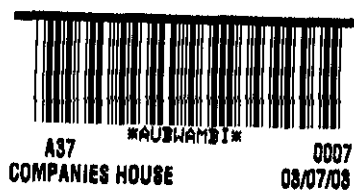


**ASSOCIATION OF LONDON GOVERNMENT  
(A Company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**31ST MARCH 2003**



ASSOCIATION OF LONDON GOVERNMENT LIMITED

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FINANCIAL STATEMENTS  
For the year ended 31 March 2003

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# ASSOCIATION OF LONDON GOVERNMENT LIMITED

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## REPORT OF THE CHAIR OF THE ASSOCIATION

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The Chair of the Association submits his annual report and the audited financial statements of Association of London Government (ALG) Limited for the year ended 31 March 2003.

### Principal Activities

The Association of London Government (ALG) Limited was established on 1st April 1995, following the merger of the Association of London Authorities (ALA) and the London Boroughs Association (LBA), with the objects of consultation as to the common interests of member authorities and discussion of matters relating to local government. From 1 April 2000, these functions transferred to the Association of London Government Joint Committee (ALG (JC)). ALG Limited has been retained solely to record all transactions relating to the holding of property and in relation to the employment of the three political advisers. All assets and liabilities relating to ALG Limited as at 31 March 2001 were transferred to ALG (JC) by special resolution of the Directors.

### Business Review

ALG Limited's results for the year ended 31 March 2003 show a breakeven position (2002: a breakeven position). ALG Limited's general fund balance at 31 March 2003 amounted to Nil (2002: Nil).

### Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 13 May 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. In accordance with Section 385, Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers LLP, will be proposed at the next Annual General Meeting.

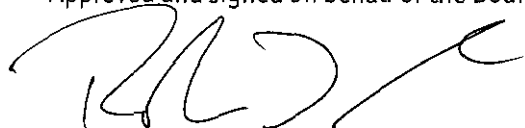
### Directors and Director's Interests

The officers who served as directors of the Company for Companies Act purposes during the year were:-

Chair	Cllr. Sir Robin Wales KBE
Deputy Chair	Cllr. Dame Sally Powell DBE
Vice Chairs	Cllr. Edward Lister
	Cllr. Hugh Malyon
	Cllr. Steve Hitchins

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

Approved and signed on behalf of the Board



**Cllr. Sir Robin Wales KBE**  
**Chair of the Association**

**13 May 2003**

**Statement of Director's Responsibilities.**

Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Exemption Statement**

The Chair of the Association's Report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

REPORT OF THE AUDITORS TO THE MEMBERS OF THE ASSOCIATION

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We have audited the Financial Statements which comprise of the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention, in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the accounting policies set out in the statement of accounting policies.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

The Directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regularity requirements and United Kingdom Accounting Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all of the information and explanations we require for the audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

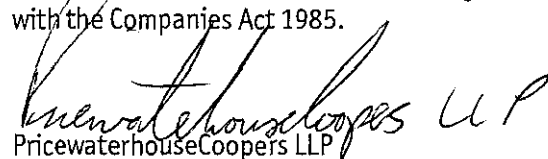
**BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**OPINION**

In our opinion the financial Statements give a true and fair view of the state of the Company's affairs as at 31 March 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

**ASSOCIATION OF LONDON GOVERNMENT LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2003**

	Note	2003	2002
		£	£
TURNOVER – continuing operations	2c	978,919	838,149
COST OF SALES		<u>(947,596)</u>	<u>(836,149)</u>
GROSS PROFIT		31,323	2,000
Administrative Expenses		<u>(2,100)</u>	<u>(2,000)</u>
OPERATING PROFIT – continuing operations	3	29,223	-
Interest Receivable and Similar Income		-	-
Gift Aid Donation	4	<u>(29,223)</u>	=
 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Taxation		=	=
 PROFIT/(LOSS) FOR THE FINANCIAL YEAR	11	=	=

The company has no recognised gains or losses other than those included in the profit and loss account and, therefore, no separate statement of total recognised gains and losses has been presented.

**ASSOCIATION OF LONDON GOVERNMENT LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2002**

	Note	2003 £	2002 £
<b>Fixed assets</b>	8	-	-
<b>Current assets</b>			
Debtors	9	431,319	157,757
Cash on Deposit		-	-
Cash at Bank		-	-
		431,319	157,757
<b>Current liabilities</b>			
Creditors	10	<u>431,319</u>	<u>157,757</u>
<b>Net current assets</b>		-	-
<b>Net assets</b>		-	-
Profit and Loss Account Reserve	11	-	-
Specific Fund	11	<u>-</u>	<u>-</u>
		-	-
		===	===
<b>Analysis of Officers' Funds</b>			
Equity	12	-	-
Non-Equity		<u>-</u>	<u>-</u>
		-	-

The financial statements on pages 6 to 9 were approved by the officers of the Association on 10 June 2003.

Signed on behalf of the Association by



**Cllr. Sir Robin Wales KBE**  
**Chair of the Association**



**Martin Pilgrim**  
**Chief Executive**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2003

**1. COMPANY STATUS**

The Association is a company limited by guarantee and does not have any share capital. The liability of the officers is limited to £1 each in the event of the Association being wound up.

**2. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently to items considered material in relations to the Company's financial statements

a. Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Income and Expenditure

Income and Expenditure is recognised in the period to which it relates.

c. Turnover

Turnover represents the invoiced value of goods sold and services provided net of Value Added Tax. The turnover and pre-tax surplus is wholly attributable to the principal activity, which arose wholly in the United Kingdom.

d. Leasing

All operating leases are charged to services in the period in which the benefits have been obtained.

<b>3. OPERATING PROFIT</b>	<b>2003</b>	<b>2002</b>
	£	£
The operating surplus/deficit is stated after charging:		
Auditors' Remuneration	2,100	2,000
Depreciation	=	=
	<u>2,100</u>	<u>2,000</u>
<b>4. GIFT AID DONATION</b>	<b>2003</b>	<b>2002</b>
	£	£
Gift Aid Payments to Association of London Government		
Joint Committee	<u>29,223</u>	=
	<u>29,223</u>	=



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2003

**5. DIRECTORS' REMUNERATION**

The Directors did not receive any emoluments (2002: £Nil). Emoluments received as members of ALG Joint Committee, which is the parent undertaking will be disclosed in the accounts of ALG Joint Committee.

**6. STAFF NUMBERS AND COSTS**

There are 3 staff employed by the Company (2002: 3).

	2003	2002
	£	£
Staff costs comprise of the following elements:		
Salaries and Wages	85,948	78,784
Social Security Costs	6,053	5,865
Other Pension Costs	<u>9,819</u>	<u>8,666</u>
Total Staff Costs	<u>101,820</u>	<u>93,315</u>

	2003	2002
	No.	No.
Numbers of ALG Employees earning:		
£30,000 - 39,999	2	3
	=	=

**7. TAXATION**

ALG Limited is exempt from charge to income tax, corporation tax and capital gains tax under S.519, Income and Corporation Taxes Act 1988.

**8. TANGIBLE ASSETS**

The fixed assets held by ALG Limited were transferred to the Association of London Government Joint Committee on 1 April 2000. There have been no further purchases of fixed assets in the last three accounting periods.

**9. DEBTORS**

	2003	2002
	£	£
General Debtors	<u>431,319</u>	<u>157,757</u>

**ASSOCIATION OF LONDON GOVERNMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2003

**10. CREDITORS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Other General Creditors	2,100	2,000
Accruals	<u>429,219</u>	<u>155,757</u>
	<u>431,319</u>	<u>157,757</u>

**11. RESERVES**

	<b>P&amp;L Account Reserve</b>	<b>Specific Reserve</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2002	-	-
Result for the year	<u>-</u>	<u>-</u>
Balance at 31 March 2003	-	-

**12. RECONCILIATION OF MOVEMENTS IN OFFICERS' FUNDS**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Profit for the Year	-	-
Officers' Funds as at 1 April 2002	-	-
<b>Officers' Funds as at 31 March 2003</b>	<b>-</b>	<b>-</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2003**

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**13. FINANCIAL COMMITMENTS – OPERATING LEASES**

The Company uses leased properties under the terms of operating leases. The amounts paid under these arrangements during the year amounted to £728,276 (2002: £625,147).

Annual commitments under non-cancellable operating leases expiring:

	<b>Properties</b>
	<b>£</b>
Over five years	732,058

**14. RELATED PARTY DISCLOSURES**

The Company is controlled by its parent undertaking, ALG Joint-Committee, which is the ultimate controlling party. There are no disclosable related party transactions.

**15. ULTIMATE PARENT ENTITY**

The Company is a subsidiary undertaking of the ALG Joint Committee. The largest group in which the results of the company are consolidated is that headed by the ALG Joint Committee. The consolidated accounts of the ALG Joint Committee are circulated to the public and may be obtained from the ALG Joint Committee, 59½ Southwark Street, London, SE1 0AL. No other group accounts include the results of the company.