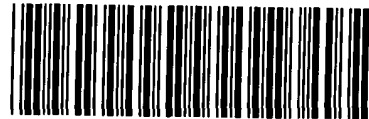


**LOCAL INFORMATION UNIT LIMITED**  
(Company limited by Guarantee)  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

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

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COMPANIES HOUSE

**LOCAL INFORMATION UNIT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**LOCAL INFORMATION UNIT LIMITED****LEGAL AND ADMINISTRATION****YEAR ENDED 31 DECEMBER 2018**

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<b>Registered Name of charity</b>	Local Information Unit Limited	
<b>Other names used by the charity</b>	LGiU	
<b>Trustees</b>		
	Cllr Bob Wheeler	Resigned 20/08/2018
	Cllr Eunice Campbell - Clark	Resigned 24/01/2019
	Cllr Michael Payne (Chair)	
	Cllr Brian Robinson	
	Cllr Andrew Johnson	Resigned 04/05/2018
	Cllr Chris Saint (Vice Chair)	Resigned 02/05/2019
	Cllr Kyle Robinson	Resigned 17/07/2018
	Mike Short (Vice Chair)	
	Cllr Neil Nerva (Vice Chair)	
	Cllr Abdul Jabbar	
	Cllr Michelle Lowe	Appointed 15/05/2018
		Resigned 25/04/2019
	Cllr Joanne Patricia Roundell Greene	Appointed 15/05/2018
		Resigned 24/04/2019
	Cllr Alexander Hollingsworth	Appointed 16/07/2018
	Cllr Tudor Evans	Appointed 16/07/2018
<b>Chief Executive &amp; Company Secretary</b>	J Carr-West	
<b>Registered office</b>	251 Pentonville Road London N1 9NG	
<b>Company Registration Number</b>	01872218 (England and Wales)	
<b>Charity Registration Number</b>	1113495	
<b>Auditor</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	
<b>Bankers</b>	National Westminster Bank PLC 23 Brunswick Place Southampton SO15 2AQ	

**LOCAL INFORMATION UNIT LIMITED**

**LEGAL AND ADMINISTRATION (continued)**

**YEAR ENDED 31 DECEMBER 2018**

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**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** A Johnston  
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 2018

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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 2018.

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'.

The financial statements include the results of the two social enterprise trading subsidiaries, Local Energy Limited and LGiU International 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 re-port 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 in-formation and support that officers and councillors need every day. 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.

Achievements and performance

LGIU  
AT A GLANCE IN 2018

74  More than 200   
learning and development  
events around the country policy briefings

1,000  362  
More than 1,000 media  
hits across national and  
regional tv and radio and  
print and trade press. editions of  
Daily News  
emailed to  
more than  
17,000 subscribers

20   
podcasts

We introduced a fortnightly  
podcast this year  
discussing highlights  
from Daily News, policy  
briefings and featuring  
guest interviews.

11 

Publications and long  
reads including:  
*Local partnership  
working for a vibrant  
night time economy;*  
*2018 Guide to  
Local Elections*  
*Communications;*  
*State of Local  
Government Finance  
Survey*

**LGIU** 53 members  
Scotland

**LGIU** 201 members

**LGIU** 20 members  
Ireland

 More than  
**750,000**  
Twitter impressions; more  
than 12,000 followers

## INFORMATION

### Briefings

While Parliament has been totally dominated by Brexit we have published briefings on a huge range of issues this year – but our Brexit coverage has been significant, with a regular update plus briefings on more detailed aspects, such as the impact on the local government workforce.

A notable development in our briefings service this year has been an expansion of content to include an international dimension, and closer working with LGiU Ireland and LGiU Scotland. We've produced briefings on issues common to us all, such as stimulating house building in Europe and a continuing series on local government in other countries.

We are increasingly tracking themes with regular updates on topics such as HS2 and the roll out of universal credit. We now produce a monthly housing and planning round up to go alongside our long-standing health, public health and social care round-up.

Local government finance has been, of course, a constant theme, with briefings on many aspects such as reforming the system, the impact of austerity, Budget 2018, and adult social care funding.

What else? Well, too many to mention them all – but some diverse topics as examples: the future of electric vehicles, artificial intelligence in local government, countering fake news, the collapse of Carillion, and the decline of the high street.

Briefings on education, skills and children's social care are an important element of the briefings service. In 2018 briefings in this area have centred on: the local authority role in supporting the school-aged child covering alternative provision, exclusions, special education needs, mental health, school admissions; early years and the implementation of the 2016 Act; children's social care and the implementation of the 2017 Act; school accountability and the developing school system; and post-school support including skills and apprenticeships.

### Daily News

Across the country leaders, chief executives, councillors and officers start their day on top of the local government news agenda by reading Daily News, a unique morning bulletin that summarises the news that matters to local government.

### Podcast

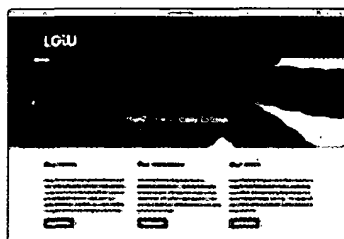
We are always looking for more ways to help our members stay informed while they're on-the-go so in 2018 we launched an in-house podcast, LGiU Fortnightly. We bring listeners highlights from recent Daily News emails and policy briefings, signpost members to exclusive content, as well as featuring interviews with council leaders, SOLACE, Birkbeck University and the LGA among others.

### LGiU training

Our extensive programme of seminars went from strength to strength in 2018. Core topics like **An introduction to local government finance** and **Developing political awareness for officers** remain enduring in their popularity; but we also introduced new subjects this year, including **People not politics** and **Developing a commercially aware organisational structure**, which have proved to be instant hits and will be repeated in 2019. Our bespoke inhouse training sessions are a popular choice for many councils who want to provide development to a number of staff and councillors at one time on topics as diverse as using social media to designing questionnaires.

### Website

Our website is where you find our lively blog, publications and our members' only library of more than 2,000 policy briefings. But we have some big plans for 2019. We will be working hard to make the LGiU website a more tailored experience that will make it much easier for members to find what interests them from our extensive resources.



## INNOVATION

The work of LGiU is drawn from the wider local government landscape; what we do is driven by the priorities of the local authorities who are our members. Our policy work this year has focused on three core themes: **homelessness prevention**; **sustainable local government finance**; and **public trust** and local government.

### Local Finance Taskforce

In light of the ongoing financial uncertainty facing councils and ever-decreasing budgets, we set ourselves the aim of raising the profile of these issues and consulting with the sector to move the conversation beyond a narrow focus on business rate retention. Our **State of Local Government Finance** survey received widespread national media coverage which included ITV News and Sky News and fuelled ongoing coverage throughout the year, including on BBC Newsnight during party conference season. We also launched our **Local Finance Scorecard** at our Summer Reception with Rt Hon Rishi Sunak MP, to outline the options for local finance reform. We then held several regional events to discuss these options with senior councillors and officers and will publish the findings of this consultation in 2019.

### Local Government Homelessness Commission

We are at the halfway point in the Local Government Homelessness Commission, which is led by our members. Homelessness is one of the most crucial policy challenges we face as a society. It is a growing and increasingly visible problem and councils are at the front line of the effort to prevent it. The Homelessness Reduction Act (HRA), in force since April, means that councils now have expanded duties and responsibilities, but little additional resource to meet them.

The commission will provide practical solutions for councils as well as a robust set of challenges and demands for central government to provide the right resources, powers and tools for councils to tackle this task. So far we have conducted detailed investigations into how better data can bolster homelessness strategies, as well as the complex needs and challenges that young people and other vulnerable groups at risk of homelessness face. There will be a full report, with recommendations and case studies following the final two sessions in the new year.

### Public trust

Throughout 2018 we have examined issues of trust, looking at engagement, civic discourse and relationships between organisations and between citizens and the state. We deliver a keystone project on local elections each year – and this year we focused on supporting efforts to make candidate and results data readily available to the public. We could not have done it without support from our members who helped our on-the-night coverage. We continued to work with partners promoting transparency in government, from the Cabinet Office sponsored transparency review to civic society groups like Democracy Club. Local elections are now given the kind of media attention they deserve and so we are developing new ways to share the story of public trust and democracy.

We have taken a deep dive into the granular issues of engagement, exploring the enduring relationships which must be developed throughout regeneration and estate re-development. We will publish a toolkit to support long-term engagement in the new year. We will also be publishing an overview of trust and a specific look at the role of trust in outcomes based commissioning.

### CoCare

With our partners, including Kingston Council, we have brought to market a new product which can transform the delivery of adult social care. CoCare was fully designed with commissioners, care workers individuals and their families to support the delivery of outcomes based commissioning, going beyond the usual time and task. It provides real-time monitoring of health and social care needs, the experience of care and individual well-being in a simple, cost-effective and low burden way. It also provides a fully GDPR compliant way of communicating between agencies, organisations and families. LGiU members enjoy a discounted subscription.



## INFLUENCE

### Cllr Achievement Awards 2018

For the ninth year running we hosted our annual awards ceremony, the only awards to recognise the achievements of elected members. We received almost 200 nominations from across the country and winners were chosen by a select panel of leaders and chief executives. On the night, we were joined by 170 friends from across local government to celebrate with our shortlisted councillors and winners in the beautiful London Guildhall building.



### APPG

LGiU continues to provide the secretariat support for the All Party Parliamentary group for Local Government. This year the group selected a new chair, Jack Brereton, MP. The Group met in March to discuss skills and apprenticeships and in July Nigel Adams MP, then Parliamentary Under-Secretary (Housing, Communities and Local Government), met with the APPG to talk about homelessness, in particular the impact of the Homelessness Reduction Act. Also in July the annual APPG summer reception took place with a keynote address from Rishi Sunak MP.

### LGiU at the party conferences

Our dinners for council leaders have become a regular fixture in the conference calendar. This year 50 leaders from local government joined us for dinner at the Liberal Democrat, Labour and Conservative conferences. We were also pleased to welcome:

- **Wera Hobhouse MP**, Liberal Democrat Spokesperson (Housing, Communities and Local Government)
- **Andrew Gwynne MP**, Shadow Secretary of State for Communities and Local Government
- **Jack Brereton MP**, Chair of the APPG for Local Government

Councils represented at the dinners included: Bradford; Bristol; Buckinghamshire; Camden; Corby; Eastbourne; Folkestone & Hythe; Guildford; Kirklees; Leeds; Maldon; Milton Keynes; Portsmouth; Richmond upon Thames; St Helen's; South Tyneside; Suffolk; Sutton; Uttlesford.

We held a fringe event at the Conservative conference with The Portman Group and launched the findings of our survey of local authorities on **Local partnership working for a vibrant night time economy**.

### Media

The LGiU continues to make a big impact in the media. Our spokespeople regularly provide the voice of local government on TV, radio and in the print media.

Our annual **State of Local Government Finance** survey dominated the airwaves and was covered extensively across Sky, BBC and ITV news, as well as the national newspapers. The information our members provided for that survey has been used to grill Cabinet ministers about local government funding cuts.

Our annual Councillor Awards continues to get lots of local and regional press coverage, as we celebrate the best of local government.

### International work

LGiU International works across the globe to promote local democracy with projects in Europe, Africa and Australia. LGiU Scotland provides news and briefings to 53 organisations and will be working on Scottish public sector reform in 2019. LGiU Ireland now has 20 members and has launched its research offer to Irish local authorities and government.



More  
than **100** 

**events and seminars around the country including:**

**Homelessness  
roundtable  
(with TechUK)**

- London

**Children's services  
roundtable (with TechUK)**

- London

**Flood Citisense**

- Birmingham

**Local Government Flood  
Forum**

- London

**Party Conference  
Dinners**

- Brighton
- Liverpool
- Birmingham

**Finance roundtable  
(with Core Cities)**

- Norwich

**2nd Finance roundtable**

- Norwich

**Data and AI roundtable  
(with Vodafone)**

- Nottingham

**Reception at LGA  
conference (with CAMRA)**

- Birmingham

**Local Government APPG  
meetings on  
apprenticeships  
and the Homelessness  
Reduction Act**

- London

**Regeneration  
roundtables**

- London

**APPG Summer  
reception**

- London

**CLLr Awards**

- London

**Inhouse training  
including:**

- Colchester
- Devon
- Sunderland
- Tamworth
- York

**Public trust  
roundtable  
(with Vuelio)**

- London

**Facilitation work**

- Basildon
- Kent
- West Midlands

**Policy Café on  
homelessness**

- London



## LOCAL INFORMATION UNIT LIMITED

### TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2018

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#### Financial Review

##### ◆ Results for the year

- ◆ 2018 was a successful year for LGiU in which we realised the savings generated by restructuring at the end of 2017.
- ◆ There is an expected surplus of £272K before adjustments for pension costs.
- ◆ The total contribution to reserves is £407K, giving total general reserves of £330K.
- ◆ LGiU's finances reflect the Board's ambition to create a sustainable financial model for the LGIU. There is now a structural surplus built into the relationship between our two main financial lines – affiliate income and salaries.
- ◆ Looking at income for the LGIU it can be seen that a shortfall in project income was more than compensated for by a strong performance for L&D.
- ◆ LGIU expenditure was largely as predicted. There was an underspend in the salary line which reflects some unplanned movements in staff and unbudgeted statutory maternity pay contributions.
- ◆ 2019 budget anticipates a surplus of approximately £168k in LGiU whilst the LGIU Group as a whole is forecast to generate a slightly larger surplus of approximately £215k.
- ◆ These figures do not include the results of the FRS17 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.

General funds of the group at 31 December 2018 were £329,369 (2017- £57,261) and the pension reserve deficit was £2,897,000 (2017 - deficit of £3,032,000).

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 auditors are satisfied that we will be able to meet future commitments.

The 2018 reserves represent approximately 12 weeks' expenditure which are adequate but not excessive.

The restructure that we undertook at the end of 2017 means LGiU's expenditure is within the level of membership income which is guaranteed six months before the start of the financial year.

In 2019 we anticipate a surplus of c£200K. Our strategic aspiration in 2017 was to grow reserves to around £500K by the end of 2020 and it now looks like we will attain this goal a year earlier.

##### ◆ 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 re-sources on supporting members to ensure that all our members receive exceptional service and value from LGiU.

## LOCAL INFORMATION UNIT LIMITED

### TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2018

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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 2018 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.

##### ◆ 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

In 2018 we introduced a new staffing structure, rebuilt reserves after a loss in 2019 and reoriented our business model away from uncertain consultancy/sponsorship income.

In 2019 we will build on this approach with fresh customer insight, an improved member offer and even greater integration across the intelligence we deliver in the UK and beyond, whilst driving forward innovation in the key areas that matter to our members.

#### Members

- ◆ Enhancing perceived value

## LOCAL INFORMATION UNIT LIMITED

### TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2018

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- ◆ New website
- ◆ Effective fire wall
- ◆ More personalised service
- ◆ Multi point relationship strategy
- ◆ "Big council" recruitment strategy

#### Communications:

- ◆ New website with enhanced personalisation for members

#### Content

- ◆ Continue commitment to joined up multi-channel content
- ◆ Informed by additional customer insight
- ◆ More international content
- ◆ Continue approach of member led push on core policy issues
  - ◆ Homelessness
  - ◆ Local government finance
  - ◆ Children's services
  - ◆ Place shaping

#### 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.

**LOCAL INFORMATION UNIT LIMITED**

**TRUSTEES' REPORT**

**YEAR ENDED 31 DECEMBER 2018**

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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:



15<sup>th</sup>

July

2019

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### LOCAL INFORMATION UNIT LIMITED

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#### Opinion

We have audited the financial statements of Local Information Unit Limited for the year ended 31 December 2018 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 2018 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 11, 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](http://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**

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**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 LLP, Statutory Auditors  
Date: 15<sup>th</sup> July 2019

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 2018**

		<b>Total funds</b>	
		<b>2018</b>	<b>2017</b>
<b>INCOME AND EXPENDITURE</b>	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>INCOME</b>			
<b>Charitable activities</b>			
Affiliation fees & subscriptions		1,438,876	1,389,795
Consultancy and project income		222,154	176,615
<b>Other trading activities</b>		-	300
<b>Income from:</b>			
Investment income, bank and other interest		2,661	1,348
<b>Total income</b>		<u>1,663,691</u>	<u>1,568,058</u>
<b>EXPENDITURE</b>			
<b>Expenditure on charitable activities</b>			
Services to affiliates & subscribers	2	654,641	632,802
Conferences, seminars and training	2	216,020	275,846
Consultancy	2	315,481	586,714
Publications	2	77,564	108,529
Trading activities	2	127,877	180,197
<b>Total expenditure</b>		<u>1,391,583</u>	<u>1,784,088</u>
<b>Net income/ (expenditure) before additional pension costs</b>		272,108	(216,030)
Service cost and other movements on pension provision	17	(72,000)	(100,000)
<b>Net income/ (expenditure) before other recognised gains and losses</b>		200,108	(316,030)
Actuarial gains/ (losses) on defined benefit pension scheme	17	207,000	681,000
<b>Net movement in funds</b>		<u>407,108</u>	<u>364,970</u>
Fund balances brought forward at 1 January 2018		(2,974,739)	(3,339,709)
Fund balances carried forward at 31 December 2018		<u>(2,567,631)</u>	<u>(2,974,739)</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**

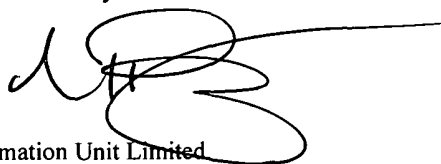
**BALANCE SHEET**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018		2017	
	Notes	Charity £	Group £	Charity £	Group £
<b>Fixed assets</b>					
Tangible assets	8	13,157	13,157	3,490	3,490
Investments	9	3	-	3	-
		<u>13,161</u>	<u>13,157</u>	<u>3,493</u>	<u>3,490</u>
<b>Current assets</b>					
Debtors due within one year	10	170,847	122,908	100,531	75,533
Short term deposits		288,005	288,005	285,343	285,343
Cash at bank and in hand		301,646	363,416	228,407	267,842
		<u>760,498</u>	<u>774,329</u>	<u>614,281</u>	<u>628,718</u>
<b>Creditors: amounts falling due within one year</b>	11	(444,289)	(458,117)	(560,513)	(574,947)
<b>Net current assets</b>		<u>316,209</u>	<u>316,212</u>	<u>53,768</u>	<u>53,771</u>
<b>Net assets excluding pension liability</b>		<u>329,369</u>	<u>329,369</u>	<u>57,261</u>	<u>57,261</u>
Pension liability	17	(2,897,000)	(2,897,000)	(3,032,000)	(3,032,000)
<b>Net liabilities including pension liability</b>		<u>(2,567,631)</u>	<u>(2,567,631)</u>	<u>(2,974,739)</u>	<u>(2,974,739)</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<i>Income funds:</i>					
Unrestricted funds					
General funds	14	329,369	459,819	57,261	209,360
Pension reserve	17	(2,897,000)	(2,897,000)	(3,032,000)	(3,032,000)
		<u>(2,567,631)</u>	<u>(2,437,181)</u>	<u>(2,974,739)</u>	<u>(2,822,640)</u>
Non-charitable trading funds	14	-	(130,450)	-	(152,099)
		<u>(2,567,631)</u>	<u>(2,567,631)</u>	<u>(2,974,739)</u>	<u>(2,974,739)</u>

The parent charity's income for the year was £1,499,583. Net movement in funds before the pension costs was £272,108. Net movement in funds after pensions was £407,108.

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: 15<sup>th</sup> July 2019

**LOCAL INFORMATION UNIT LIMITED****COMPANY NUMBER: 01872218****CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>2018</b>		<b>2017</b>	
	<b>Charity £</b>	<b>Group £</b>	<b>Charity £</b>	<b>Group £</b>
<b>Cashflow from operating activities</b>				
Net income/(expenditure) for the year	407,108	407,108	364,971	364,970
<b>Adjustments for</b>				
Movements on defined benefit pension scheme	(135,000)	(135,000)	(581,000)	(581,000)
Depreciation of tangible assets	3,771	3,771	2,695	2,695
Interest received	(2,662)	(2,662)	(1,348)	(1,348)
Increase in debtors	(70,316)	(47,375)	171,425	62,213
(Decrease)/increase in creditors	(116,224)	(116,830)	(37,567)	103,076
<b>Net cash generated from operating activities</b>	<b>86,677</b>	<b>109,012</b>	<b>(445,795)</b>	<b>(414,364)</b>
<b>Cashflow from investing activities</b>				
Net purchase of fixed assets	(13,438)	(13,438)	(926)	(926)
Interest received	2,662	2,662	1,348	1,348
	<b>(10,776)</b>	<b>(10,776)</b>	<b>422</b>	<b>422</b>
<b>Net increase in cash</b>	<b>75,901</b>	<b>98,236</b>	<b>(80,402)</b>	<b>(48,972)</b>
Net cash and cash equivalents at the start of the year	513,750	553,185	594,152	602,157
<b>Net cash and cash equivalents at the end of the year</b>	<b>589,651</b>	<b>651,421</b>	<b>513,750</b>	<b>553,185</b>

## LOCAL INFORMATION UNIT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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 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 cash flows 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 surplus of £272,108 (2017: deficit £216,030).

##### **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.

##### **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

## LOCAL INFORMATION UNIT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### **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.

##### **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.

## LOCAL INFORMATION UNIT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. ACCOUNTING POLICIES (continued)

##### **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 2018**

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

	Services to affiliates £	Conference seminars & training £	Consultancy £	Publications £	Trading Activities £	2018 Total funds £
Staff costs	389,872	130,506	154,363	48,874	5,441	729,056
Other direct costs	-	-	66,346	-	4,330	70,676
Allocation of support costs (note 3)	264,769	85,514	94,772	28,690	118,106	591,851
	<u>654,641</u>	<u>216,020</u>	<u>315,481</u>	<u>77,564</u>	<u>127,877</u>	<u>1,391,583</u>

	Services to affiliates £	Conference seminars & training £	Consultancy £	Publications £	Trading Activities £	2017 Total funds £
Staff costs	415,389	185,930	345,978	45,754	49,433	1,042,484
Other direct costs	-	-	81,008	41,618	35,714	158,340
Allocation of support costs (note 3)	217,413	89,916	159,728	21,157	95,050	583,264
	<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>

### **3. SUPPORT COSTS**

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

		2018 £	2017 £
<b>Governance costs</b>	<b>Basis of appointment</b>		
Auditor's remuneration – statutory audit	Staff time	11,200	11,200
Other governance costs	Staff time	8,760	8,759
		<u>19,960</u>	<u>19,959</u>
<b>Other support costs</b>	<b>Basis of appointment</b>		
Staff costs	Time spent	118,429	148,913
Premises costs	Staff time	101,258	72,234
Office costs	Staff time	83,138	77,478
Other costs	Staff time	269,066	264,680
		<u>571,891</u>	<u>563,305</u>
<b>Total</b>		<u><u>591,851</u></u>	<u><u>583,264</u></u>

**LOCAL INFORMATION UNIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**4. NET INCOME**

	<b>Total Funds 2018 £</b>	<b>Total Funds 2017 £</b>
This is stated after charging:		
Staff costs (note 5)	847,484	1,231,522
Auditors remuneration		
- statutory audit services	11,200	11,200
Depreciation	3,771	2,695
Operating lease rentals	41,022	41,022

**5. EMPLOYEES AND STAFF COSTS**

	<b>2018 £</b>	<b>2017 £</b>
Staff costs during the year were as follows:		
Wages and salaries	563,769	737,288
Social security costs	61,884	84,009
Other pension costs	213,863	253,125
Redundancy costs	5,065	119,902
Other	2,903	5,831
	<b>847,484</b>	<b>1,020,155</b>

In addition, consultants were used during the year at a cost of £48,363 (2017: £46,746).

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

	<b>2018 Number</b>	<b>2017 Number</b>
Charitable activities	15	17
Support	2	2
	<b>17</b>	<b>19</b>

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:

	<b>2018 Number</b>	<b>2017 Number</b>
£60,001 - £70,000	-	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	
	<b>2</b>	<b>4</b>

The total employee benefits including pension contributions of the key management personnel were £292,456 (2017: £518,365). The Key Management Personnel are defined as the Leadership team which is made up of 2 people.

## LOCAL INFORMATION UNIT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 6. TRUSTEES' REMUNERATION

An honorarium was paid to the Chair of Trustees of £8,760 (2017 - £8,759). None of the other trustees received any remuneration in respect of their services during the year (2017 - £nil).

During the year expenses amounting to £312 (2017 - £108) were reimbursed to 2 trustees (2017 - 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 2018 this amounted to £2,628 (2017 - £2,659).

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 £
<b>Charity and Group</b>			
<b>Cost or valuation</b>			
At 1 January 2018	3,997	30,553	34,550
Additions	-	13,438	13,438
At 31 December 2018	3,997	43,991	47,988
<b>Depreciation</b>			
At 1 January 2018	3,997	27,063	31,060
Charge for the year	-	3,771	3,771
At 31 December 2018	3,997	30,834	34,831
<b>Net book values</b>			
At 31 December 2018	-	13,157	13,157
At 31 December 2017	-	3,490	3,490

# **LOCAL INFORMATION UNIT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **9. INVESTMENTS**

Charity	Shares in subsidiary companies £	Total £
Cost at 1 January 2018 & 31 December 2018	3	3

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 2018 are given below. Any taxable profits generated by the subsidiaries will be Gift-Aided to the parent charity.

	2018 £	2017 £
<b>Local Energy Limited</b>		
<b>Profit &amp; loss Account</b>		
Turnover	-	-
Cost of sales	(3,299)	(4,982)
Operating loss before Gift Aid	(3,299)	(4,982)
Gift Aid	-	-
Loss for the financial year	(3,299)	(4,982)
<b>Balance Sheet</b>		
Current assets	3,143	1,689
Current liabilities	(113,586)	(108,833)
Net Liabilities	(110,443)	(107,144)

**LOCAL INFORMATION UNIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. INVESTMENTS (continued)**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>LGiU International Ltd</b>		
<b>Profit &amp; Loss Account</b>		
Turnover	125,957	94,935
Cost of sales	(101,010)	(124,459)
	<u>24,947</u>	<u>(29,524)</u>
Operating profit/(loss)	24,947	(29,524)
Gift Aid	-	-
	<u>24,947</u>	<u>(29,524)</u>
Profit/(loss) for the financial year	<u>24,947</u>	<u>(29,524)</u>
<b>Balance Sheet</b>		
Current assets	74,221	115,141
Current liabilities	(95,551)	(161,418)
	<u>(21,330)</u>	<u>(46,277)</u>
Net Liabilities	<u>(21,330)</u>	<u>(46,277)</u>
<b>LGiU Ireland Limited</b>		
<b>Profit &amp; Loss Account</b>		
Turnover	29,898	22,639
Cost of sales	(29,898)	(22,639)
	<u>-</u>	<u>-</u>
Operating profit	-	-
Gift Aid	-	-
	<u>-</u>	<u>-</u>
Profit for the financial year	<u>-</u>	<u>-</u>
<b>Balance Sheet</b>		
Current assets	69,419	29,996
Current liabilities	(69,419)	(29,996)
	<u>-</u>	<u>-</u>
Net Assets	<u>-</u>	<u>-</u>

As at 31 December 2018, the capital and reserves for each company was as follows:

	<b>Issued share capital</b>	<b>Retained profit/(losses)</b>	<b>Total</b>
LGiU Enterprises Limited	1	-	1
Local Energy Limited	1	(110,443)	(110,442)
LGiU International Ltd	1	(21,330)	(21,329)
LGiU Ireland Limited	1	-	1
	<u>4</u>	<u>(131,773)</u>	<u>(127,768)</u>

**LOCAL INFORMATION UNIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. DEBTORS: due within one year**

	<b>2018</b>		<b>2017</b>	
	<b>Charity £</b>	<b>Group £</b>	<b>Charity £</b>	<b>Group £</b>
Trade debtors	67,535	89,890	22,431	55,382
Amounts due from subsidiary undertakings	71,927	-	54,952	-
Prepayments and accrued income	31,140	32,773	15,396	15,399
Other Debtors	245	245	-	-
VAT	-	-	7,752	5,752
	<u>170,847</u>	<u>122,908</u>	<u>100,531</u>	<u>75,533</u>

**11. CREDITORS: amounts falling due within one year**

	<b>2018</b>		<b>2017</b>	
	<b>Charity £</b>	<b>Group £</b>	<b>Charity £</b>	<b>Group £</b>
Trade creditors and accruals	285,142	291,947	380,228	387,305
Other creditors	15,659	15,659	16,798	16,798
Deferred income (note 12)	138,960	146,239	163,487	169,916
VAT	4,528	4,272	-	928
	<u>444,289</u>	<u>458,117</u>	<u>560,513</u>	<u>574,947</u>

**12. DEFERRED INCOME**

	<b>2018</b>		<b>2017</b>	
	<b>Charity £</b>	<b>Group £</b>	<b>Charity £</b>	<b>Group £</b>
Deferred Income Brought Forward	163,487	169,916	101,993	101,993
Deferred in the year	138,960	146,239	163,487	169,916
Released in the year	(163,487)	(169,916)	(101,993)	(101,993)
	<u>138,960</u>	<u>146,239</u>	<u>163,487</u>	<u>169,916</u>

**LOCAL INFORMATION UNIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>Group</b>	<b>General funds and non- Charitable trading funds £</b>	<b>Pension reserve £</b>	<b>2018 Total £</b>
<b>Fund balances at 31 December 2018 are represented by:</b>			
Tangible fixed assets	13,157	-	13,157
Current assets	774,329	-	774,329
Creditors: amounts falling due within one year	(458,117)	-	(458,117)
Net pension liability	-	(2,897,000)	(2,897,000)
<b>Total net assets</b>	<b>329,369</b>	<b>(2,897,000)</b>	<b>(2,567,631)</b>

<b>Group</b>	<b>General funds and non- Charitable trading funds £</b>	<b>Pension reserve £</b>	<b>2017 Total £</b>
<b>Fund balances at 31 December 2017 are represented by:</b>			
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)
<b>Total net assets</b>	<b>57,261</b>	<b>(3,032,000)</b>	<b>(2,974,739)</b>

**14. MOVEMENT IN FUNDS**

**2018**

	<b>B/Fwd £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Actuarial Gains £</b>	<b>C/Fwd £</b>
General Funds	209,360	1,663,691	(1,413,232)	-	459,819
Pension Reserve	(3,032,000)	-	(72,000)	207,000	(2,897,000)
<b>Total net (liabilities) (charity)</b>	<b>(2,822,640)</b>	<b>1,663,691</b>	<b>(1,485,232)</b>	<b>207,000</b>	<b>(2,437,181)</b>
Non-charitable trading funds	(152,099)	-	21,649	-	(130,450)
<b>Total net (liabilities) (group)</b>	<b>(2,974,739)</b>	<b>1,663,691</b>	<b>(1,463,583)</b>	<b>207,000</b>	<b>(2,567,631)</b>

**LOCAL INFORMATION UNIT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. MOVEMENT IN FUNDS (continued)**

**2017**

	<b>B/Fwd</b>	<b>Income</b>	<b>Expenditure</b>	<b>Actuarial Gains</b>	<b>C/Fwd</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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 assets (charity)	(3,220,796)	1,568,058	(1,850,905)	681,000	(2,822,640)
Non-charitable trading funds	(118,913)	-	(33,186)	-	(152,099)
<b>Total net assets (group)</b>	<b>(3,339,709)</b>	<b>1,568,058</b>	<b>(1,884,091)</b>	<b>681,000</b>	<b>(2,974,739)</b>

**15. FINANCIAL COMMITMENTS**

**Operating leases**

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

	<b>Land and buildings</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Charity and Group</b>		
Amounts due:		
Less than one year	53,193	53,193
Within two to five years	233,059	271,938
More than five years	-	14,314
	<u>286,252</u>	<u>300,566</u>

**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 2018

#### 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 2018 by a qualified independent actuary.

	2018 %	2017 %	2016 %
<b>The major assumptions used by the actuaries were:</b>			
Rate of increase in salary	3.0	3.0	3.1
Rate of increase in pensions in payment	2.4	2.4	2.5
Discount rate	2.9	2.5	2.7
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:

	2018 Years	2017 Years
<b>Longevity at age 65 for current pensioners</b>		
- Men	22.0	22.0
- Women	24.1	24.1
<b>Longevity at age 65 for future pensioners</b>		
- 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 2018**

**17. PENSION COMMITMENTS (continued)**

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

	Long term rate of return expected 2018 %	Value at 31 December 2018 £'000	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
Equities	2.7	6,782	2.7	7,467	2.7	6,263
Bonds	2.7	881	2.7	1,040	2.7	1,002
Property	2.7	969	2.7	851	2.7	918
Cash	2.7	176	2.7	95	2.7	167
<b>Total market value of assets</b>		<b>8,808</b>		<b>9,453</b>		<b>8,350</b>
Present value of scheme liability		(11,705)		(12,485)		(11,963)
<b>Net pension liability</b>		<b>(2,897)</b>		<b>(3,032)</b>		<b>(3,613)</b>

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 2018 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

	2018 £'000	2017 £'000
Current service cost	181	258
Interest cost	310	322
Interest income on plan assets	(234)	(225)
Contributions paid	(185)	(255)
<b>Total expenditure recognised in SOFA</b>	<b>(72)</b>	<b>(100)</b>

Net profit / (loss) recognised in the SOFA

	2018 £'000	2017 £'000
Actuarial profit / (loss) on scheme assets and liabilities	207	681

# **LOCAL INFORMATION UNIT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **17. PENSION COMMITMENTS (continued)**

The cumulative amount of actuarial gains and losses recognised in the SOFA to 31 December 2018 is a net loss of £2,897,000 (2017: loss of £3,032,000).

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

	2018 £'000	2017 £'000
Scheme liabilities at 1 January 2018	12,485	11,963
Current service cost	181	258
Interest cost	310	322
Contributions by scheme participants	38	59
Actuarial (gains) / losses	(920)	235
Benefits paid	(389)	(352)
<b>Scheme liabilities at 31 December 2018</b>	<b>11,705</b>	<b>12,485</b>

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

	2018 £'000	2017 £'000
Fair value of scheme assets at 1 January 2018	9,453	8,350
Interest income on plan assets	234	225
Return on assets excluding amounts included in net interest	(713)	916
Contributions by employer	185	255
Contributions by scheme participants	38	59
Benefits paid	(389)	(352)
<b>Fair value of scheme assets at 31 December 2018</b>	<b>8,808</b>	<b>9,453</b>

#### **Contributions**

The total contributions made by the employer in the year were £214,000. The level of contribution were reviewed as a result of the triennial valuation of the scheme as at 31 March 2016 and maintained.

The best estimate of contributions to be paid by the employer to the scheme in the next financial year is £197,000.

History of experience gains and losses

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Fair value of assets	8,808	9,453	8,350	6,930	6,895
Present value of scheme liabilities	(11,705)	(12,485)	(11,963)	(9,813)	(10,205)
Deficit in scheme	(2,897)	(3,032)	(3,613)	(2,883)	(3,310)
Experience adjustment on scheme assets	-	-	-	-	(168)
Experience adjustment on scheme liabilities	-	-	-	-	(610)