

LOCAL INFORMATION UNIT LIMITED
(Company limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2017

Registration Number: 1872218 (England and Wales)
Charity Registration Number: 1113495

WEDNESDAY



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COMPANIES HOUSE

LOCAL INFORMATION UNIT LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2017

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LOCAL INFORMATION UNIT LIMITED**LEGAL AND ADMINISTRATION****YEAR ENDED 31 DECEMBER 2017**

Registered Name of charity	Local Information Unit Limited	
Other names used by the charity	LGiU	
Trustees		
	Cllr Bob Wheeler	Resigned 20/08/2018
	Cllr Eunice Campbell - Clark	
	Cllr Michael Payne (Chair)	
	Cllr Brian Robinson	
	Cllr Andrew Johnson	Resigned 04/05/2018
	Cllr Chris Saint (Vice Chair)	
	Mike Short	
	Cllr Ray Gooding	Resigned 10/07/2017
	Cllr Tony Jackson	Resigned 10/07/2017
	Cllr Neil Nerva (Vice Chair)	
	Cllr Kyle Robinson	Appointed 10/07/2017
		Resigned 17/07/2018
	Cllr Abdul Jabbar	
	Cllr Michelle Lowe	Appointed 15/05/2018
	Cllr Joanne Patricia Randell Greene	Appointed 15/05/2018
	Cllr Alexander Hollingsworth	Appointed 16/07/2018
	Cllr Tudor Evans	Appointed 16/07/2018
Chief Executive & Company Secretary	J Carr-West	
Registered office	251 Pentonville Road London N1 9NG	
Company Registration Number	01872218 (England and Wales)	
Charity Registration Number	1113495	
Auditor	haysmacintyre 10 Queen Street Place London EC4R 1AG	
Bankers	National Westminster Bank PLC 23 Brunswick Place Southampton SO15 2AQ	

LOCAL INFORMATION UNIT LIMITED

LEGAL AND ADMINISTRATION (continued)

YEAR ENDED 31 DECEMBER 2017

Subsidiary undertakings:

LGiU International Ltd

Directors

J Carr-West
A Johnston

Company Registered Number

07132669 (England and Wales)

Local Energy Limited

Directors

A Johnston
J Carr-West

Company Registration number

07092950 (England and Wales)

LGiU Enterprises Limited

Directors

Clr A Johnson
J Carr-West

Company Registration number

07073661 (England and Wales)

LGiU Ireland Limited

Directors

A Johnston
J Carr-West

Company Registration number

597961 (Ireland)

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

The trustees present their statutory report together with the consolidated financial statements of the Local Information Unit Limited and its subsidiaries for the year ended 31 December 2017.

The report has been prepared in accordance with Part VI of the Charities Act 2011 and is also the directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 18 to 20 therein and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice (SORP (FRS 102)) on 'Accounting and Reporting by Charities' effective 1 January 2015.

The financial statements include the results of the two social enterprise trading subsidiaries, Local Energy Limited and LGiU Partnerships Limited, both commenced trading in 2010 and undertake consultancy assignments. In addition there is a dormant intermediary holding company LGiU Enterprises Limited.

Introduction

The Local Government Information Unit (LGiU) is a membership organisation and think tank. The object of the organisation is the promotion for the public good of efficient public administration of local government by the provision of information, advice, research and training and the publication of research.

Public benefit

The LGiU must be able to demonstrate that its aims and activities are for the public benefit. The Trustees have reviewed the guidance issued by the Charity Commission and have prepared this report with the guidance in mind.

Mission/Vision

We are a not-for-profit membership organisation and think tank. We work for local authorities and with local authorities helping them to serve their communities more effectively. We provide the information and support that officers and councillors need everyday. We work with our members to turn the best new innovative ideas into the real solutions needed to provide sustainable services in the future.

Unhampered by political allegiance or factions our only agenda is local communities, local services, local government - we are an influential voice for the sector in the media and on the national stage.

Activities, specific objectives and relevant policies

◆ Activities and specific objectives

To fulfil our charitable mission we support innovation in local government working with our members and others to provide:

- ◆ the **information** they need to be effective: including policy briefings and wider services such as seminars, conferences, publications, consultancy and learning and development;
- ◆ the **innovation** they need to do things differently: including research and thought leadership and developing and sharing good practice;
- ◆ the **influence** they need to put new thinking into practice: through our policy making, media and public affairs activity, we make the case for policy change that gives councils and their partners the freedom to make local decisions, shape local services, and be responsive to local citizens.

◆ Volunteers

Generally the LGiU does not use volunteers. Internships are occasionally provided to people seeking work experience, and are paid at the London living wage.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

Achievements and performance

LGIU AT A GLANCE IN 2017



learning and development
events around the country

editions of
Daily News
emailed to
25,909 subscribers



Regional Wraps emailed
to **11,104** subscribers in
the North East, North
West and Midlands

long
reads



Nearly **1,000 media**
hits across national and
regional tv and radio and
print and trade press.

including: **Lessons from
the Greater Manchester
experiment** and **Local
government: in the money?**



*policy reports and
essential guides,
including: **Paying for it:
the human cost of cut-
price care; Community
collaboration: a
councillor's guide;
Beyond devolution***



new subscribing
members:

1. Blaby District Council
2. City of York Council
3. Craven District Council
4. Derby City Council
5. Darlington Borough Council
6. Doncaster Metropolitan Borough Council
7. Mendip District Council
8. Middlesbrough Council
9. Richmondshire District Council
10. Rossendale Borough Council
11. Ryedale District Council
12. Scarborough Borough Council
13. Slough Borough Council
14. South Lakeland District Council
15. Three Rivers District Council

policy briefings



More than



Twitter impressions
and **1,897** new followers

LGIU is a charity run by councils for councils. LGIU welcomes councils and other organisations committed to public sector innovation. For details of a free trial please contact partnerships@lgiu.org.uk

For more information see www.lgiu.org.uk, email info@lgiu.org.uk, or follow @LGIU

251 Pentonville Road, London N1 9NG Tel 020 7554 2800

Registered charity no. 1113495, company limited by guarantee no. 1872218

LGIU INFORMATION

Briefings

With more than 250 briefings published a year, we are the only organisation that provides the depth of coverage you need to keep on top of all the key local government issues from social care to economic growth. Our briefings provide accessible and timely information – responding quickly to the latest developments – and are emailed directly to any employee or councillor in a member authority who wishes to receive them.

The political landscape has been very much dominated by Brexit. Our briefings have provided extensive coverage of Brexit and its implications for local government; we published a regular Brexit update throughout 2017 and briefings on specific areas, such as Brexit and employment.

Our briefing writers have a wealth of expertise and many years experience working either in or closely with local authorities, including at chief executive and director level.

In 2018 our briefings will continue to reflect the wide remit of local government. Brexit will of course continue to loom large on the landscape as will finance. We may see green papers on social care and social housing which we will be monitoring closely.

Daily News and Regional Wraps

Our unique early morning bulletin summarises the news that matters to local government

and delivers it to your inbox 362 days a year.

Across the country more than 25,000 leaders, chief executives, councillors and officers read the bulletin to start their day on top of the local government news agenda.

In 2017 we introduced Regional Wraps – five-days-a-week lunchtime news roundups for the North West, North East and Midlands.

LGIU website

Our website is where you will find a range of useful resources, including updates on all our projects and PDFs of all our publications. Our policy briefing library houses more than 2000 briefings exclusively for the use of our members.

C'llr magazine

Our online magazine brings you a lively and engaging mix of articles, we are very proud to be able to showcase the work of our member councils including interviews with and articles from:

- Marvin Rees, Mayor of Bristol
- Paul James, Leader of Gloucester City Council
- Sharon Taylor OBE, Leader of Stevenage Borough Council

LGIU training

We ran an extensive programme of seminars and tailored inhouse training sessions in 2017 to support councillors and officers alike with core skills and a range of policy-focused learning.

More than

events around the country including:

Digital leadership roundtables (with Vodafone)

- Glasgow
- Sheffield
- Bristol
- London

Domiciliary care roundtables (with Mears)

- Rotherham
- London
- Edinburgh



Community collaboration roundtable (with Local Trust)

- London

Homelessness event (with Social Finance)

- London

Mayoral election events

- Manchester
- Liverpool
- Birmingham



Devolution Network events

- Birmingham
- Manchester

Policy Cafés

- Bradford
- Brighton
- Wolverhampton
- Kirklees

C'llr Achievement Awards ceremony

- London

Reception at LGA conference (with CAMRA)

- Birmingham

Summer Reception

- London, House of Commons

Local Government APPG meetings

- London

Party conference dinners

- Bournemouth
- Brighton
- Manchester

Assembly of European Regions event

- London

More than 40 inhouse training sessions including:

- Suffolk
- Wyre
- Carlisle
- Basildon

LGIU INNOVATION

Finance

We kicked off the year with our annual **State of Local Government Finance** survey, which received 163 responses from senior council decision-makers. We used the findings to raise the profile of the financial challenges facing the sector, featuring on the front page of the *Daily Telegraph*, *Daily Mail* and the *Financial Times*.

We drew on this data for our joint publication with the Institute of Fiscal Studies and PwC, **The Local Vantage**, to explore how councils' views relate to their local context. We then drilled down into the views expressed on 100% Business Rate Retention in our essay, **Local Government: In the money?**, drawing out the top five concerns.

To support council efforts in economic growth and innovation we produced a guide to crowdfunding for local government and hosted our inaugural member-only Policy Café on local growth in Bradford, with surrounding authorities sharing ideas on policy responses.

Democracy

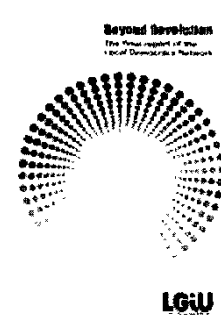
As well as our essential coverage of local elections, and celebration of local government in the annual **C'tir Awards**, this year we looked at some big questions facing local democracy. With enormous constitutional change on the horizon, public finances still in dire straits and central government preoccupied with other issues, we made radical recommendations for a significant shift of power to local leaders in **Beyond Devolution**, the report of our Devolution Network of council leaders and chief executives, run with the support of the James Madison Charitable Trust. We also investigated,

with the Fawcett Society, why women are so poorly represented in local government, particularly in leadership roles; looked at case studies of councils working effectively with community groups, and convened discussions on how hate crime is being tackled at the local level.

As part of Andrew Walker's ongoing PhD study, which LGIU is supporting with Queen Mary, University of London, we also reported from Greater Manchester on the biggest innovation in local governance in the UK at the moment.

Services

Services provided by local government are under strain with financial strictures, increased demand and changing expectations, but where councils are engaging with new ideas and with local people it is still possible to drive innovation and improvement. This year we have focused on service transformation underpinned by user focused service re-design, including developing new training. **Paying for it** looked at the human cost of low-priced care and individual stories of home care business failure and we called for a new locally-driven settlement for social care. We have developed a new app – **CoCare** – with Kingston Council, to support outcomes based commissioning in home care. Our work with Ramblers focused on **Building Connected Communities** through engagement with planning departments to create a better outdoor experience. We have also looked at how technology and digital leadership can support better services and engagement, holding a series of roundtables with Vodafone and publishing **Start of the Possible** the first ever comprehensive survey of councillors attitudes to digital.



LGIU INFLUENCE

APPG

LGIU continues to provide secretariat support for the All Party Parliamentary Group for Local Government, chaired by Martin Vickers MP. In February Andrew Percy MP, the then Minister for the Northern Powerhouse, discussed the current progress on Devolution Deals and how local growth will help the Government's industrial strategy. In June we held our annual Summer Reception at the Houses of Parliament with a keynote speech from Sajid Javid MP.



C'llr Awards

Now in its eighth year, **LGIU's C'llr Achievement Awards** has become one of the biggest events in the local government calendar. This is the only national awards ceremony to honour the important work of councillors. This year's event was one of the largest yet, with a record number of nominations and over 200 guests attending the ceremony at the City of London's Guildhall. LGiU is grateful for support from CCLA, IESE and Mears.



LGIU at the party conferences

Our 2017 dinners at the Liberal Democrat, Labour and Conservative conferences were attended by over 27 Leaders from local government. We were honoured to have prominent figures from the local government world hosting for us,

- **Councillor Howard Sykes MBE**, Liberal Democrat Leader, LGA
- **Jim McMahon MP**, Shadow Minister (Communities and Local Government) (Devolution)
- **Lord Porter of Spalding CBE**, Chairman, LGA

Councils represented at our dinners included: Watford, Colchester, Leeds, South Somerset, Eastbourne, Cheltenham, York, Oldham, Cambridge, Hastings; Rochdale; St Helens, Gedling; Mole Valley, Trafford, Gloucester; Hertsmere, St Albans; Windsor and Maidenhead; Leicestershire; Buckinghamshire; Stratford upon Avon, and South Holland.

Media

We know the importance of our role in providing a voice for local government in the media. In the last year our media profile doubled to almost 1,000 press hits including extensive coverage across BBC News, Sky News and ITV News of our annual State of Local Government Finance survey, local election reporting and C'llr awards as well as comment from our team of experts on social care reform, finance, reform and more.

International work

LGIU International works to strengthen local democracy across the globe with our practical briefings and Daily News service as well as collaborating on the development of international solutions that respond to local challenges. **LGIU Scotland** provides services to 20 Scottish local authorities and other organisations and **LGIU Ireland** in its first full year now has 20 council members.

LGIU
Scotland

LGIU
Ireland

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

Financial Review

◆ Results for the year

- ◆ 2017 was a difficult year financially for LGiU. Affiliate income was on budget but net income for projects was significantly down on budget and Learning and Development achieved the income target but not the surplus target.
- ◆ Local and general elections in 2017 created a lower demand for funded policy work in the first half of the year.
- ◆ Given that project income has declined year on year we decided that for 2018 and beyond our focus should be on delivering value to members and our expenditure should be brought into line with our membership income.
- ◆ We have therefore restructured to create a single membership and policy group in place of separate partnership, policy and external affairs teams.
- ◆ The LGiU Group reports a significant loss on trading in 2018. This includes £120K of one off redundancy costs.
- ◆ Expenditure on salary was significantly over budget as a result of redundancy costs. The benefit will accrue in 2018 with a smaller salary cost.
- ◆ The LGiU reserves excluding pension liability were £57K at the end of 2017.
- ◆ This information should be considered in conjunction with the 2018 budget which shows a significant trading surplus which will contribute about £193K to reserves. This information should also be considered in conjunction with the three year income and expenditure projection, which shows how reserves will return to the Board's objective in 2019.
- ◆ LGiU International is showing a small loss on trading mainly as a result of LGiU Ireland in its starting year.
- ◆ These figures do not include the results of the annual pension fund report.

◆ Reserves policy

The trustees recognise the need to hold reserves to protect against unforeseen fluctuations in income, assist long term strategic planning, and to provide a fund to deal with costs arising should the organisation cease to trade.

The trustees have reviewed the needs, risks and opportunities faced by the group based on regular financial information and advice. The trustees have decided that as a guide, the group should keep in reserve a level of approximately six weeks expenditure. This takes into account that substantial amounts of income are assured early in the year through payment of membership fees.

General funds of the group at 31 December 2017 were £209,360 (2016- £392,203) and the pension reserve deficit was £3,032,000 (2016 - deficit of £3,613,000).

The pension is a defined benefit scheme and we are part of a pool within the Camden Council LGPS. Such schemes typically show large deficits but the pension deficit is not taken into account against reserves, and is dealt with from future budgets. The Board are satisfied that we will be able to meet future commitments.

The 2017 reserves represent approximately 8 weeks' expenditure, which is more than the trustees' guidelines given above.

The restructure that we undertook at the end of 2017 means that substantial savings will be realised in 2018 and in subsequent years. This means that LGiU's expenditure is within the level of membership income which is guaranteed six months before the start of the financial year.

In 2018 we anticipate a surplus of about £193K. This will return general fund reserves to above £250K by the end of the year. This represents around 10 weeks expenditure and comfortably meets the trustees' guidelines.

Holding expenditure and income level at this rate to 2020 will allow us to grow general reserves to above £400K by the end of 2020.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

◆ **Investment policy**

Any surplus cash is held in either our deposit account, or in short term bonds specifically designed for charities who want to retain liquidity and attract a reasonable rate of return.

◆ **Risk management**

The most significant risk faced by the LGiU is the loss of income, primarily from the resignation of members. Strategies are in place to retain existing members and to recruit new ones. The Executive Board is regularly updated about these issues, together with actions being taken to ameliorate the risk.

The LGiU believes that while local government still has substantial reductions in spending to implement, our active member engagement strategy and improvements to services mitigate the risk of substantial decline in membership income. In 2018 we are focusing even more of our resources on supporting members to ensure that all our members receive exceptional service and value from LGiU.

The LGiU also faces the organisational risks that would be expected in a small company, such as loss of key staff. Strategies are in place to anticipate and reduce these risks and staff movement in 2014 has not led to any significant problems.

Governance, structure and management

◆ **Governance**

The LGiU is a registered charity (Charity Registration Number 1113495) and is constituted as a company limited by guarantee (Company Registration Number 01872218). It is governed by its memorandum and articles of association, which were most recently modified in July 2009. The charity was registered with the Charity Commission in England and Wales on 30 March 2006. The Local Information Unit Limited (which trades as the Local Government Information Unit) was registered as a company limited by guarantee on 17 December 1984 and has been operating since that date.

The trustees of the charity are also directors of the company for the purposes of the Companies Act. Each affiliate of the LGiU nominates a representative to be part of the Members' Assembly, the body which debates the general policy direction of the organisation. The Members' Assembly elects the Executive Board (Board of Directors) from within their ranks. Directors/trustees serve a three-year set term before being required to stand for re-election. Where directors/trustees resign or become ineligible, a replacement is sought at the next Members' Assembly meeting to complete that three year term. The memorandum and articles of association specify a minimum number of places on the Board from different types of affiliates, such as District Councils, London Boroughs and Trade Unions etc. This is to ensure balanced representation of the membership.

New trustees are given relevant documentation on their duties and responsibilities, including the Charity Commission publication designed for this purpose. The LGiU has several nominated contacts that trustees can contact if they have any specific queries.

Trustees are offered the opportunity to take part in various training opportunities, and the LGiU is always prepared to buy in specific training as and when necessary.

◆ **Structure and management reporting**

The day-to-day running of the organisation is delegated to the staff under the leadership of the Chief Executive. The Executive Board meets about six times per year primarily to discuss issues of strategic direction in relation to the running of the organisation. They approve the annual budget before the start of the year and then monitor its progress through regular updates. In addition, the Executive Board has a business and policy planning weekend each September, together with senior staff.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

◆ Remuneration

The Board has a Remuneration Committee with a membership of four Board members which has oversight of pay strategy across the organisation and direct responsibility for the Chief Executive's pay and appraisal.

Current membership of the Remuneration Committee is Michael Payne, Mike Short and two vacancies.

The Remuneration Committee appoints an independent person to accompany the Chair to conduct the annual appraisal for the Chief Executive to ensure the process is open and transparent.

Plans for the future

The primary focus for LGiU in 2018 will be demonstrating value for money our members to ensure that we are able to retain membership income at the current level in 2019 and beyond.

We will do this by embedding a member focused approach throughout the organisation with a single membership and policy group and relationship management responsibilities across team so that all members have a single named point of contact.

This single team approach will also allow a more joined up approach to all our content, briefings, blogs, long forms, policy outputs, roundtables, training and our new podcast.

In addition we will be delivering three major local authority-led projects in 2018, focusing on three of the key questions our members are faced with.

Each project will provide a voice for the sector on some of its biggest issues – homelessness, finance and public trust. We will work with a wide range of council representatives to challenge central government's record on localism and find solutions that work for local people.

Local Finance Task Force

Local authorities are in a precarious financial situation.

With a Government preoccupied with Brexit, elections and high-profile issues like NHS failures and the housing crisis, the urgent questions about future council resourcing remain unanswered.

Business rate retention policy is in limbo, the fair funding review and social care green paper have been pushed back, and the Revenue Support Grant is still on course to disappear by 2020.

Councils are facing a cliff-edge and need answers now. 2018 must be the year this happens.

LGiU is leading the Local Finance Taskforce, working with senior local government representatives and sector experts to raise the profile of these issues to a wider audience and force the Government to provide much-needed policy clarity.

We will:

- ◆ Ensure the issue stays at the top of the media agenda by working with stakeholders and bringing the issue to different audiences.
- ◆ Lay out a road map for the future sustainability of local finance and spark debate about the best options.
- ◆ Bring local government voices strongly into the debate by facilitating constructive conversations with Government that results in consensus moving forward.

Local Government Homelessness Commission

This Commission will be led by local government and throughout 2018 it will investigate what action councils can take to prevent homelessness. Local authority duties are set to increase substantially when the Homelessness Reduction Act is implemented this year, and the Commission will help to establish best practice, develop solutions and make recommendations for effective deployment of these new duties.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

Through a series of formal evidence sessions and research, the Commission will look specifically at the following questions:

- ◆ How can we share best practice and understanding so that councils can implement the Homelessness Prevention Act?
- ◆ How can we boost the supply of temporary accommodation in key areas and ensure it is affordable for councils?
- ◆ How can we boost the supply of housing more broadly?
- ◆ How can we use data to prepare for the implementation of the act and to ensure the support is targeted effectively towards the most vulnerable groups (young people, women, refugees)?
- ◆ What are councils doing to tackle the key routes into homelessness, such as the Private Rented Sector, personal debt, and welfare or Universal Credit issues?

Public Trust Lab

As part of our 2018 policy themes, we are exploring the issues of trust.

Public trust in authority is at a low ebb. The banking crash of 2008, the MPs' expenses scandal and a period of extended austerity in public services have all contributed to a loss of faith in institutions, public and private. At the same time, local authorities are increasingly asking communities to step up to take responsibility for public buildings and to deliver services.

We are setting up an ongoing Policy Lab to work with experts in this field and innovative councils to explore how this might affect the future of local government.

- ◆ What is the future of the relationship between councils and their communities?
- ◆ What helps to build trust between councils and their communities? Where are the examples of best practice?
- ◆ How do we effectively measure trust? And what difference does it make?
- ◆ How does a better risk management approach support new ways of working?
- ◆ How does devolution help or hinder better public engagement?

Some of the areas of public trust we wish to explore include:

- ◆ Trust and transparency: a look at transparent government and use of data.
- ◆ Trust and risk: the communication and understanding of insurable and non-insurable risk and political decision making.
- ◆ Trust and voice: how does engagement and influence in local decision-making influence outcomes?
- ◆ Trust and civility: has political discourse become too nasty? How does that effect the relationship between citizen and state? How has radicalisation to anti-democratic movements affected the polity?
- ◆ Trust and governance: the UK is one of the most centralised states in the Western world? Does central government trust local government to get on with the job?
- ◆ Trust and confidence: does local government trust itself? Does local government trust officers, councillors, and citizen volunteers with enough autonomy to work together to achieve objectives?

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2017

Trustees' liability

In the event of the charity being wound up the trustees, are required to contribute an amount not exceeding £1.

Statement of Trustees' responsibilities

The trustees (who are also directors of Local Information Unit Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

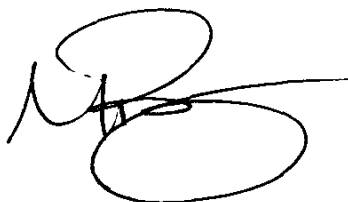
- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees and signed on their behalf by:

Michael Payne
Trustee
Date: 7th September 2018



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOCAL INFORMATION UNIT LIMITED

Opinion

We have audited the financial statements of Local Information Unit Limited for the year ended 31 December 2017 which comprise, the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and related to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, 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 group 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable 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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LOCAL INFORMATION UNIT LIMITED**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

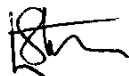
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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 by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees 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 trustees' report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
Date: 7th September 2018

10 Queen Street Place
London
EC4R 1AG

LOCAL INFORMATION UNIT LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Total funds	
		2017	2016
		£	£
INCOME AND EXPENDITURE			
INCOME			
Charitable activities			
Affiliation fees & subscriptions		1,389,795	1,318,163
Consultancy and project income		176,615	285,760
Other trading activities		300	5,591
Income from:			
Investment income, Bank and other interest		1,348	3,357
Total income		<u>1,568,058</u>	<u>1,612,871</u>
EXPENDITURE			
Expenditure on Charitable activities			
Services to affiliates & subscribers	2	632,802	592,120
Conferences, seminars and training	2	275,846	277,828
Consultancy	2	586,714	609,361
Publications	2	108,529	154,499
Trading activities	2	180,197	56,322
Total expenditure		<u>1,784,088</u>	<u>1,690,131</u>
Net expenditure before additional pension costs		(216,030)	(77,260)
Service cost and other movements on pension provision	17	(100,000)	(41,000)
Net expenditure before other recognised gains and losses		(316,030)	(118,260)
Actuarial gains/(losses) on defined benefit pension scheme	17	681,000	(689,000)
Net movement in funds		364,970	(807,260)
Fund balances brought forward at 1 January 2017		(3,339,709)	(2,532,449)
Fund balances carried forward at 31 December 2017		<u>(2,974,739)</u>	<u>(3,339,709)</u>

All of the group's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the statement of Financial Activities.

All comparative figures were also unrestricted and have been presented under FRS102 (SORP 2015) on the statement of Financial Activities.

LOCAL INFORMATION UNIT LIMITED

COMPANY NUMBER: 01872218

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016	
	Notes	Charity £	Group £	Charity £	Group £
Fixed assets					
Tangible assets	8	3,490	3,490	5,259	5,259
Investments	9	3	-	3	-
		<u>3,493</u>	<u>3,490</u>	<u>5,262</u>	<u>5,259</u>
Current assets					
Debtors due within one year	10	100,531	75,533	271,956	137,746
Short term deposits		285,343	285,343	458,971	458,971
Cash at bank and in hand		228,407	267,842	135,181	143,186
		<u>614,281</u>	<u>628,718</u>	<u>866,108</u>	<u>739,903</u>
Creditors: amounts falling due within one year	11	(560,513)	(574,947)	(598,079)	(471,871)
Net current assets		<u>53,768</u>	<u>53,771</u>	<u>268,029</u>	<u>268,032</u>
Net assets excluding pension liability		<u>57,261</u>	<u>57,261</u>	<u>273,291</u>	<u>273,291</u>
Pension liability	17	(3,032,000)	(3,032,000)	(3,613,000)	(3,613,000)
Net liabilities including pension liability		<u>(2,974,739)</u>	<u>(2,974,739)</u>	<u>(3,339,709)</u>	<u>(3,339,709)</u>
Represented by:					
Funds and reserves					
Income funds:					
Unrestricted funds					
General funds	14	57,261	209,360	273,291	392,203
Pension reserve	17	(3,032,000)	(3,032,000)	(3,613,000)	(3,613,000)
		<u>(2,974,739)</u>	<u>(2,822,640)</u>	<u>(3,339,709)</u>	<u>(3,220,797)</u>
Non-charitable trading funds	14	-	(152,099)	-	(118,912)
		<u>(2,974,739)</u>	<u>(2,974,739)</u>	<u>(3,339,709)</u>	<u>(3,339,709)</u>

The parent charity's income for the year was £1,557,106. Net movement in funds before the pension costs was (£181,825). Net movement in funds after pensions was £399,175.

The financial statements were approved and authorised for issue by the Trustees on and were signed on their behalf by:



Michael Payne
Director of Local Information Unit Limited

Date: 7th September 2018

LOCAL INFORMATION UNIT LIMITED**COMPANY NUMBER: 01872218****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017		2016	
	Charity £	Group £	Charity £	Group £
Cashflow from operating activities				
Net income/(expenditure) for the year	364,971	364,970	(807,260)	(807,260)
Adjustments for				
Movements on defined benefit pension scheme	(581,000)	(581,000)	730,000	730,000
Depreciation of tangible assets	2,695	2,695	6,360	6,360
Interest received	(1,348)	(1,348)	(3,357)	(3,357)
Decrease in debtors	171,425	62,213	44,764	22,805
(Decrease)/increase in creditors	(37,567)	103,076	19,707	5,051
Net cash generated from operating activities	(445,795)	(414,364)	797,474	760,859
Cashflow from investing activities				
Net purchase of fixed assets	(926)	(926)	(2,202)	(2,202)
Interest received	1,348	1,348	3,357	3,357
	422	422	1,155	1,155
Net increase in cash	(80,402)	(48,972)	(8,631)	(45,246)
Net cash and cash equivalents at the start of the year	594,152	602,157	602,784	647,404
Net cash and cash equivalents at the end of the year	513,750	553,185	594,152	602,157

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Local Information Unit Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on membership and other income. The majority of the LGIU's income (c £1.2 million) comes from membership income which is fixed from 30 June in the preceding financial year. This allows Trustees to be confident that expenditure budgets are appropriate. The Trustees do not believe that the pension deficit will crystallise in the short term as the scheme is still open and LGIU has active employees in the scheme. In considering going concern the trustees have reviewed cashflows and are confident that the Charity can meet ongoing liabilities, including contributions to the pension scheme. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Local Energy Limited, LGiU International Ltd, LGiU Enterprises Limited and LGiU Ireland Limited on a line by line basis. A separate statement of financial activities is not prepared by the charity itself following the exemption afforded by section 408 of the Companies Act 2006. In the year under review the parent charity made a deficit of £216,030 (2016: deficit £76,950).

Income

Income is recognised in the period in which the charity and the group are entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity and the group has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Financial Instruments

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

Expenditure and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred. Expenditure which can be allocated directly to the charity and the group's charitable activities are charged against the applicable activity. All other costs are treated as support costs and are allocated to activities on the basis of staff time spent on those activities.

Expenditure comprises the following:

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- Staff costs
- Premises costs
- Office costs
- Other costs

Tangible fixed assets

All assets costing more than £500 with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- | | |
|--|---------------------------------------|
| • Furniture and general office equipment | Over 6 years on a straight line basis |
| • Computer equipment and website | Over 3 years on a straight line basis |

Fixed asset investments

The investments in the subsidiary undertakings, Local Energy Limited, LGiU International Ltd, LGiU Enterprises Limited and LGiU Ireland Limited, are stated at cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pension costs

Defined benefit pension scheme

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period are charged to the statement of financial activities.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as other recognised gains and losses for the period. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (continued)

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful Economic Lives - The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

2. COST OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Services to affiliates £	Conference seminars & training £	Consultancy £	Publications £	Trading Activities £	2017 Total funds £	2016 Total funds £
Staff costs	415,389	185,930	345,978	45,754	49,433	1,042,484	899,331
Other direct costs	-	-	81,008	41,618	35,714	158,340	203,175
Allocation of support costs (note 3)	217,413	89,916	159,728	21,157	95,050	583,264	587,625
	<u>632,802</u>	<u>275,846</u>	<u>586,714</u>	<u>108,529</u>	<u>180,197</u>	<u>1,784,088</u>	<u>1,690,131</u>

3. SUPPORT COSTS

The support costs and the basis of their allocation were as follows:

		2017 £	2016 £
Governance costs	Basis of appointment		
Auditor's remuneration – statutory audit	Staff time	11,200	11,200
Other governance costs	Staff time	8,759	8,731
		<u>19,959</u>	<u>19,931</u>
Other support costs	Basis of appointment		
Staff costs	Time spent	148,913	129,404
Premises costs	Staff time	72,234	64,055
Office costs	Staff time	77,478	126,254
Other costs	Staff time	264,680	247,981
		<u>563,305</u>	<u>567,694</u>
Total		<u><u>583,264</u></u>	<u><u>587,625</u></u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

4. NET INCOME

	Total Funds 2017 £	Total Funds 2016 £
This is stated after charging:		
Staff costs (note 5)	1,231,522	1,027,302
Auditors remuneration		
- statutory audit services	11,200	11,200
Depreciation	2,695	6,359
Operating lease rentals	41,022	41,022

5. EMPLOYEES AND STAFF COSTS

	2017 £	2016 £
Staff costs during the year were as follows:		
Wages and salaries	737,288	742,284
Social security costs	84,009	77,630
Other pension costs	253,125	207,388
Redundancy costs	119,902	-
Other	5,831	-
	1,200,157	1,027,302

In addition, consultants were used during the year at a cost of £46,746 (2016: £86,421).

The average monthly headcount of persons employed by the LGiU during the year were:

	2017 Number	2016 Number
Charitable activities	17	16
Support	2	2
	19	18

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2017 Number	2016 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001-£100,000	-	-
£100,001 - £110,000	1	-
£110,001-£120,000	-	1
	4	4

The total employee benefits including pension contributions of the key management personnel were £518,365 (2016: £501,515). The Key Management Personnel are defined as the Leadership team which is made up of 5 people.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

6. TRUSTEES' REMUNERATION

An honorarium was paid to the Chair of Trustees of £8,759 (2016 - £8,731). None of the other trustees received any remuneration in respect of their services during the year (2016 - £nil).

During the year expenses amounting to £108 (2016 - £549) were reimbursed to 2 trustees (2016 - 2).

The cost of refreshments at Trustee meetings and the accommodation costs for the overnight Executive Board business planning meeting are met directly by the LGiU. In 2017 this amounted to £2,659 (2016 - £2,613).

The trustees of the charity are members of local councils which pay membership subscriptions to LGiU. Membership fees to these organisations are charged on an arm's length basis.

7. TAXATION

Local Information Unit Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Any taxable profits generated by the subsidiary companies will be donated to the parent charity.

8. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £	Computers and website £	Total £
Charity and Group			
Cost or valuation			
At 1 January 2017	3,997	35,976	39,973
Additions	-	926	926
At 31 December 2017	3,997	36,902	40,899
Depreciation			
At 1 January 2017	3,997	30,717	34,714
Charge for the year	-	2,695	2,695
At 31 December 2017	3,997	33,412	37,409
Net book values			
At 31 December 2017	-	3,490	3,490
At 31 December 2016	-	5,259	5,259

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

9. INVESTMENTS

Charity	Shares in subsidiary companies £	Total £
Cost at 1 January 2017 & 31 December 2017	4	4

Local Information Unit Limited owns the entire called up share capital of LGiU Enterprises Limited, a company registered in England and Wales, which has been dormant since incorporation.

LGiU Enterprises Limited was dormant during the year and owns the entire called up share capital of Local Energy Limited and LGiU International Ltd, which are trading companies registered in England and Wales. In addition LGiU International Ltd is the parent of LGiU Ireland Limited a company registered in Ireland.

The Company Registration Numbers and incorporation dates of the subsidiary companies are given below:

	Company Registration number	Date of incorporation
LGiU Enterprises Limited	7073661	12 November 2009
Local Energy Limited	7092950	2 December 2009
LGiU International Ltd	7132669	21 January 2010
LGiU Ireland Limited	Ireland (597961)	8 February 2017

A summary of the trading results of the group's trading subsidiaries for the year ended 31 December 2017 are given below. Any taxable profits generated by the subsidiaries will be Gift-Aided to the parent charity.

	2017 £	2016 £
Local Energy Limited		
Profit & loss Account		
Turnover	-	5,591
Cost of sales	(4,982)	(7,204)
Operating loss before Gift Aid	(4,982)	(1,613)
Gift Aid	-	-
Loss for the financial year	(4,982)	(1,613)
Balance Sheet		
Current assets	1,689	4,129
Current liabilities	(108,833)	(106,291)
Net Liabilities	(107,144)	(102,162)

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

9. INVESTMENTS (continued)

	2017	2016
	£	£
LGiU International Ltd		
Profit & Loss Account		
Turnover	94,935	-
Cost of sales	(124,459)	(34)
	<u>(29,524)</u>	<u>(34)</u>
Operating loss	(29,524)	(34)
Gift Aid	-	-
	<u>(29,524)</u>	<u>(34)</u>
Loss for the financial year	<u>(29,524)</u>	<u>(34)</u>
Balance Sheet		
Current assets	115,141	3,875
Current liabilities	(161,418)	(20,630)
	<u>(46,277)</u>	<u>(16,754)</u>
Net Liabilities	<u>(46,277)</u>	<u>(16,754)</u>
LGiU Ireland Limited	2017	
	£	
Profit & Loss Account		
Turnover	22,639	
Cost of sales	(22,639)	
	<u>-</u>	
Operating profit	-	
Gift Aid	-	
	<u>-</u>	
Profit for the financial year	<u>-</u>	
Balance Sheet		
Current assets	29,996	
Current liabilities	(29,996)	
	<u>-</u>	
Net Liabilities	<u>-</u>	

As at 31 December 2017, the capital and reserves for each company was as follows:

	Issued share capital	Retained profit/(losses)	Total
LGiU Enterprises Limited	1	-	1
Local Energy Limited	1	(107,144)	(107,143)
LGiU International Ltd	1	(46,277)	(46,276)
LGiU Ireland Limited	1	-	1
	<u>1</u>	<u>(153,421)</u>	<u>(152,419)</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. DEBTORS: due within one year

	2017		2016	
	Charity £	Group £	Charity £	Group £
Trade debtors	22,431	55,382	96,594	96,594
Amounts due from subsidiary undertakings	54,952	-	134,212	-
Prepayments and accrued income	15,396	15,399	38,805	38,806
VAT	7,752	5,752	2,345	2,346
	<u>100,531</u>	<u>75,533</u>	<u>271,956</u>	<u>137,746</u>

11. CREDITORS: amounts falling due within one year

	2017		2016	
	Charity £	Group £	Charity £	Group £
Trade creditors and accruals	380,228	387,305	363,073	363,073
Other creditors	16,798	16,798	133,013	6,805
Deferred income (note 12)	163,487	169,916	101,993	101,993
VAT	-	928	-	-
	<u>560,513</u>	<u>574,947</u>	<u>598,079</u>	<u>471,871</u>

12. DEFERRED INCOME

	2017		2016	
	Charity £	Group £	Charity £	Group £
Deferred Income Brought Forward	101,993	101,993	95,541	100,041
Deferred in the year	163,487	169,916	101,993	101,993
Released in the year	(101,993)	(101,993)	(95,541)	(100,041)
Deferred Income Carried Forward	<u>163,487</u>	<u>169,916</u>	<u>101,993</u>	<u>101,993</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	General funds and non- Charitable trading funds £	Pension reserve £	2017 Total £
Fund balances at 31 December 2017 are represented by:			
Tangible fixed assets	3,490	-	3,490
Current assets	628,718	-	628,718
Creditors: amounts falling due within one year	(574,947)	-	(574,947)
Net pension liability	-	(3,032,000)	(3,032,000)
Total net assets	57,261	(3,032,000)	(2,974,739)

Group	General funds and non- Charitable trading funds £	Pension reserve £	2016 Total £
Fund balances at 31 December 2016 are represented by:			
Tangible fixed assets	5,259	-	5,259
Current assets	739,903	-	739,903
Creditors: amounts falling due within one year	(471,871)	-	(471,871)
Net pension liability	-	(3,613,000)	(3,613,000)
Total net assets	273,291	(3,613,000)	(3,339,709)

14. MOVEMENT IN FUNDS

2017	B/Fwd £	Income £	Expenditure £	Gains £	C/Fwd £
General Funds	392,204	1,568,058	(1,750,905)	-	209,360
Pension Reserve	(3,613,000)	-	(100,000)	681,000	(3,032,000)
Total net (liabilities) (charity)	(3,220,796)	1,568,058	(1,850,901)	681,000	(2,822,639)
Non-charitable trading funds	(118,913)	-	(33,186)	-	(152,099)
Total net (liabilities) (group)	(3,339,709)	1,568,058	(1,884,087)	681,000	(2,974,739)

LOCAL INFORMATION UNIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2017****14. MOVEMENT IN FUNDS (continued)**

2016	B/Fwd £	Income £	Expenditure £	Gains/losses £	C/Fwd £
General Funds	467,820	1,607,280	(1,682,896)	-	392,204
Pension Reserve	(2,883,000)	-	(41,000)	(689,000)	(3,613,000)
Total net assets (charity)	(2,415,180)	1,607,280	(1,723,896)	(689,000)	(3,220,796)
Non-charitable trading funds	(117,270)	5,591	(7,234)	-	(118,913)
Total net assets (group)	(2,532,450)	1,612,871	(1,731,130)	(689,000)	(3,339,709)

15. FINANCIAL COMMITMENTS**Operating leases**

The group had commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2017	2016
	£	£
Charity and Group		
Operating leases which expire:		
Less than one year	53,193	41,022
Within two to five years	271,938	10,256
More than five years	14,314	

16. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

17. PENSION COMMITMENTS

The charity is one of several employing bodies included within the Camden Local Government Pension Scheme (Camden LGPS). The Camden LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation of the scheme took place in 2010. The results of the valuation have been made available to the employers and show a smaller increase in future employer contribution rates than previously expected.

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 December 2014 by a qualified independent actuary.

	2017 %	2016 %	2015 %
The major assumptions used by the actuaries were:			
Rate of increase in salary	3.0	3.1	4.3
Rate of increase in pensions in payment	2.4	2.5	2.4
Discount rate	2.5	2.7	3.9
Inflation assumption	2.4	2.4	2.4

Following the Chancellor's budget statement in June 2010, the measure of inflation used by the actuary changed from the Retail Price Index (RPI) to the Consumer Price Index (CPI).

Literature provided to scheme members specifically linked pension benefit increases to the RPI. The trustees therefore consider the change to CPI to be an augmentation of benefits, rather than a change in actuarial assumptions.

The mortality assumptions used were as follows:

	2017 Years	2016 Years
Longevity at age 65 for current pensioners		
- Men	22.0	22.0
- Women	24.1	24.1
Longevity at age 65 for future pensioners		
- Men	23.9	23.9
- Women	26.1	26.8

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

17. PENSION COMMITMENTS (continued)

The assets of the scheme and the weighted average expected rate of return were:

	Long term rate of return expected 2017 %	Value at 31 December 2017 £'000	Long term rate of return expected 2016 %	Value at 31 December 2016 £'000	Long term rate of return expected 2015 %	Value at 31 December 2015 £'000
Equities	2.7	7,467	2.7	6,263	3.9	5,198
Bonds	2.7	1,040	2.7	1,002	3.9	901
Property	2.7	851	2.7	918	3.9	762
Cash	2.7	95	2.7	167	3.9	69
Total market value of assets		9,453		8,350		6,930
Present value of scheme liability		(12,485)		(11,963)		(9,813)
Net pension liability		(3,032)		(3,613)		(2,883)

None of the fair values of the assets shown above include any of the charity's own financial instruments or any property occupied by, or other assets used by, the charity. The equity investments and bonds which are held in scheme assets as at 31 December 2017 are quoted, and are valued at the current bid price following the adoption of the amendment of FRS102.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions

Total expenditure recognised in the Statement of Financial Activities

	2017 £'000	2016 £'000
Current service cost	258	131
Interest cost	322	380
Interest income on plan assets	(225)	(351)
Contributions paid	(255)	(201)
Total expenditure recognised in SOFA	(100)	(41)

Net profit / (loss) recognised in the SOFA

	2017 £'000	2016 £'000
Actuarial profit / (loss) on scheme assets and liabilities	681	(689)

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

17. PENSION COMMITMENTS (continued)

The cumulative amount of actuarial gains and losses recognised in the SOFA to 31 December 2017 is a net loss of £3,032,000 (2016: loss of £3,613,000).

Reconciliation of opening and closing balances of the present value of the charity's share of scheme liabilities

	2017 £'000	2016 £'000
Scheme liabilities at 1 January 2016	11,963	9,813
Current service cost	258	131
Interest cost	322	380
Contributions by scheme participants	59	51
Actuarial (gains) / losses	235	1,906
Benefits paid	(352)	(318)
Scheme liabilities at 31 December 2017	12,485	11,963

Reconciliation of opening and closing balances of the present value of the charity's share of scheme assets:

	2017 £'000	2016 £'000
Fair value of scheme assets at 1 January 2016	8,350	6,930
Interest income on plan assets	225	269
Return on assets excluding amounts included in net interest	916	1,217
Contributions by employer	255	201
Contributions by scheme participants	59	51
Benefits paid	(352)	(318)
Fair value of scheme assets at 31 December 2017	9,453	8,350

Contributions

The total contributions made by the employer in the year were £255,000. The level of contribution were reviewed as a result of the triennial valuation of the scheme as at 31 March 2010 and maintained.

The best estimate of contributions to be paid by the employer to the scheme in the next financial year is £181,000.

History of experience gains and losses

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Fair value of assets	9,453	8,350	6,930	6,895	6,666
Present value of scheme liabilities	(12,485)	(11,963)	(9,813)	(10,205)	(8,161)
Deficit in scheme	(3,032)	(3,613)	(2,883)	(3,310)	(1,495)
Experience adjustment on scheme assets	-	-	-	(168)	333
Experience adjustment on scheme liabilities	-	-	-	(610)	6