

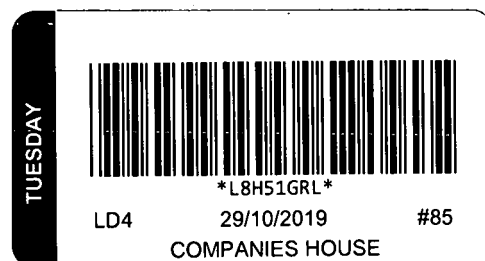
THE LEADERSHIP CENTRE FOR LOCAL GOVERNMENT

(A company limited by guarantee)

REPORT OF THE TRUSTEES and FINANCIAL STATEMENTS

for the year ended 31 March 2019

Company Registration Number 05467557
Charity Number 1123234



REPORT AND FINANCIAL STATEMENTS 2019

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LEGAL AND ADMINISTRATIVE DETAILS

Registered Name The Leadership Centre for Local Government
Charity number: 1123234
Company number: 05467557
Registered office: Local Government House, Smith Square, London SW1P 3HZ

Statutory Auditors: PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London E14 4HD

Bankers: Barclays, UK Banking,
1 Churchill Place, London, E14 5HP

Solicitors: Bates Wells & Braithwaite London LLP
2-6 Cannon Street, London, EC4M 6YH

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and up to the date of approval of the financial statements were:

	Attendance – possible 4 Board Meetings
H Bailey	4
K Ryley	3
Lord P R C Smith (Chair)	4
Cllr R C Stay	3
J Sobieraj	3
David Lloyd	3
Cllr Keith House	3
Tamara Finklestein	3
D Baxendale	

Retired as a trustee Jan 2019

Chief Executive
Secretary and Chief Operating Officer

Joe Simpson
John Jarvis

REPORT OF THE TRUSTEES

The Trustees present their report and audited financial statements of The Leadership Centre for Local Government ("the Leadership Centre") for the period from 1 April 2018 to 31 March 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" ("FRS 102 SORP") in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011, The Companies Act 2006, Accounting Standards and the Charities SORP.

Structure, Governance and Management

Governing document

The Leadership Centre was established to help local government in England improve its political and managerial leadership. Its principal source of funding at the time was the Department of Communities and Local Government (CLG) - as part of the Capacity Building Fund. The Centre was originally set up as a limited company and became a registered charity on 1st April 2008.

The Leadership Centre for Local Government is a company limited by guarantee governed by its Memorandum and Articles of Association dated of 13 June 2005, amended on 3 September 2007, 5 March 2008, 20 May 2009 and 12 February 2014 to improve its governance arrangements.

Appointment of Trustees

As set out in the Articles and Memorandum of Association, new Trustees are nominated and appointed by the existing Trustees. There is no formally constituted nomination committee and nomination matters are reported and taken at ordinary meetings. The Board of Trustees will invite suitable candidates as well as advertise to find suitable Trustees that can bring in a full range of expertise to the Board.

Trustee induction and training

New Trustees have a one to one meeting with the Chair and receive a full information pack comprising the Memorandum and Articles of Association, the Charity Commission guidelines for Trustees, agendas, papers and minutes of the last year's board meetings, a blank register of interests form and the list of dates for future meetings.

Organisation

The Board of Trustees is responsible for the strategic direction of the Leadership Centre and is concerned with ensuring sound stewardship of the organisation, including overseeing its financial and business performance and agreeing related policies. The Board met four times in the year. The role of the Chair is paid, as set up in the Memorandum and Articles of Association and approved by the Charities Commission. There is no formally constituted audit committee and audit matters are reported and taken at ordinary meetings of the Board.

The Chair works closely with the Leadership Centre's Chief Executive and the Company Secretary and they have delegated authority from the Trustees to manage all the day to day running of the charity and delivery of its objectives in accordance with the agreed business plan and budget, including operational management of the Centre, finance and employment matters.

Related parties

Trustees and senior officers verbally declare any potential conflict of interest at the beginning of each Board meeting. In addition a register of interests is completed by Trustees and senior officers every year. Details of any transactions with related parties are fully disclosed in the Annual Report and Accounts in compliance with the charities regulatory framework.

Public benefit statement

The Leadership Centre confirms that the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

How our activities deliver public benefit

The main objectives of the charity, as set out in the Memorandum and Articles, are described below. All of our activities focus on these objectives and are undertaken to further our charitable purposes for the public benefit:

1. The advancement of education for the public benefit; in particular (without prejudice to the generality) by promoting, improving and developing leadership amongst public servants and, in particular, local authority employees and councillors.
2. To promote for the public benefit the efficient public administration of government and public services by the provision of education and training in the organisation and practice of the administration of government and the development of leadership skills for public servants, in particular local authority employees and councillors.

Business review:

'Great Leaders, Great Places'

Our mission is to nurture leadership through new ways of thinking, behaving and being to make lasting positive change for the benefits of citizens and society.

We develop leaders to create shifts in cultures to produce a different set of results: transforming complex services to meet the needs and ambitions of citizens where traditional approaches have come unstuck.

Over the past year we have worked with numerous people, places and politicians, developing leadership capabilities and exploring new approaches to some of the big challenges facing our communities. From confronting childhood obesity to the urgency of Accident and Emergency rooms, and from local authority senior team development to tackling Air Quality, we've supported senior public servants across the country, so place by place our public services can overcome the challenges we face, together

The following report details our achievement in 2018-19 and highlights our plans for 2019-20.

Background:

Strategy

This is an account of the seventh year of activity following the strategic review undertaken by Trustees. That review proposed that the Centre adopt a profile working across local public services, rather than purely with local government.

The first manifestation of that change was a widening of the base of background of the Trustees, with new Trustees bringing experience of work in Whitehall, the NHS and Police as well as local government.

The second manifestation was the successful establishment and delivery of the new Future Vision programme, a cross public service leadership programme.

Since then, the Centre has heavily engaged with various partners by playing key convening, design, support and delivery roles. This cross sector engagement has strengthened existing and facilitated new relationships and provided opportunities to demonstrate the value we add.

Through sustained levels of activity we have still maintained reasonable reserves and despite continuing financial pressures we anticipate a similar level of activity in 2019-20.

However, we remain conscious that the charity is dependent on attracting specific income (be it grants, contracts or financial support from the private sector) to cover its activities. The charity is not in receipt of general grant, nor has it the ability to undertake general charitable fundraising. We have therefore continued to keep core staffing to the minimum, whilst engaging with specialists to help in the delivery of specific programmes.

We have a well-developed network of individuals, who provide the bulk of the contracted people resource to deliver our programmes, whilst also having the central capacity to support those programmes. This model gives us both quality control (through the contracting arrangements we expect our facilitators/enablers to partake in shared learning experiences) and the ability to expand/contract our commitments according to the resource available. Our reserves thus give us the buffer to negotiate our way through changes in priorities or availability of finance.

2018 – 2019 Achievements

Throughout the financial year the Leadership Centre has delivered numerous projects and programmes aligned with its core priorities and ambitious outcomes.

Through its core programmes, Future Vision, Local Vision & Change Makers as well as bespoke commissioned projects, the Centre has created and shared learning, increased our national influence, further activated its networks and assisted in securing better outcomes for citizens, through leadership development & whole system change interventions.

For the 2018-19 year the Leadership Centre outlined a number of key priorities which are all underway and will continue into 2019-20.

- Further evolving our approach to leadership development – The Centre continues to harness our deep public service knowledge to continue straddling sectors and spatial levels to fuse practice and develop unique partnerships
- 'Future shaping' & Alumni – The Centre's Alumni network has been refreshed and relaunched, activating our fantastically rich and diverse network to apply their skills, knowledge and practice to the big social leadership challenges, reacting to changing environments and situations to create spaces for unusual solutions to emerge.
- Deepen connection to Local Governance – The Centre has an emerging strategy for deepening its connection to local governance as it understands the political / managerial interface like no other.
- Brand priorities - the Leadership Centre continues to grow its prompted and unprompted brand awareness across public services through social media, events, alumni and partnerships.
- Develop the next generation of change agents for our network and for impact in places.
- Income priorities – The Centre has an evolving strategy for what it should be developing or responding to ensuring its ongoing longevity.

Quotes from participants and place programmes:

"My experience of the programme was extremely positive from beginning to end. The range of tools used to gather leadership insights and gain 'a leadership edge' were provocative and impressive."

"The Future Vision course really helped me during my first year as Commissioner of the London Fire Brigade. Not only did the great variety of inputs and leadership insights help to develop my skills, but it gave me a peer group of professionals from a range of public and private sector organisations who provided support and inspiration during some challenging times. The Leadership team are flexible in their approach and adapted inputs to suit the group needs. I have recommended Future Vision to my colleagues from different organisations as a really valuable course."

"The work of the Leadership Centre Enabler Team has been enormously valuable in helping us define our common purpose and work collaboratively across the system"

Key leadership development activities in 2018-19:

Future Vision

Future Vision is the Centre's flagship national leadership development programme for senior figures from across public services who are operating in an increasingly interdependent world. Future Vision has been developed using our experience and success of delivering political and managerial leadership development programmes for local government combined with input from our private sector partners. The year-long programme has a clear and uncompromising objective of enabling system change through leadership development.

Future Vision is designed for senior figures from across the UK public services, such as:

- chief executives of local authorities, health bodies, or chief constables
- senior figures in national and devolved government
- elected politicians; council leaders and police and crime commissioners
- senior figures in the private, voluntary and third sectors.

The participants of past cohorts rate the experience extremely highly, so much so that in fact that they have been keen to extend their work beyond the stated programme, emphasising the creation of the positive, lasting relationships.

The sixth cohort concluded in January 2019. Cohort seven starts in May 2019.

Accident & Emergency

In 2016, the Leadership Centre was commissioned by NHS England to provide on-the-ground Systems Leadership Enabler support to A&E Delivery Boards in nine sites in England, working across all NHS Regions.

Enabler teams have worked with Board members and other stakeholders to build their systems leadership capacity, and thereby their ability to work together differently, in order to make progress in specific areas, such as delayed transfers of care, discharge to assess or mental health. The work has built on the *Systems Leadership – Local Vision* programme and the Integration Pioneers, where independent evaluation has demonstrated how systems approaches can lead to significant change in thinking, behaviours and outcomes.

The Centre is now in the process of establishing new places for the work, building on the additional funding allocated by our national partners. At the same time, the money is supporting extensions of the work in some of the original places. As time goes on, the funding is being directed towards whole-system support for Urgent and Emergency Care, or towards building relationships and leadership capacity inside individual hospital trusts, as well as towards A&E Delivery Boards.

Leadership Centre Alumni

Following the Centres heavy engagement with its alumni we have been testing new ways to create spaces for them to come together.

The refreshed Alumni strategy has two strands. The Alumni for past participants of our residential programmes and the creation of a whole new network – 'Leadership Centre Fellows'. Both will be rolled out more extensively and visibly during 2019-20 providing a series of large and small scale events, newsletters, webinars and development opportunities.

Bespoke Place work

We've supported passionate colleagues who want to develop a different, more human way of working that can deliver better outcomes. During 2018-19 we've worked with teams to develop place-based approaches to; diabetes, physical inactivity, domestic violence, primary care networks, air quality, social isolation and homelessness to name a few. In each case we've provided a platform to open up new possibilities which infect a whole set of growing relationships.

Change Makers

The Change Makers Leadership Programme 2018 aims to provide a personal development opportunity for leaders who are seeking to bring about system innovation and change for public benefit. Participants explore the challenges of leading change across complex systems, innovating with partnerships and networks, working in and with communities to develop place-based responses, and meeting the challenges of leadership based on personal authority in a volatile political and organisational context. There is a focus on the practical application of ideas and practice drawn from local and international experiences of leading change.

Challenges faced in 2018-19:

Future Shaping & Creating the Weather

The Centre has nurtured a wider diversity of engagement across the public sector. Many of the current national policies and initiatives are creating understandable challenges by increasing uncertainty, variable organisational and citizen engagement and ramping up anxiety regarding the future – how we frame our response to this is key. The Centre has been researching and experimenting in this space and will publish a book and frame new activities during the summer of 2019.

Increasing awareness

The Centre continues to grow its brand awareness through live events, social media, publications and its networks, set against a cacophony of competing demands for peoples time & attention.

Delivery Capacity

From the outset the Leadership Centre adopted a particular approach to staffing. We did not seek to establish a large in house permanent staff. We believed that such an approach would be both inflexible and costly. Neither did we opt for a pure commissioning model (with its reliance often on large suppliers). Instead we aimed to create a pool of individuals, with whom we would work on a regular basis, but always offering local places choice so places had a stake in the decision. By using the pool we were also able to get some quality control, but also capture shared learning (otherwise the communal learning would be lost). A key challenge for 2018-19 was to expand the pool of enablers. The experience of projects to date is that there is a limited pool from which to draw, but we have expanded the resource slightly through the creation of our own 'Change Makers' programme.

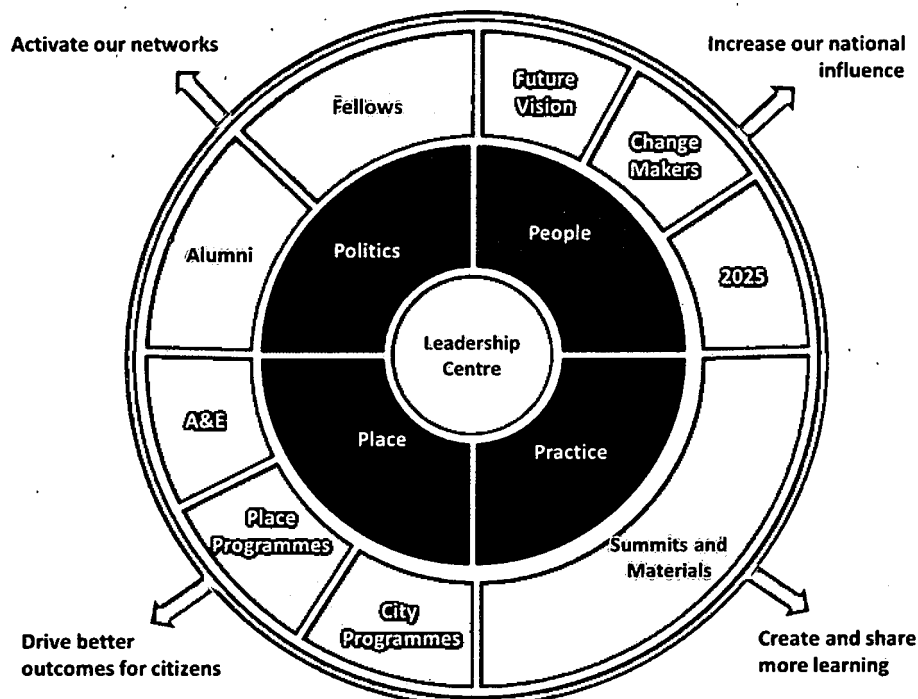
Pushing the boundaries of place-based Leadership development

One of the challenges faced by public services and the work undertaken by the Leadership Centre is the matter of ensuring that any learning and progress is made sustainable and creates public value. To ensure this vital part of the legacy of our programmes is achieved, reflection, evaluation and learning opportunities are embedded from the outset, and direct connections across public service organisation and leaders, politicians and officers, are designed in from the beginning. We have experimented with the fusion of disciplines, and models of delivery, which will be reviewed in 2019-20.

2019-20 Operational Priorities and Objectives:

Our strategy continues to provide the platform for collaborations, bespoke leadership development delivery, creation and sharing of learning and creating positive impact for citizens.

2019-20 is our chance to bring our focus on People, Place, Politics & Practice alive.



It's all about 'place' - and because every place is different, our interventions are entirely bespoke.

Politics matters - because the public sector is an intrinsic part of a political system – local and national.

The citizen is central - because it's never been harder or more important to engage people, to create better communities and enable more meaningful lives.

Crafting Practice - because today's most intransigent problems are multifaceted and need a multi-stakeholder and multi-solution approach we create a blend and constant iteration between wide-ranging theory and practice.

Priorities in 2019-20

1. Seek to expand existing programmes where there is clear public value in doing so.
2. Foster further collaborations with key local and national partners.
3. Shape & respond to bespoke place commissions.
4. Further develop our unique composition and practice.
5. Convene coalitions of the willing around emerging leadership challenges of importance to foster radical ideas & activity.

Challenges in 2018-19

1. Ever greater collaboration - The Centre has always sought collaborations. With public funding getting ever tighter collaborative and co-produced support, interventions and knowledge creation has never been more important in achieving greater impact and influence.
2. Internal delivery capacity - we know that the delivery of our mission relies on our talented and motivated people and we want to maintain the excellent levels of impact and satisfaction of our work. The challenge will be maintaining a balance between maximising impact, growing revenue, minimising expenditure and finding top talent to keep things moving.

Principal risks and uncertainties

The Leadership Centre has reviewed its arrangements for risk management with clear responsibilities assigned to named senior officers for the management of the principal risks.

The Trustees consider these risks are being effectively mitigated.

Reserves

During 2018-19 the Leadership Centre has continued to utilise its reserves to support its charitable activities and reduce the overall holding. The Leadership Centre took a very conservative approach to allocating funding in 2018-19 and, with regard to grants funding, all grant funded projects were completed in 2018-19.

The Leadership Centre is no longer reliant on direct general subsidy. Instead each initiative needs to secure specific funding. We have managed to attract some private sector support, as well as significant specific funding from public sources.

The reserve policy requires the retention of adequate funds to support a half year of operating of the Leadership Centre and, taking account of current costs, the retention should be in the order of £300,000 to cover at least a half year of staff costs and accommodation, including facilities and IT. The policy is reviewed regularly, is considered adequate at the present time, and will be looked at again, in the light of changing economic and funding circumstances. At 31st March 2019 the balance of available reserves was £334,371.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Leadership Centre for Local Government for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Under Company law the Trustees are required to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

Provision of information to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

This confirmation is given and should be interpreted in accordance with the provisions of section 414 of the Companies Act 2006.

Auditors

A tendering process is in progress in relation to the appointment of the role of Statutory Auditor. A resolution for the appointment of the auditors of the Company is to be proposed at a forthcoming Board Meeting.

Approved by the Board of Trustees on 25th September 2019 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'Peter Smith', is written over a horizontal line.

Peter Smith

25th September 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE LEADERSHIP CENTRE FOR LOCAL
GOVERNMENT

Opinion

We have audited the financial statements of The Leadership Centre for Local Government (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes 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 charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 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.

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. 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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report (incorporating 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 take the small companies' exemption from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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 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 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.

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.



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

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 23 Oct 2019

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an INCOME AND EXPENDITURE ACCOUNT)
For the year ended 31 March 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Grants	2	58,650	-	58,650	-
Charitable Activities	2	1,109,021	-	1,109,021	974,864
Investment income	3	999	-	999	1,874
Sponsorship and conferences	2	15,000	-	15,000	39,000
Total income		1,183,670	-	1,183,670	1,015,738
Expenditure on:					
Charitable activities	7	1,408,260	171,627	1,579,887	1,600,645
Other Costs	9	21,117	-	21,117	20,742
Total Expenditure		1,429,377	171,627	1,601,004	1,621,387
Net (expenditure)	4	(245,707)	(171,627)	(417,334)	(605,649)
Reconciliation of Funds:					
Total funds brought forward		376,723	374,982	751,705	1,357,354
Classification change	14	203,355	(203,355)	-	
Total funds carried forward	14	334,371	-	334,371	751,705

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities

The notes on pages 19 to 23 form part of these financial statements.

Company Registration number 05467557

BALANCE SHEET

As at 31 March 2019

	Notes	2019 £	2018 £
Current assets			
Debtors	10	425,195	624,495
Short term Investments	3	71,382	346,699
Cash at bank and in hand		10,000	10,000
		506,577	981,194
Creditors: amounts falling due within one year			
Creditors falling due within one year	11	172,206	229,489
		172,206	229,489
Net current assets		334,371	751,705
Total assets less current Liabilities		334,371	751,705
Funds			
Restricted Funds	14	-	374,983
Unrestricted Funds	14	334,371	376,722
		334,371	751,705

These financial statements were approved by the Trustees on 25th September 2019 and are signed and authorised for issue on their behalf by:

Peter Smith
Trustee

The notes on pages 19 to 23 form part of these financial statements.

Company Registration number 05467557

STATEMENT OF CASH FLOWS

As at 31 March 2019

	Note	2019 £	2018 £
Cash flow from operating activities	12	(275,317)	(449,865)
Net cash flow (used in)/provided by operating activities		<u>(275,317)</u>	<u>(449,865)</u>
Cash and cash equivalents at 1 April		356,699	806,564
Cash and cash equivalents at 31 March		<u>81,382</u>	<u>356,699</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		10,000	10,000
Short term deposits		71,382	346,699
Cash and cash equivalents at 31 March		<u>81,382</u>	<u>356,699</u>

The notes on pages 19 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Leadership Centre is a public benefit entity as defined by FRS 102. 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) issued in March 2018, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, The Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

GOING CONCERN

The Trustees (who are also the directors of The Leadership Centre for Local Government ('the Centre') for purposes of company law) have prepared the accounts on a going concern basis. As described in the Report of the Trustees, during 2016/17 the Centre worked closely with the LGA and various public/private funded specified bodies. Funding has been agreed beyond 31 March 2019 and the directors are of the belief that the company will continue as a going concern.

FUNDS

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

INCOME POLICY

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Income from donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Centre and it is probable that they will be fulfilled.

Government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Investment income comprising only bank interest on short term deposits is recognised on a receivable basis.

RESOURCES EXPENDED

Expenditure is recognised on an accruals basis. This occurs when a legal or constructive obligation commits the Centre to the expenditure.

Irrecoverable VAT is charged against the category of resources expended from which it is incurred.

Any costs of generating funds comprise the costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the Centre in the delivery of its activities and services for its beneficiaries. It includes both the costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

ALLOCATION OF SUPPORT COSTS

Support costs are those that assist the work of the Centre but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to those activities on a consistent basis related to time spent in furtherance of the Centre's objects.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in note 8.

TAX

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

2. INCOME

	2019 £	2018 £
<i>Income from donations and grants</i>		
Voluntary Income and Grants	58,650	-
Sponsorship and Conferences	15,000	39,000
<i>Income from charitable activities</i>		
Services recharged	1,109,021	974,864
	<u>1,182,671</u>	<u>1,013,864</u>

Voluntary income and grants mainly relate to funding from other public sector bodies. It is allocated to the main activities of the charity. Services recharged include events and conferences, publications and consultancy. £nil (2018 £nil) of the above income was attributable to restricted funds and £1,182,671 (2018 £1,013,864) to unrestricted funds.

3. INVESTMENT INCOME

All of the investment income arises from interest bearing deposits. The Centre participates in arrangements in which surplus cash balances are deposited with borrowers on the LGA's approved list. The Centre's investments are pooled with those of other entities that have adopted the LGA Group Investment Strategy. Investments are typically for periods of up to six months and as such the loan amount is a reasonable assessment of fair value. The LGA Group Investment Strategy strictly applies credit limits for all of the financial institutions to ensure that deposits are spread across a number of its approved counterparties. No credit limits were exceeded during the year and the Centre does not expect any losses on short term investments. The difference between carrying value and fair value is immaterial.

4. AUDITORS REMUNERATION

The auditor's remuneration amounts to an audit fee of

	2019 £	2018 £
Audit fees	3,500	3,500

No non-audit fees were paid in the year to the auditor (2018 nil).

5. EMOLUMENTS

During 2018-18 total remuneration of £16,717 (2017/18; £16,754) was paid to the Chair for work done in this capacity in accordance with a written agreement approved by the Trustees under clause 5.9 of the Memorandum of Association. Reimbursement of expenses to one Trustee for travel costs totalled £745 (2017/18; £93).

6. EMPLOYEES

	2019 £	2018 £
<i>Staff, agency and secondments</i>		
Staff	333,697	344,449
Agency staff fees	92,463	90,462
Secondments	-	-
Total staffing costs	<u>426,160</u>	<u>434,911</u>

The aggregate employee benefits of key management personnel were £265,042 (2018: £279,663). The average number of senior staff employed directly - seconded employment ended in March 2016 - during the year was 3 (2018 3 persons), with employee benefits, are in the ranges below.

Range £k	2019	2018
80-90	2	2
70-80	-	1
60-70	1	-

The average number of persons employed (including agency staff) was 6 (2018 6 persons).

7. EXPENDITURE ON CHARITABLE ACTIVITIES

Delivery Areas	2019 Activities undertaken Directly £	2019 Support Costs £	2019 Total Costs £	2018 Total Costs £
Future Vision	209,172	20,168	229,340	232,353
Centre Projects	336,520	32,447	368,967	373,814
Accident and Emergency	327,427	31,570	358,997	363,715
Specific Location Support for Leaders	20,820	2,007	22,827	23,127
Systems Leadership	268,098	25,849	293,947	297,809
Nursing Talent	48,970	4,721	53,691	54,396
Local Vision	73,653	7,101	80,754	81,815
Public Health Leadership	156,295	15,069	171,364	173,616
Total	1,440,955	138,932	1,579,887	1,600,645

£171,627 (2018 £274,458) of the above costs were attributable to restricted funds and £1,429,377 (2018 £1,326,187) to unrestricted funds.

8. BREAKDOWN OF SUPPORT COSTS

	2019 £	2018 £
Finance support	10,300	10,000
Direction	33,210	34,396
General Office Costs	44,511	48,144
IT	18,600	19,800
Staff Costs	32,311	33,908
	138,932	146,248

Support costs are based on staff time spent on different activities.

9. EXPENDITURE ON OTHER COSTS

	2019 £	2018 £
Trustees Emoluments (see note 5)	16,717	16,754
Meeting costs	155	395
Trustee's expenses	745	93
Statutory Audit fees	3,500	3,500
	21,117	20,742

10. DEBTORS

	2019	2018
	£	£
Trade debtors	392,535	498,436
Other Debtors	26,848	14,883
Accrued Income	5,812	111,176
	<u>425,195</u>	<u>624,495</u>

11. CREDITORS

	2019	2018
	£	£
Trade creditors	20,633	74,459
Accruals	125,417	94,171
Other taxes and PAYE	12,004	12,053
VAT	10,936	44,966
Earned Leave Liability	3,216	3,840
	<u>172,206</u>	<u>229,489</u>

12. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net expenditure for year	(417,334)	(605,649)
Decrease / (Increase) in debtors	199,300	244,465
(Decrease) / Increase in creditors	(57,283)	(88,681)
	<u>(275,317)</u>	<u>(449,865)</u>

13. MEMBERS' LIABILITY

The company is a registered charity and is limited by guarantee with no share capital. The liability of each member in the event of winding up is limited to £1.

14. FUNDS ANALYSIS OF NET ASSETS BETWEEN FUNDS at 31st March 2019

The balance of Net assets and liabilities fall under unrestricted funds.

	Current Assets	Current Liabilities	Funds Total
	£	£	£
UNRESTRICTED	506,277	172,206	334,371
	<u>506,277</u>	<u>172,206</u>	<u>334,371</u>

At 31st March 2019 the unspent balance of Restricted Funds of £203,355 were re-classified, with Donor and Board approval, on the basis that the programmes funded were complete and continuing legacy support and delivery would fall as part of the Centre's programme delivery.

15. POST BALANCE SHEET EVENTS

The Directors and Trustees are not aware of any material post balance sheet events.