

# Form AR27

## Trade Union and Labour Relations (Consolidation) Act 1992

### Annual Return for an Employers' Association

Name of Employers' Association:

East of England Local Government Association

Year ended:

31st March 2020

List No:

256E

Head or Main Office:

West Suffolk House

Western Way

Bury St Edmunds

Suffolk

Postcode

IP33 3YU

Website address (if available)

Has the address changed during the year to which the return relates?

Yes

No

**X**

('X' in appropriate box)

General Secretary:

Cheryl Davenport

Contact name for queries regarding the completion of this return:

Sebastian Reeves

Telephone Number:

01284 758310

E-mail:

[sebastian.reeves@eelga.gov.uk](mailto:sebastian.reeves@eelga.gov.uk)

#### Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: [returns@certoffice.org](mailto:returns@certoffice.org)

For Employers' Associations based in Scotland: [ymw@tcyoung.co.uk](mailto:ymw@tcyoung.co.uk)

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## Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
50				50

## Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return.

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Office Administrator	Freddy Vatter	Marcus Boon	FV left May-19 MB started as agency Jul-19 and FT Oct-19
Events Co-ordinator	Polly Webb (Maternity Cover Fixed Term)	Jayne Cole (returning from Mat leave)	Nov-2019 - PW left Dec-19
Senior Manager	Hannah Shah	Roy Elmer	HS left Jun-19 RE started Sept-19
Policy Officer	Jo Schofield	Helen Hancock	01 January 2020
Senior HR & LD Advisor		Julie Cooke	started Aug-19
Programme & Policy Manager	Kate O'Driscoll (maternity leave)	Adam Thorpe (maternity cover)	KOD left Feb-20 AT started Mar-20
Senior Manager		Roy Elmer	started Sept-19
Intern	Lorna McBride		Nov-19 - Jan-20

## Officers in post

(see note 10)

**Please complete list of all officers in post at the end of the year to which this form relates.**

[illegible]

(see notes 11 to 16)

P3

(see notes 17 to 18)

Account 3		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
	<b>Interfund Transfers IN</b>		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
	<b>Interfund Transfers OUT</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

(see notes 17 to 18)

[illegible]

Account 5		Fund Account	
Name of account:		£	£
<b>Income</b>			
	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
	<b>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	<b>Interfund Transfers OUT</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

(see notes 17 to 18)

Account 6		Fund Account	
Name of account:		£	£
<b>Income</b>			
	From members		
	Investment income		
	Other income (specify)		
	<b>Total Income</b>		
	<b>Interfund Transfers IN</b>		
<b>Expenditure</b>			
	Administrative expenses		
	Other expenditure (specify)		
	<b>Total Expenditure</b>		
	<b>Interfund Transfers OUT</b>		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

Account 7		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
		<b>Total Income</b>	
	<b>Interfund Transfers IN</b>		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
		<b>Total Expenditure</b>	
	<b>Interfund Transfers OUT</b>		
		<b>Surplus (Deficit) for the year</b>	
		<b>Amount of fund at beginning of year</b>	
		<b>Amount of fund at the end of year (as Balance Sheet)</b>	

# Balance Sheet as at [ ]

(see notes 19 and 20)

Previous Year		£	£
	<b>Fixed Assets</b> (as at Page 8)		
	<b>Investments</b> (as per analysis on page 9)		
	Quoted (Market value £ ) as at Page 9		
	Unquoted (Market value £ ) as at Page 9		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
422,344	Sundry debtors	883,907	883,907
2,138,884	Cash at bank and in hand	1,896,152	1,896,152
	Stocks of goods		
	Others (specify)		
2,561,228	<b>Total of other assets</b>	2,780,059	2,780,059
	<b>Total Assets</b>		2,780,059
-4,028,022	Revenue Account/ General Fund	-2,903,039	
	Revaluation Reserve		
	<b>Liabilities</b>		
18,092	Loans	18,092	
63,919	Tax payable	71,049	
131,517	Sundry creditors	223,080	
62,722	Accrued expenses	226,877	
6,313,000	Pension Scheme Liabilities	5,144,000	
6,589,250	<b>Total Liabilities</b>		5,683,098
-4,028,022	<b>Total Assets</b>		2,780,059

## Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
<b>Cost or Valuation</b>				
At start of period		14,324		14,324
Additions during period				
Less: Disposals				
Less: Depreciation		-14,324		-14,324
Total to end of period				
<b>Book Amount at end of period</b>				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>Total of Fixed Assets</b>				

# Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
	Total Unquoted (as Balance Sheet)	
	Market Value of Unquoted Investments	

\* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

<p style="text-align: center;"><b>Analysis of investment income</b>  <b>(Controlling interests)</b></p> <p style="text-align: center;">(see note 23)</p>
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[illegible]

If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
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Company registration number (if not registered in England & Wales, state where registered)

## Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
<b>Income</b>			
From Members		645,926	645,926
From Investments		4,044	4,044
Other Income (including increases by revaluation of assets)		2,476,826	2,476,826
	<b>Total Income</b>	3,126,796	3,126,796
<b>Expenditure</b> (including decreases by revaluation of assets)			
	<b>Total Expenditure</b>	2,001,813	2,001,813
<b>Funds at beginning of year</b> (including reserves)		-4,028,022	-4,028,022
<b>Funds at end of year</b> (including reserves)		-2,903,039	-2,903,039
<b>ASSETS</b>			
	Fixed Assets		
	Investment Assets		
	Other Assets		2,780,059
	<b>Total Assets</b>		2,780,059
<b>Liabilities</b>			
	<b>Total Liabilities</b>		5,683,098
<b>Net Assets (Total Assets less Total Liabilities)</b>			-2,903,039

# Accounting policies

(see notes 35 & 36)



e attached accounts.

## Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Director's Signature:		Director's Signature:	
			(or other official whose position should be stated)
Name:	Cheryl Davenport	Name:	Michelle Kirk
Date:	15.8.20	Date:	15/8/2020

## Checklist

(see note 39)

(please enter 'X' as appropriate)

he return of officers attached? (see Page 2)	Yes	✓	No	
s the list of officers been completed? (see Page 2A)	Yes	✓	No	
s the return been signed? (see Note 37)	Yes	✓	No	
s the auditor's report been completed? e Note 41)	Yes	✓	No	
ne rule book enclosed? (see Note 39)	Yes	✓	No	
s the summary sheet been completed? e Notes 6 and 24 to 33)	Yes	✓	No	

## NOTES TO THE ACCOUNTS

(see note 34)

All notes to the accounts must be entered on or attached to this part of the return.

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e attached accounts.

## Checklist for auditor's report

(see notes 41 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

## Auditor's report (continued)

See attached accounts.

Signature(s) of auditor or auditors:

*Whiting & Partners*

Name(s):

Whiting & Partners

Profession(s) or Calling(s):

Statutory Auditor

Address(es)

Greenwood House  
Skyliner Way  
Bury St Edmunds  
Suffolk  
IP32 7GY

Date:

*18th August 2020*

Contact name for enquiries and telephone number:

J King  
01284 752313

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**FINANCIAL STATEMENTS**

**Year Ended 31<sup>st</sup> March 2020**

## **EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

### **ASSOCIATION INFORMATION**

#### **Management Committee**

##### Voting Members:

Cllr David Finch (Chairman)

Cllr Linda Haysey (Vice Chairman)

Cllr Alan Waters

Mayor Dave Hodgson

Cllr John Holdich

##### Non-Voting Members:

Cllr Kevin Bentley

Cllr Kevin Price

Cllr Mike Bush

Cllr Sara Bedford

Richard Carr

##### Officers:-

C Davenport (Managing Director)

#### **Principal Office**

West Suffolk House

Western Way

Bury St Edmunds

Suffolk

IP33 3YU

#### **Auditors**

Whiting & Partners

Greenwood House

Skyliner Way

Bury St Edmunds

Suffolk

IP32 7GY

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**  
**STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES**  
**For the Year Ended 31<sup>st</sup> March 2020**

The Management Committee are required to prepare financial statements in accordance with applicable law and regulations for each financial year which give a true and fair view of the state of the affairs of the Association and of the surplus or deficit for that year. In preparing those financial statements, the Management Committee are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee are also responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy, at any time, the financial position of the Association and to enable them to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Management Committee are aware:

- There is no relevant information of which the Association's auditor is unaware; and
- The Management Committee have taken all steps they ought to have taken to make themselves aware of any audit information and to ensure that the Association's auditors are aware of that information.

Signed on behalf of the Management Committee.



C Davenport Date:

29 July 2020

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**  
**For the Year Ended 31<sup>st</sup> March 2020**

**Opinion on Financial Statements**

We have audited the financial statements of the East of England Local Government Association for the year ended 31 March 2020 which comprise the Revenue Statements, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2020 and of its result for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

**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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the Financial Reporting Council'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 Management Committees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association'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.

**Matters on Which we are Required to Report by Exception**

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records or returns; or
- we have not received all the information and explanations we need for our audit.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION (continued)**  
**For the Year Ended 31<sup>st</sup> March 2020**

**Respective Responsibilities of the Management Committee**

As explained more fully in the Statement of Management Committee Responsibilities, set out on page 1, the Management Committee are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Management Committee 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 Management Committee are responsible for assessing the Association'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 Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

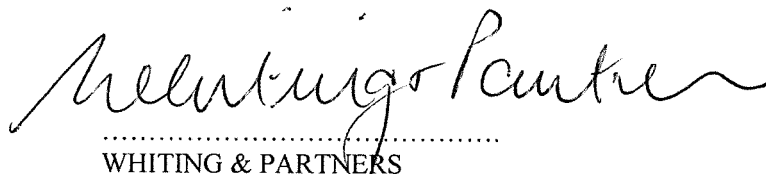
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 Auditors' Report.

**Use of our report**

This report is made solely to the Association's members, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dated: 29 July 2020



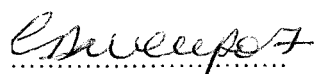
.....  
WHITING & PARTNERS  
Chartered Accountants and Statutory Auditor  
Greenwood House  
Greenwood Court  
Skyliner Way  
Bury St Edmunds  
Suffolk  
IP32 7GY

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**BALANCE SHEET**  
**At 31<sup>st</sup> March 2020**

	Note	2020 £	£	2019 £	£
<b>Fixed Assets</b>					
Tangible Assets	4		-		-
<b>Current Assets</b>					
Debtors	5	883,907		422,344	
Cash at Bank and in Hand		<u>1,896,152</u>		<u>2,138,884</u>	
		<u>2,780,059</u>		<u>2,561,228</u>	
<b>Creditors: Amounts Falling due Within One Year</b>	6	<u>(539,098)</u>		<u>(276,250)</u>	
<b>Net current Assets</b>			2,240,961		2,284,978
<b>Total Assets Less Current Liabilities</b>			<u>2,240,961</u>		<u>2,284,978</u>
<b>Net Assets Excluding Pension Scheme Liabilities</b>			<u>2,240,961</u>		<u>2,284,978</u>
Defined Benefit Pension Scheme Liability	8	(5,144,000)		(6,313,000)	
<b>Net Deficit Including Pension Scheme Liabilities</b>			<u><u>(2,903,039)</u></u>		<u><u>(4,028,022)</u></u>
<b>Representing:</b>					
<b>Members Funds - Deficit</b>	7		<u><u>(2,903,039)</u></u>		<u><u>(4,028,022)</u></u>

The financial statements were approved by the Management Committee and signed on its behalf:



C Davenport

Date: 29 July 2020

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**  
**LOCAL GOVERNMENT ASSOCIATION REVENUE ACCOUNT**  
**For the Year Ended 31<sup>st</sup> March 2020**

	2020	2019
	£	£
<b>Income</b>		
Local Authority Subscriptions	645,926	650,665
Commercial Services	180,558	86,635
Talent Bank	1,532,925	1,484,385
Productivity Programme Income	22,880	60,000
Support Services	6,852	13,915
Interest	4,044	-
Staff Income	29,549	2,396
Hosting Fees	30,380	20,976
ELAINE project	3,827	10,057
Parallel Lives	74,023	73,483
Brexit Regional HUB	150,683	-
Transport East	214,549	-
	<hr/> 2,896,197	<hr/> 2,402,512
<b>Expenditure</b>		
Accommodation Costs	106,040	108,903
Staff Costs	969,999	893,857
Regional Operations	164,714	164,863
Commercial Services	130,016	61,225
Talent Bank	1,357,608	1,234,547
Productivity Programme	64,950	53,740
Support Services	27,582	49,110
Other Finance Costs - Pension Scheme	139,510	131,717
Active Citizens Together Expenditure	5,206	-
ELAINE project	3,530	9,249
Parallel Lives	74,023	63,245
Brexit Regional HUB	29,883	-
Transport East	75,952	-
	<hr/> 3,149,014	<hr/> 2,770,456
<b>Deficit for year</b>	<hr/> (252,817)	<hr/> (367,944)
Actuarial gains/(losses)	1,400,000	(824,000)
<b>Total comprehensive surplus/(deficit) for year</b>	<hr/> <hr/> 1,147,183	<hr/> <hr/> (1,191,944)

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**HOSTED PROJECTS REVENUE ACCOUNT**

**For the Year Ended 31<sup>st</sup> March 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Income</b>		
Home Office Enabling Grant	111,553	112,339
Home Office ESOL Grant	25,115	26,485
Home Office Syrian Resettlement Programme	45,555	43,880
Home Office UASC Grant	48,097	44,963
Other Income	278	252
	<u>230,599</u>	<u>227,919</u>
<b>Expenditure</b>		
Staff Costs	172,970	159,575
ESOL Project Costs	24,441	27,644
Meeting Expenses	4,009	6,210
Travel and Subsistence	4,537	4,347
Other Finance Costs - Pension Scheme	13,490	12,283
Miscellaneous Expenses	33,352	25,376
	<u>252,798</u>	<u>235,435</u>
<b>(Deficit)/Surplus for the year</b>	<u><u>(22,200)</u></u>	<u><u>(7,516)</u></u>

## **EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31<sup>st</sup> March 2020**

#### **1. General Information**

The East of England LGA is a politically-led, cross party organisation which works on behalf of the 50 local councils in the East of England to harness their collective strength to shape and serve their communities and localities.

#### **2. Accounting Policies**

##### **a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the applicable UK accounting standards.

##### **b. Going Concern**

The financial statements have been prepared on the going concern basis which assumes that the Association will continue to operate for the foreseeable future. Under the Constitution each member undertakes jointly to underwrite the liabilities of the Association.

##### **c. Tangible Fixed Assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment	-	3 to 4 years straight line method
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##### **d. Pension**

The Association contributes to the Cambridgeshire County Council Pension Fund, which is a Defined Benefit Scheme. Employer contributions are charged to the Revenue accounts so as to spread the costs over the employees' working lives.

The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 8.

##### **e. Income**

Subscription income is recognised in the year to which the subscriptions relate. Income from training, consultancy and conferences is recognised in the period the service is provided.

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31<sup>st</sup> March 2020**

**f. Government Grants**

Grants of a revenue nature are credited to income in the period to which they relate. Where not all of the conditions attaching to grants have been fulfilled at the Balance Sheet date, income is deferred. Contributions towards capital expenditure are deducted from the cost of the assets to which they relate.

**g. Financial Instruments**

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Revenue Account.

Financial assets cease to be recognised only when the contractual rights to the cash flows expire, or when substantially all the risks and rewards of ownership are transferred to another entity.

Financial liabilities cease to be recognised when and only when the Association's obligations are discharged, cancelled or they expire.

**h. Operating Leases**

Rentals paid under operating leases are charged to the Revenue Account on a straight line basis over the lease term.

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31<sup>st</sup> March 2020**

**3. Employees**

The average monthly number of persons employed by the Association during the year was:

<b>2020 Number</b>	<b>2019 Number</b>
<u>17</u>	<u>19</u>

**4. Fixed Assets**

Fixed assets comprised office equipment which was fully depreciated in the 2016/17 accounts, and as such is not shown in the balance sheet or this note.

**5. Debtors**

<b>Amounts falling due within one year:</b>	<b>2020 £</b>	<b>2019 £</b>
Trade Debtors	800,008	422,344
Prepayments and Accrued Income	83,899	-
	<u><b>883,907</b></u>	<u><b>422,344</b></u>

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31<sup>st</sup> March 2020**

**6. Creditors: Amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans	18,092	18,092
Trade Creditors	205,313	116,720
Other Taxation and Social Security	71,049	63,919
Other Creditors	17,767	14,797
Accruals and Deferred Income	226,877	62,722
	<b>539,098</b>	<b>276,250</b>

Loans were provided by the members of the Association and are being repaid following the sale of land and buildings.

**7. Members' Funds**

	<b>Balance at 1 April 2019 £</b>	<b>Surplus / (deficit) £</b>	<b>Gains / (Losses) £</b>	<b>Balance at 31 March 2020 £</b>
Local Government Association	2,226,473	(21,817)	-	2,204,656
Defined Benefit Pension Scheme	(6,313,000)	(231,000)	1,400,000	(5,144,000)
	(4,086,527)	(252,817)	1,400,000	(2,939,344)
Hosted Projects	58,505	(22,200)	-	36,305
	<b>(4,028,022)</b>	<b>(275,017)</b>	<b>1,400,000</b>	<b>(2,903,039)</b>

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended 31<sup>st</sup> March 2020**

**8. Pension Scheme**

**Defined benefit scheme**

The Association participates in the Local Government Pension Scheme, a funded defined benefit pension scheme, administered by Cambridgeshire County Council.

A comprehensive actuarial valuation of the Association pension scheme, using the projected unit credit method, was carried out at 31 March 2019 by Hymans Robertson LLP, independent consulting actuaries.

Adjustments to the valuation at that date have been made based on the following assumptions:

An estimate McCloud judgement allowance has been added to the formal valuation results and is therefore included in the balance sheet valuation at 31 March 2020.

	<b>2020</b>	<b>2019</b>
Expected rate of salary increases	2.40%	2.80%
Expected rate of increase of pensions in payment	1.90%	2.50%
Discount rate	2.30%	2.40%

The mortality assumptions used were as follows:

	<b>2020 Years</b>	<b>2019 Years</b>
Longevity at age 65 for current pensioners		
- Men	22.0	22.4
- Women	24.0	24.4
Longevity at age 65 for future pensioners		
- Men	22.7	24.0
- Women	25.5	26.3

**Reconciliation of the scheme assets and liabilities**

	<b>Assets £</b>	<b>Liabilities £</b>	<b>Total £</b>
At 1 April 2019	14,207,000	(20,520,000)	(6,313,000)
Current Service Cost	-	(305,000)	(305,000)
Interest Income / (Expense)	339,000	(492,000)	(153,000)
Employee Contributions	57,000	(57,000)	-
Benefits Paid	(504,000)	504,000	-
Employer Contributions	227,000	-	227,000
Remeasurement gains / (losses)			
- Actuarial gains	-	2,662,000	2,662,000
- Return on plan assets excluding interest income	(1,262,000)		(1,262,000)
<b>At 31 March 2020</b>	<b>13,064,000</b>	<b>(18,208,000)</b>	<b>(5,144,000)</b>

**EAST OF ENGLAND LOCAL GOVERNMENT ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**For the Year Ended 31<sup>st</sup> March 2020**

**8. Pension Scheme (continued)**

Total cost recognised as an expense:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current service cost	305,000	261,000
Net Interest Expense	153,000	144,000
<b>Total cost recognised as an expense:</b>	<b>458,000</b>	<b>405,000</b>

No amounts (2019: nil) were included in the cost of assets.

The major categories of scheme assets as a percentage of total scheme Assets were as follows:

	<b>2020</b>	<b>2019</b>
Equity Instruments	69%	76%
Bonds	13%	12%
Property	17%	11%
Cash	1%	1%

The plan assets do not include any of the Association's financial instruments nor is any property occupied by any Association entity.

The return on the plan assets was:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest Income	339,000	354,000
Return on plan assets less interest income	(1,262,000)	762,000
<b>Total return on plan assets:</b>	<b>(923,000)</b>	<b>1,116,000</b>

The Association expects to contribute £197,000 to the defined benefit pension scheme in 2021.

**Lloyds Group Pensions Trustees Limited v Lloyds Bank PLC**

A High Court ruling in October 2018 held that relevant defined benefit pension schemes with Guaranteed Minimum Pensions ("GMP") accruals between certain dates must equalise for the different effect of these GMP's between men and women. This may result in an additional scheme funding requirement but it is not possible at this stage to quantify the amount of the potential obligation, if any.

Our position on the above case is consistent with the advice received from the scheme actuaries, Hymans Robertson, and from the Chartered Institute of Public Finance and Accountancy (CIPFA).

## **9. Related Party Transactions**

Subscription income is wholly attributable to members and subscribing partners. The income from training and consultancy services is derived principally from members.