

Company Number: 3037449



LONDON COUNCILS LIMITED
(A Company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

31 MARCH 2023

Registered office address
59 ½ Southwark Street, London, SE1 0AL

LONDON COUNCILS LIMITED
REPORT AND FINANCIAL STATEMENTS
For the year ended 31 March 2023

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LONDON COUNCILS LIMITED
DIRECTORS' REPORT
For the year ended 31 March 2023

The directors submit their annual report and the audited financial statements of London Councils Limited for the year ended 31 March 2023.

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 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.

The company is funded by subscriptions from its member boroughs, recharges to London Councils Leaders' Committee (parent undertaking) and London Councils Transport and Environment Committee and income from tenant licence holders.

Business Review

London Councils Limited's results for the financial year ended 31 March 2023 show a breakeven position (2022: a breakeven position).

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. On 19 June 2018, the company agreed to enter into a reversionary lease for an additional five year period commencing from 26 March 2021 to 25 March 2026.

On 3 February 2015, the company acquired a lease at Chancery Exchange, 10 Furnival Street, London EC4 1AB to accommodate London Tribunals, which relocated to Chancery Exchange in July 2015. The lease runs until 29 March 2025 and the annual cost is recharged to London Councils Transport and Environment Committee.

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 2023

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: | Cllr Georgia Gould | |
| Board members: | Cllr Ruth Dombey OBE | |
| | Deputy Chris Hayward | (Appointed 27 July 2022) |
| | Catherine McGuinness | (Resigned 27 July 2022) |
| | Cllr Baroness O'Neill of Bexley OBE | |
| | Cllr Darren Rodwell | |

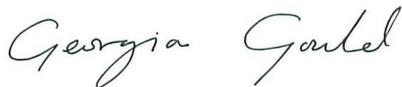
All directors have an interest in London Councils Joint Committee, as members, which is the ultimate parent undertaking.

The directors receive no emoluments (2022: 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



.....
Cllr Georgia Gould
Chair of London Councils Limited

11 July 2023

LONDON COUNCILS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

LONDON COUNCILS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

Opinion

We have audited the financial statements of London Councils Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit and Loss Account, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

LONDON COUNCILS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, Financial Reporting Standard 102, Employee Legislation, Tax Legislation and GDPR.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to, enquiries of management and review of the Company's related party transactions and disclosures.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

LONDON COUNCILS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON COUNCILS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

13 November 2023

LONDON COUNCILS LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 March 2023

| | Note | 2023 £ | 2022 £ |
|--|----------|-----------------|---------------|
| Turnover | | 2,486,671 | 2,138,933 |
| Cost of Sales | | (2,496,188) | (2,112,969) |
| Transfer to London Councils' Joint Committee | 5 | - | (10,031) |
| Gross (Loss) / Profit | | (9,517) | 15,933 |
| Administrative Expenses | | (1,188) | (1,450) |
| Operating (Loss) / Profit | 6 | (10,705) | 14,483 |
| Interest Payable and Similar Charges | 7 | (15,401) | (22,298) |
| Interest Receivable and Similar Income | 8 | 26,106 | 7,815 |
| Result on Ordinary Activities Before Taxation | | - | - |
| Tax on result on ordinary activities | 11 | - | - |
| Result for The Financial Year | | - | - |

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 comprehensive income has been presented.

Notes from pages 11 to 18 form part of the financial statements.

LONDON COUNCILS LIMITED
BALANCE SHEET AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|------------------|------------------|
| Current assets | | | |
| Debtors | 12 | 1,071,710 | 727,178 |
| Cash at bank and in hand | | 629,352 | 624,916 |
| | | <u>1,701,062</u> | <u>1,352,094</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 13 | (535,514) | (210,871) |
| Provisions for Liabilities | 14 | (246,750) | (214,672) |
| Net current assets | | <u>(782,264)</u> | <u>926,551</u> |
| Creditors: amounts falling due after more than one year | 15 | (45,368) | (240,865) |
| Provisions for Liabilities | 14 | (873,430) | (685,686) |
| Long term liabilities | | <u>(918,798)</u> | <u>(926,551)</u> |
| Net assets | | - | - |
| Profit and Loss Account | 16 | - | - |
| Total funds | | - | - |

These financial statements have been prepared in accordance with the special provision for small companies under Part 15 of the Companies Act 2006 and with FRS102 Section 1A of The Financial Reporting Standard.

Notes from pages 11 to 18 form part of the financial statements

Signed on behalf of the directors by

Georgia Gould

.....
CIlr Georgia Gould
Chair of London Councils Limited
11 July 2023

O'Neill of Bexley

.....
CIlr Baroness O'Neill of Bexley OBE
Director of London Councils Limited
11 July 2023

Company Number: 3037449

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

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. The company has adopted FRS102 – Section 1A.

b. Going Concern

The company is funded by subscriptions from its member boroughs and recharges to London Councils' Leaders Committee (parent undertaking) and Transport and Environment Committee. The company's members are all local government bodies and there is a high degree of uncertainty about future levels of funding for local government. However, the directors' have determined that this uncertainty is not sufficient to provide an indication that the operations of the company might be affected as a result of a need to reduce levels of service provision. The subscription and recharge budget for the 2023/24 financial year was approved by London Councils' Leaders Committee, the parent undertaking, on 13 December 2022. London Councils retains the full membership of the 32 London Boroughs and the City of London which means the company has sufficient funds for a period of 12 months from the date of the approval of these financial statements.

c. Income and Expenditure

Income and Expenditure is recognised on an accruals basis.

d. Turnover

Turnover represents the fair 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 charges. 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.

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

2. ACCOUNTING POLICIES (continued)

e. 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.

f. 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.

g. Pensions

The employees of the company are eligible to participate in the parent undertaking's defined benefit pension scheme which is a Local Government Pension Scheme (LGPS) administered by the London Pension Fund Authority (LPFA). 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. In the event of any liabilities arising in respect of the scheme, these would be the responsibility of London Councils Joint Committee (parent undertaking).

h. Financial Instruments

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. Annual credits to the Interest Receivable and Similar Income line in the Profit and Loss Account for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. Changes to assets carried at fair value are recognised in the Profit and Loss Account.

Financial liabilities are recognised on the Balance Sheet when the company becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at amortised cost. Annual charges to the Interest Payable and Similar Charges line in the Profit and Loss Account for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

3. EVENTS AFTER THE BALANCE SHEET DATE

FRS102 requires information which comes to light after the balance sheet date that provides evidence of conditions that existed at the balance sheet date (adjusting post-

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

balance sheet events) to be reflected in amounts recognised in the accounts. A review of the potential impact of significant increase in inflation on the company's affairs has not revealed any changes to conditions that existed at the balance sheet date that require adjusting.

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

a. Critical judgements in applying accounting policies

The critical judgement made in applying the accounting policies is:

Pensions – The employees of the company are eligible to participate in the parent undertaking's defined benefit pension scheme which is a Local Government Pension Scheme (LGPS) administered by the London Pension Fund Authority (LPFA). The directors' do not have sufficient information of the plan assets and liabilities to allow them to reliably account for the company's share of the net pension deficit. Therefore, the costs of the scheme are accounted for as a defined contribution scheme. See note 10 for further details.

b. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future when preparing the accounts. The estimates and assumptions are made taking into account historical experience, current trends and other relevant factors. The estimates and assumptions may differ from the actual results which could lead to material adjustments to the values of assets and liabilities. The item in the company's Balance Sheet at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

Provisions - The Company has made a provision of £1,120,180 for its contractual obligations for dilapidations and periodic decoration included within its property leases. The provision is based on the most reasonable estimate of these future costs. An increase of 10% to the total value of these costs would have the effect of adding £112,018 to the annual contribution to the provision.

5. TRANSFER TO LONDON COUNCILS JOINT COMMITTEE

| | 2023 | 2022 |
|---|------|--------|
| | £ | £ |
| Transfer to London Councils Joint Committee | - | 10,031 |

All surplus member subscriptions are transferred to London Councils Joint Committee, of which the Company is a wholly owned subsidiary, to be used in accordance with members' objectives.

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

| | | | |
|------------|--|-------------------------|-------------------------|
| 6. | OPERATING PROFIT / LOSS | 2023 | 2022 |
| | | £ | £ |
| | The operating profit / loss is stated after charging: | | |
| | Auditor's Remuneration payable for the statutory audit | 1,188 | 1,450 |
| | Operating Leases | 1,397,384 | 1,079,795 |
| | | <u>1,398,572</u> | <u>1,081,245</u> |
| 7. | INTEREST PAYABLE AND SIMILAR CHARGES | 2023 | 2022 |
| | | £ | £ |
| | Unwinding of the discounted property provisions | 14,520 | 11,213 |
| | Movement in Fair Value of Assets | 881 | 11,085 |
| | | <u>15,401</u> | <u>22,298</u> |
| 8. | INTEREST RECEIVABLE AND SIMILAR INCOME | 2023 | 2022 |
| | | £ | £ |
| | Interest on cash balances held by the City of London | 26,106 | 7,815 |
| | Interest on short term deposits | - | - |
| | | <u>26,106</u> | <u>7,815</u> |
| 9. | DIRECTORS' REMUNERATION | | |
| | The directors did not receive any emoluments or compensation for loss of office (2022: £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. | | |
| 10. | STAFF NUMBERS AND COSTS | | |
| | The monthly average number of persons employed by the Company during the year was 3 (2022: 2.89). All staff are employed as political advisers. | | |
| | | 2023 | 2022 |
| | Staff costs comprise of the following elements: | £ | £ |
| | Wages and salaries | 156,421 | 140,634 |
| | Social Security Costs | 18,740 | 15,848 |
| | Other Pension Costs | 21,273 | 19,126 |
| | Annual Leave Liability | (819) | (2,456) |
| | Total Staff Costs | <u>195,615</u> | <u>173,152</u> |

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

In relation to the pension valuation, as at 31 March 2023 the pension scheme of London Councils Joint Committee (parent undertaking) had a surplus of £4.725 million (2022: deficit of £31.189 million). The net pension surplus for the scheme has been measured using the projected unit method. 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 FRS102 valuation using the projected unit method. The difference between the triennial actuarial valuation and the annual FRS102 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 2022. The valuation resulted in a surplus of £14 million (2019: £4.017 million surplus). 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 £21,273 (2022: £19,126). There were no outstanding or prepaid contributions (2022: Nil).

11. 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.

12. DEBTORS

| | 2023 | 2022 |
|-----------------------------------|------------------|----------------|
| | £ | £ |
| Trade Debtors | 61,680 | 60,442 |
| Amounts owed by group undertaking | 861,686 | 515,238 |
| Other Debtors | 125,329 | 109,477 |
| Prepayments and accrued income | 23,015 | 42,021 |
| | <u>1,071,710</u> | <u>727,178</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 | 2022 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Accruals and deferred income | <u>535,514</u> | <u>210,871</u> |
| | <u>535,514</u> | <u>210,871</u> |

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2022

14. PROVISIONS FOR LIABILITIES

| | Property Lease Provisions £ |
|---------------------------------------|--|
| Balance at 1 April 2022 | 900,357 |
| Additional Provisions made in 2022/23 | 205,303 |
| Discount unwind (note 7) | 14,520 |
| Balance at 31 March 2023 | <u>1,120,180</u> |

Analysis of total provisions:

| | £ |
|------------------------|-------------------------|
| Current | 246,750 |
| Non-current | 873,430 |
| Total Provision | <u>1,120,180</u> |

The Company has established a provision for its contractual obligations included within its property leases. The lease for Southwark Street requires internal and external decoration works to be carried out in March 2016, March 2021 and March 2026 and dilapidation works to be carried out in March 2026. Some of the internal and external decoration work due in March 2016 and March 2021 has not yet been carried out.

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. There has been no internal decoration work carried out to date.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2023 £ | 2022 £ |
|------------------------------|----------------------|-----------------------|
| Accruals and deferred income | 45,368 | 240,865 |
| | <u>45,368</u> | <u>240,865</u> |

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

16. RESERVES

| | Profit and Loss Account £ |
|-------------------------------|--|
| Balance at 1 April 2022 | - |
| Result for the financial year | - |
| Balance at 31 March 2023 | - |

17. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

| | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Financial assets measured at amortised costs: | | |
| Cash balances held by the City of London | 629,352 | 624,916 |
| Trade Debtors | 61,680 | 60,442 |
| Amounts owed by group undertaking | 861,686 | 515,238 |
| Prepayments and accrued income | 23,015 | 42,021 |
| | 1,575,733 | 1,242,617 |
| Financial liabilities measured at amortised costs: | | |
| Accruals | 568,378 | 439,294 |

18. CASH FLOW STATEMENT

The Company is not required to include a cash flow statement in the financial statements as it is a small company.

19. FINANCIAL COMMITMENTS – OPERATING LEASES

The Company uses leased properties under the terms of operating leases. The amounts recognised in the Profit and Loss Statement under these arrangements during the year amounted to £1,397,384 (2022: £1,079,795).

The minimum lease payments under non-cancellable operating leases for each of the following periods:

| | 2023 £ | 2022 £ |
|--------------------------|-------------------|-------------------|
| Within one year | 1,429,146 | 1,271,646 |
| Within two to five years | 2,208,423 | 3,204,444 |

LONDON COUNCILS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2023

20. 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 published on its website at www.londoncouncils.gov.uk 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.

21. RELATED PARTY TRANSACTIONS

London Councils Joint Committee (Parent undertaking)

The Company recharged London Councils Joint Committee, its parent undertaking, £861,686 (2022: £515,238) in respect of premises cost for leased properties at 59½ Southwark Street, London, SE1 0AL and Chancery Exchange, 10 Furnival Street, London EC4 1AB. The Company made no transfer (2022: £10,031) to London Councils Joint Committee during 2022/23.

Member Boroughs

The Company received an annual subscription of £47,295 (2022: £47,295) from each of its 33 member authorities for the year ended 31 March 2023 resulting in total subscription income of £1,560,735 (2022: £1,560,735). The directors of the company are leaders of member authorities.

City of London

An amount of £1,136,555 (2021: £818,966) is included in the accounts in respect of amounts payable to the City of London for premises costs for the leased property at 59½ Southwark Street, London, SE1 0AL. The City of London is a member authority of the company and the Chairman of its Policy and Resources Committee is a director of the company.