>
	<b>Grants Received</b>		
3	ECC Grant	40,000.00	40,000.00
4	ECC Grant CIF Fund/NHS Grant	29,811.20	24,946.50
4a	ECC Grant Health & Wellbeing	10,000.00	
	HR Grant	3,105.00	3,105.00
5	Other grant income AGM	700.00	500.00
6	Interest Net of Bank Charges	1,236.68	971.78
		<u>84,852.88</u>	<u>69,523.28</u>
	<b>TOTAL INCOME</b>	<u><b>£291,895.53</b></u>	<u><b>£231,685.54</b></u>
7	Employee Costs	201,443.24	172,936.51
7a	Tutors	26,116.31	19,041.98
	Services Provided Costs	6,303.97	6,005.31
	Premises	17,893.46	16,477.55
	Office	14,934.90	12,582.67
	Subscriptions	1,616.60	2,704.27
	Committee & Governance costs	12,407.31	11,144.92
	Donations	50.00	408.00
		<u>280,765.79</u>	<u>241,301.21</u>
	<b>TOTAL EXPENDITURE</b>	<u><b>£280,765.79</b></u>	<u><b>£241,301.21</b></u>
	<b>SURPLUS / DEFICIT</b>	<u><b>£11,129.74</b></u>	<u><b>-£9,615.67</b></u>
	<b>Appropriations Account</b>		
	Accumulated Funds opening balance	57,540.28	67,155.95
	Surplus/deficit for year	11,129.74	-9,615.67
		<u>68,670.02</u>	<u>57,540.28</u>
	TRF From Repairs & Renewals Reserves		
	<b>Accumulated Funds closing balance</b>	<u><b>£68,670.02</b></u>	<u><b>£57,540.28</b></u>

Essex Association of Local Councils  
Statement of Financial Position at 31 March 2020

Note No.	31/03/2020	31/03/2019
<b>Non Current Assets</b>		
Accounted for in inventory asset register	0.00	0.00
<b>Current Assets</b>		
Stock	3,368.23	4,757.04
Debtors	8,770.63	650.82
1 Payments in Advance	1,716.72	5,952.80
1 x Bonds	90,000.00	90,000.00
Deposit Account (saver)	66,196.29	5,997.42
2 x Current Accounts	84,917.37	44,472.91
Cash	11.55	156.24
2 Vat on vatable sales/purchases		567.67
	254,980.79	152,554.90
<b>TOTAL ASSETS</b>	<b>£254,980.79</b>	<b>£152,554.90</b>
<b>Reserves</b>		
Accumulated Funds	57,540.28	67,155.95
Surplus/Deficit	11,129.74	-9,615.67
	68,670.02	57,540.28
3 Legal Costs Reserve	2,484.00	2,484.00
4 Repairs & Renewals Reserve	5,500.00	5,500.00
5 Restructuring Reserve	52,032.00	52,032.00
	60,016.00	60,016.00
<b>Non EALC reserves</b>		
6 Clerks Bursary Reserve	15,758.95	15,481.45
Potential New Councils	2,493.37	2,493.37
Maldon Bursary Reserve	13.00	13.00
CIF / NHS Grant/MG	50,026.59	
	68,291.91	17,987.82
	<b>196,977.93</b>	<b>135,544.10</b>
<b>Current Liabilities</b>		
Creditors	6,386.29	4,641.16
Credit Card	232.68	227.91
7 Receipts in advance	50,730.64	11,896.50
Accruals	653.25	245.23
	58,002.86	17,010.80
<b>TOTAL LIABILITIES</b>	<b>£254,980.79</b>	<b>£152,554.90</b>

Essex Association of Local Councils  
Annual Accounts for the Year Ended 31st March 2020  
Statement of Reserves and Funds Held.

	Accumulated Funds	Restructuring Reserve	Repairs & Renewals Reserve	Clerks Bursary Reserve	Maldon Bursary Reserve	Legal Costs Reserve	Potential New Councils	Balance
	£	£	£	£	£	£	£	£
<b>Opening Balance</b>	57,540.28	52,032.00	5,500.00	15,481.45	13.00	2,484.00	2,493.37	135,544.10
Funds Received	0.00							0.00
Surplus/Deficit	11,129.74							11,129.74
Transferred								0.00
Grant								0.00
Funds Spent				-7,722.50	0.00	0.00		-7,722.50
Clerks Bursary				8,000.00				8,000.00
Transferred								0.00
Maldon Bursary								0.00
<b>Closing Balance</b>	£68,670.02	£52,032.00	£5,500.00	£15,758.95	£13.00	£2,484.00	£2,493.37	146,951.34

**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 2020.

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 Executive 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 2020 and of its Surplus for the year then ended. They have been prepared in accordance with the EALC Financial Regulations dated May 2018.

**Maurice Howard**  
FCPFA

**13th August 2020 AUDITED**

# Essex Association of Local Councils

## Notes to accompany the EALC 2019/20 Year End Accounts

### Note No.

#### Notes to Statement of Income and Expenditure

- 1 Income from courses include Saturday courses, CiLCA & bespoke courses
- 2 Other income from Online Training
- 2a Members Subscriptions, There was an increase of 3% in 2019/20
- 3 ECC Core Grant
- 4 ECC Grant CIF Fund 2019/20 includes full year effect of grant/NHS Grant Jan 2020
- 4a ECC Grant Health & Wellbeing  
ECC HR Grant
- 5 Other grant income from ECC for the AGM
- 6 Interest net of Bank Charges
- 7 Payroll - Increase in 2019/20 includes provision for CIF and Health and Wellbeing
- 7a Tutors includes staff tutoring

#### Notes to Statement of Financial Position

- 1 Prepayments for Rent, Xerox, Rent.
- 2 VAT on taxable sales / purchases
- 3 Legal Cost Reserve provision of re - negotiation of rent in due course
- 4 Provision for repairs and renewals
- 5 Restructuring Reserve provision in the event that EALC should cease to trade, needs to be reviewed.
- 6 Clerks Bursary funds provided by ECC to assist with member council's training costs
- 7 Receipts in advance for 2020/2021 Affiliation fees, ECC grant of £20,000 for Health & Wellbeing Officer, Receipts in advance for CIF fund.

**NOTE** Funds were received from ECC for Local Service Fund awards for CIF and Micro Grant that were paid out to the awarding organisations therefore this does not show on the income in the annual accounts.



## EA (2013) Ltd

## Statement of Income &amp; Expenditure as at 31 March 2020

Note		<u>31/03/2020</u>	<u>31/03/2019</u>
No.	<b>Income</b>		
	Bal b/fwd	100.00	64.00
	EALC contribution to rent	6,250.00	5,500.00
	ECC contribution to rent	21,000.00	21,000.00
1	EALC re-imburement (for bank charges)	72.00	108.00
		<u>27,422.00</u>	<u>26,672.00</u>
	<b>TOTAL NET INCOME</b>	<u><b>£27,422.00</b></u>	<u><b>£26,672.00</b></u>
	<b>Expenditure</b>		
	Rent	27,250.00	26,500.00
	Bank Charges (service charge)	72.00	72.00
	Balance carried fwd	100.00	100.00
		<u>27,422.00</u>	<u>26,672.00</u>
	<b>TOTAL EXPENDITURE</b>	<u><b>£27,422.00</b></u>	<u><b>£26,672.00</b></u>
	<b>SURPLUS / DEFICIT</b>	<u><b>£0.00</b></u>	<u><b>£0.00</b></u>

EA (2013) Ltd

Statement of Financial Position at 31 March 2020

Note		<u>31/03/2020</u>	-	-	<u>31/03/2019</u>
No.					
	<b><u>Non Current Assets</u></b>	-			
	Set up costs	0.00			0.00
	<b><u>Current Assets</u></b>	-			
	Debtors	0.00			0.00
	Payments in Advance	6,875.00			6,625.00
	Bank Account	100.00			100.00
		<hr/>			<hr/>
		6,975.00			6,725.00
	<b><u>TOTAL ASSETS</u></b>	-			<b>£6,725.00</b>
	-				
	-				
	-				
	-				
	<b><u>Current Liabilities</u></b>	-			
	Creditors	0.00			0.00
	1 Receipts in Advance	6,875.00			6,625.00
		<hr/>			<hr/>
		6,875.00			6,625.00
	<b><u>TOTAL LIABILITIES</u></b>	-			<b>6,625.00</b>
		<hr/>			<hr/>
		100.00			100.00
	<b><u>SHAREHOLDERS FUNDS</u></b>	-			
	Balance brought forward	100.00			100.00
		<hr/>			<hr/>
		<b>£100.00</b>			<b>£100.00</b>

EA (2013) Ltd

Notes to accompany the EA (2013) Ltd Year End Accounts

**Note  
No.**

**Notes to Statement of Income and Expenditure**

- 1 Bank Charges for re-imburement £72 from 2019/2020

**Notes to Statement of Financial Position**

- 1 Receipts in advance - comprising  
ECC rent grant of £5375  
EALC contribution to rent in advance of £1500  
Total sum of £6875

**NOTE**

**Opinion of financial statements**

**In my opinion the financial statements:**

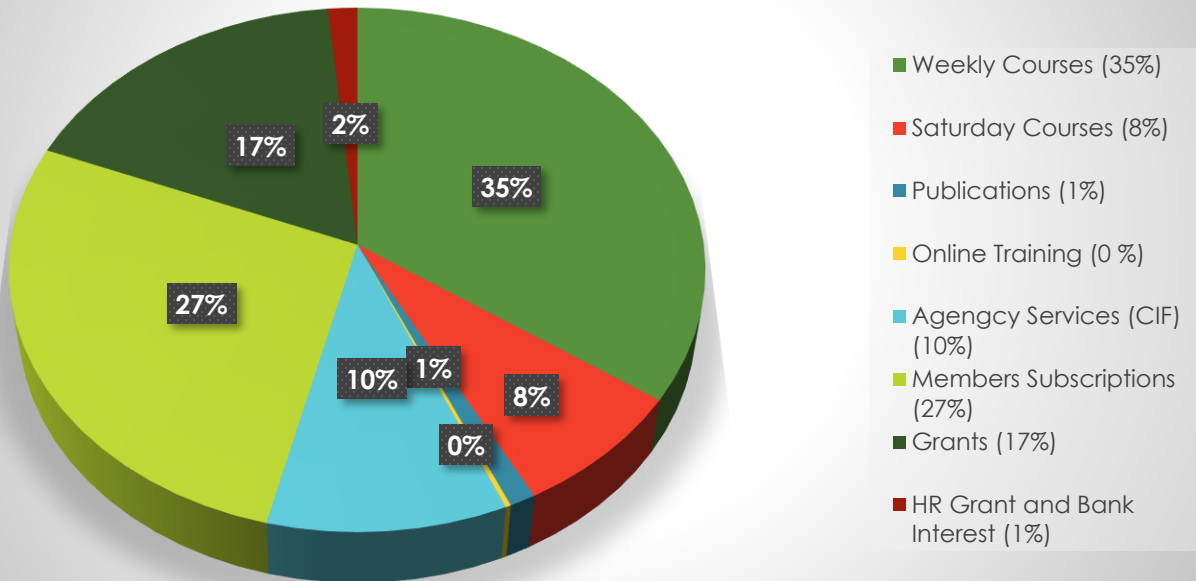
Gives a true and fair view of the company's affairs at 31st March 2020.

Maurice Howard

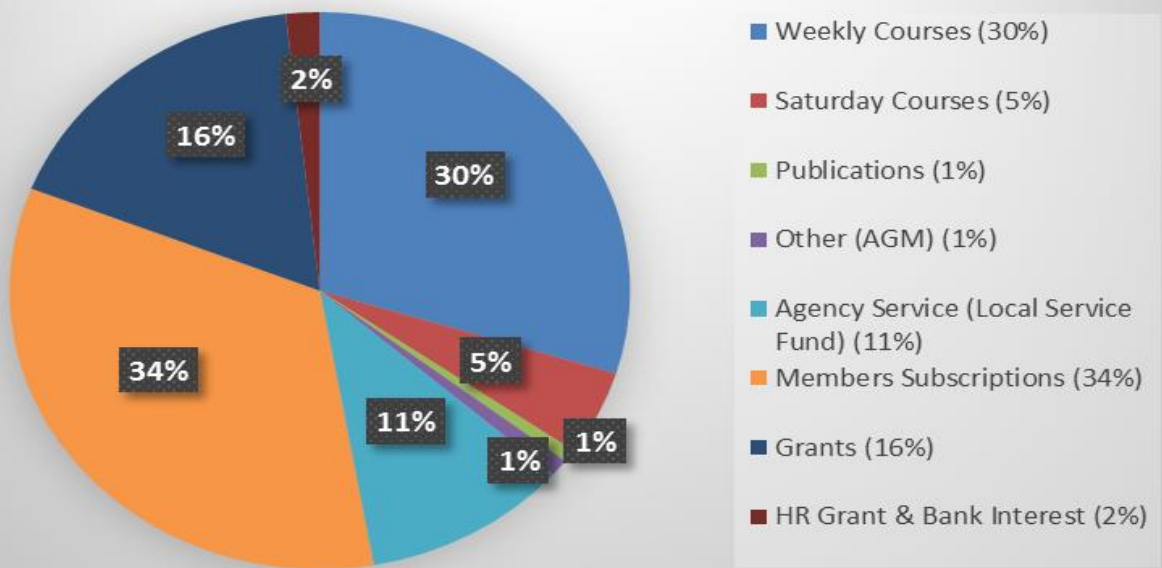
FCPFA 13th August 2020

## EALC Income Comparison

### EALC Income 2019/2020

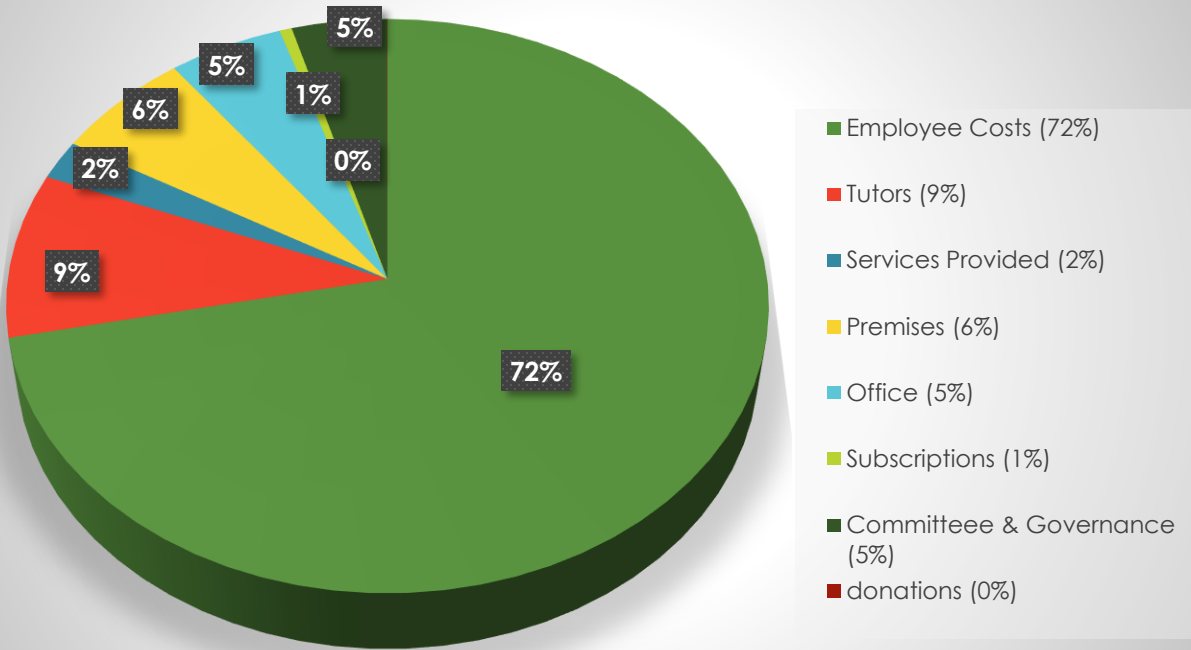


### EALC Income 2018/2019

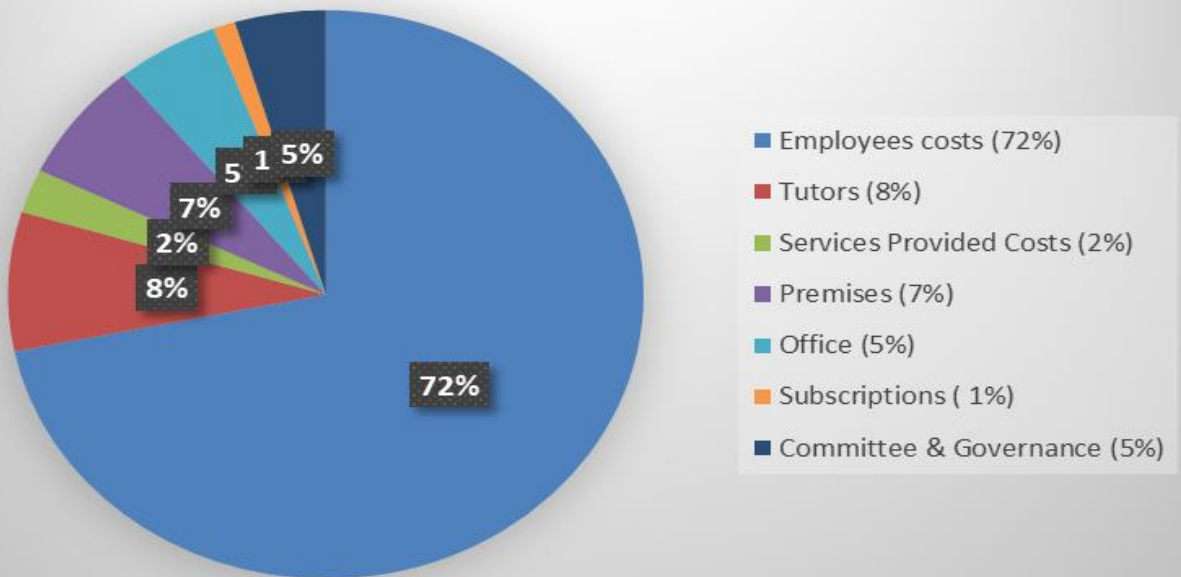


## Expenditure Comparison

### EALC Expenditure 2019/2020



### EALC Expenditure 2018/2019



Charlene Slade – Financial Report 2020

November 2019 saw my appointment as the CEO Designate with the intention to take the position of CEO on 1<sup>st</sup> April 2020 following Joy Darby's retirement.

I was delighted to receive this promotion with the vision to continue with the great work in the sector continuing to support and developing training, legal advice, partnership working and much more. You will see from the financial accounts that 2019 /2020 has been a successful year with the introduction of online training under the Nimble e – Learning Platform. Joy Darby worked with EAST C.A.N a consortium of County associations working in partnership.

For 2020 EALC has seen an increase in the income from bespoke training exceeding all previous years. An additional Grant fund was introduced early January 2020 from the NHS Mental Health to support Men's Mental Health providing opportunities for Tendring and Colchester Districts this fund brought in additional income of £5,811.20 for the administration of the fund. The CIF fund and Micro Grants have been a success throughout 2019/2020. We have introduced new Training courses under the Mental Health and Wellbeing programme with 'Provide'. The EALC remains ever diverse in a changing and developing sector and continues to excel in supporting our members of the Association. The Affiliation Subscriptions for this year have maintained an exceptional level of 100% membership the EALC are very proud to achieve.

Comprehensive reports will be prepared for the CIF Applications to be presented to the panel members in October 2020. We are proud to have a continued working partnership with Essex County Council enabling the EALC to administer this funding.

We are grateful to Essex County Council for its continued support through their grants for our premises and training as they are fundamental to the training programme we offer to our members.

The IT systems were brought up to date with a new server installed in February 2020 along with the necessary anti-virus software, cloud back up technology. These were essential improvements needed for the security and data protection.

I therefore present to you the Annual Accounts and statement of reserves for the year ending 31<sup>st</sup> March 2020.

Essex Association of Local Councils ended the year with a Surplus of £11,129.74 The accumulated fund closing balance is £68,670.02. The statement of reserves gives a clear report of the funds held. The Executive Committee will look to revise the reserves policy in September 2020.

The holding company EA (2013) Ltd Accounts are included in the report for the processing of the rent payment.

I would like to thank Joy Darby for the continued support and professional development in my career with the EALC it has been a pleasure working with Joy during the months leading up to her retirement.



## ESSEX ASSOCIATION OF LOCAL COUNCILS

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.