

# Form AR27

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

### Annual Return for an Employers' Association

Name of Employers' Association:

East Midlands Councils

Year ended:

31st March 2023

List No:

1592E

Head or Main Office:

East Midlands Councils

First Floor Offices, South Annex

Pera Building

Nottingham Road

Melton Mowbray, Leicestershire

Postcode LE13 0PB

Website address (if available)

[www.eastmidlandscouncils@gov.uk](mailto:www.eastmidlandscouncils@gov.uk)

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

Yes

No

**X**

('X' in appropriate box)

General Secretary:

Samantha Maher

Contact name for queries regarding the completion of this return:

Steve Charlesworth

Telephone Number:

01664 502624

E-mail:

[steve.charlesworth@emcouncils.gov.uk](mailto:steve.charlesworth@emcouncils.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
40				40

## 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
Learning and Development Advisor	Kirsty Lowe		13 November 2022
Resettlement Policy Officer		Josh Aspen	01 November 2022
Resettlement Policy Officer		Richard Herrick	21 November 2022
Communication and Marketing Specialist		Rachel Pengelly	08 August 2022
Programme Manager (UASC)		Stuart Turner	03 January 2023



## Revenue Account / General Fund

(see notes 11 to 16)

Previous Year		£	£
	<b>Income</b>		
266	From Members		
	Subscriptions, levies, etc	272	272
1	Investment income		
	Interest and dividends (gross)		0
	Bank interest (gross)	29	29
	Other (specify)		0
			0
			0
	Total Investment Income	29	29
	Other Income		
	Rents received		0
	Insurance commission		0
462	Consultancy fees	442	442
	Publications/Seminars		0
	Miscellaneous receipts (specify)		
512	Government Grants	966	966
			0
			0
			0
	Total of other income		1,408
974	<b>Total income</b>		<b>1,709</b>
	<b>Interfund Transfers IN</b>		
	<b>Expenditure</b>		
896	Administrative expenses		
	Remuneration and expenses of staff	1,120	1,120
23	Occupancy costs	23	23
4	Printing, Stationery, Post	4	4
2	Telephones	2	2
	Legal and Professional fees		0
	Miscellaneous (specify)		
	Pension Charges		0
84	Supplies and Services	390	390
13	Transport Costs	14	14
			0
			0
1,022	Total of Admin expenses		1,553
	Other Charges		
	Bank charges		0
	Depreciation		0
	Sums written off		0
	Affiliation fees		0
	Donations		0
	Conference and meeting fees		0
	Expenses		0
	Miscellaneous (specify)		
209	Recharges	153	153
			0
			0
	Total of other charges		153
	Taxation		0
1,231	<b>Total expenditure</b>		<b>1,706</b>
	<b>Interfund Transfers OUT</b>		
10	Surplus/Deficit for year		3
585	Amount of fund at beginning of year		595
595	Amount of fund at end of year		598









**Balance Sheet as at [ 31st March 2023 ]**

(see notes 19 and 20)

Previous Year		£	£
	<b>Fixed Assets</b> (as at Page 8)	0	0
	<b>Investments</b> (as per analysis on page 9)		
	Quoted (Market value £                   0 ) as at Page 9		0
	Unquoted (Market value £                0 ) as at Page 9		0
	<b>Total Investments</b>	0	0
	<b>Other Assets</b>		
278	Sundry debtors	632	632
916	Cash at bank and in hand	911	911
	Stocks of goods		0
	Others (specify)		
	Net Pension Scheme Liability	31	
1,194	<b>Total of other assets</b>	1,574	1,574
	<b>Total Assets</b>		1,574
595	Revenue Account/ General Fund	598	
0		0	
0		0	
0		0	
0		0	
0		0	
0		0	
0		0	
0		0	
-2,653	Revaluation Reserve	0	
	<b>Liabilities</b>		
4	Creditors	8	
595	Receipts in Advance	937	
599	<b>Total Liabilities</b>		945
1,194	<b>Total Assets</b>		1,574

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## Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
<b>Cost or Valuation</b>				
At start of period				0
Additions during period				0
Less: Disposals				0
Less: Depreciation				0
Total to end of period	0	0	0	0
<b>Book Amount</b> at end of period	0	0	0	0
Freehold				0
Leasehold (50 or more years unexpired)				0
Leasehold (less than 50 years unexpired)				0
<b>Total of Fixed Assets</b>	0	0	0	0

# 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)	0
	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)	0
	Market Value of Unquoted Investments	

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



## Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
<b>Income</b>		
From Members	272	272
From Investments	29	29
Other Income (including increases by revaluation of assets)	4,061	4,061
<b>Total Income</b>	<b>4,362</b>	<b>4,362</b>
<b>Expenditure</b> (including decreases by revaluation of assets)		
<b>Total Expenditure</b>	<b>1,706</b>	<b>1,706</b>
<b>Funds at beginning of year</b> (including reserves)	-2,058	-2,058
<b>Funds at end of year</b> (including reserves)	598	598
<b>ASSETS</b>		
Fixed Assets		0
Investment Assets		0
Other Assets		1,574
<b>Total Assets</b>		<b>1,574</b>
<b>Liabilities</b>		
<b>Total Liabilities</b>		<b>976</b>
<b>Net Assets (Total Assets less Total Liabilities)</b>		<b>598</b>

## Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
	£	£
<b>Income</b>		
From Members		272
From Investments		29
Other Income (including increases by revaluation of assets)		1,408
<b>Total Income</b>		1,709
<b>Expenditure</b> (including decreases by revaluation of assets)		1,706
<b>Total Expenditure</b>		1,706
<b>Funds at beginning of year</b> (including reserves)		595
<b>Funds at end of year</b> (including reserves)		598
<b>ASSETS</b>		
Fixed Assets		
Investment Assets		
Other Assets		1,194
<b>Total Assets</b>		1,194
<b>Liabilities</b>		
<b>Total Liabilities</b>		596
<b>Net Assets (Total Assets less Total Liabilities)</b>		598

**Notes to the accounts**

(see note 34)

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

A large, empty rectangular box with a thin black border, intended for the user to enter or attach notes to the accounts. The interior of the box is completely blank.



# East Midlands Councils

## 2022/23 Financial Statements

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**East Midlands Councils**  
**First Floor Offices**  
**South Annexe**  
**Pera Business Park**  
**Nottingham Road**  
**Melton Mowbray**  
**Leicestershire**  
**LE13 0PB**



## Explanatory Foreword

East Midlands Councils (EMC) is a voluntary, membership based, partnership of local government. It currently comprises 40 local authority member organisations and representatives of the region's fire, police and parish and town councils.

EMC's main roles and purposes are:

- A consultative forum for local government in the East Midlands
- Represents the interest of local councils to national government and other organisations.
- Acts as the designated Regional Employers Organisation and point of contact for employers and recognised trade unions in relation to local government services.
- Enables local councils to work together on key issues of common concern.
- Supports the improvement and development of local councils and their workforce.
- Brings together political group leaders.
- Makes appointments to national and regional bodies.
- Establishes and maintains an effective relationship with the national Local Government Association (LGA).

## Date of Authorisation of Accounts

The financial statements were authorised for issue by the Director of Finance and Section 151 Officer (Nottingham City Council) and the Executive Director of EMC.



02.10.23

Date: \_\_\_\_\_

\_\_\_\_\_  
Ross Brown

Director of Finance and Section 151 Officer, Nottingham City Council



Date: \_\_\_\_\_ 4.10.23

\_\_\_\_\_  
Stuart Young

Executive Director of East Midlands Councils

## Statement of Comprehensive Income as at 31 March 2023

2021/22 Net £000		Note	2022/23		
			Gross Expenditure £000	Gross Income £000	Net £000
	<b>Income</b>				
266	Subscriptions / Membership	6		272	
512	Government Grants / Contracts	6		966	
462	Other Income	6		442	
1	Investment Income	6		29	
	<b>Expenditure</b>				
(851)	Staffing Expenses		(1,068)		
(45)	Other Indirect Staffing		(52)		
(23)	Property Expenses		(23)		
(13)	Transport Expenses		(14)		
(336)	Supplies and Services		(676)		
(209)	Other Recharges		(153)		
<b>(236)</b>	<b>NET INCOME</b>		<b>(1,986)</b>	<b>1,709</b>	<b>(277)</b>
246	Pension Adjustment				<b>280</b>
<b>10</b>	<b>PROFIT / (LOSS) after Pension Adjustments</b>				<b>3</b>
	<b>OTHER COMPREHENSIVE INCOME AND EXPENDITURE</b>				
369	Other Gains and Losses				<b>2,684</b>
<b>379</b>	<b>TOTAL COMPREHENSIVE INCOME / (EXPENDITURE) FOR THE YEAR</b>				<b>2,687</b>

## Statement of Financial Position as at 31 March 2023

2021/22 £000		Note	2022/23 £000
-	Equipment	8	-
-	Net Pension Scheme Asset		31
-	<b>Long Term Assets</b>		<b>31</b>
278	Short Term Debtors	9	632
-	Short Term Prepayments	9	-
916	Cash and Cash Equivalents	9	911
<b>1,194</b>	<b>Current Assets</b>		<b>1,543</b>
(4)	Short Term Creditors	10	(8)
(595)	Short Term Grant / Grant and Contract Receipts in Advance	10	(937)
<b>(599)</b>	<b>Current Liabilities</b>		<b>(945)</b>
(2,653)	Net Pension Scheme Liability		-
<b>(2,653)</b>	<b>Long Term Liabilities</b>		<b>-</b>
<b>(2,058)</b>	<b>NET ASSETS / (LIABILITIES)</b>		<b>629</b>
595	Revenue Reserve		598
(2,653)	Pension Reserve		31
<b>(2,058)</b>	<b>TOTAL RESERVES</b>		<b>629</b>

## Statement of Cash Flows as at 31 March 2023

2021/22 £000		Note	2022/23 £000
9	Net Operating Profit / (Loss)		(26)
366	Change in Creditors		346
(117)	Change in Debtors		(354)
<b>198</b>	<b>Total Movement from Net Operating Profit / (Loss)</b>		<b>(34)</b>
1	Investment Income		29
<b>199</b>	<b>Net Increase or (Decrease) in and Cash Equivalents</b>		<b>(5)</b>
<b>717</b>	Cash and cash equivalents at the beginning of the reporting period		<b>916</b>
<b>916</b>	Cash and cash equivalents at the end of the reporting period		<b>911</b>

## Summary of Operating Profit / (Loss)

	2021-22 £000	2022-23 £000
Profit / (Loss)	10	3
Investment Income	(1)	(29)
<b>Operational Profit / (Loss)</b>	<b>9</b>	<b>(26)</b>

## Statement of Changes in Equity as at 31 March 2023

<b>2022/23</b>	<b>Revenue Reserve £000</b>	<b>Pension Reserves £000</b>	<b>Total Reserves £000</b>
<b>Balance at 31 March 2022</b>	<b>595</b>	<b>(2,653)</b>	<b>(2,058)</b>
Movement in 2022/23			
<b>Total Comprehensive (Expenditure) &amp; Income</b>	<b>3</b>	<b>2,684</b>	<b>2,687</b>
Movement on Pension Liability	-	-	-
<b>Balance at 31 March 2023</b>	<b>598</b>	<b>31</b>	<b>629</b>

<b>2021/22</b>	<b>Revenue Reserve £000</b>	<b>Pension Reserves £000</b>	<b>Total Reserves £000</b>
<b>Balance at 31 March 2021</b>	<b>585</b>	<b>(3,022)</b>	<b>(2,437)</b>
Movement in 2021/22			
<b>Total Comprehensive (Expenditure) &amp; Income</b>	<b>10</b>	<b>369</b>	<b>379</b>
Movement on Pension Liability	-	-	-
<b>Balance at 31 March 2022</b>	<b>595</b>	<b>(2,653)</b>	<b>(2,058)</b>

## ***Notes to the Financial Statements***

### **1. Statement of Accounting Policies**

- The financial statements have been prepared on, and are in compliance with, the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board. These financial statements are principally maintained on an historical cost basis.
- The financial statements are maintained on an accruals basis. Thus, sums due to or amounts owing by EMC in respect of goods and services rendered but not paid for at 31 March are included in the financial statements.
- The Revenue Recognition policy covers the rendering of services (excluding services directly related to construction contracts), the sale of goods (produced by the organisation for the purpose of sale or purchased for resale, although this is very minimal), interest and where previously a liability had been recognised (i.e. creditor) on satisfying the revenue recognition criteria. Revenue is recognised and measured at the fair value of the consideration receivable. However, if payment is on deferred terms, the consideration receivable is recognised initially at the cash price equivalent. The difference between this amount and the total payments received is recognised as interest revenue in the Net Operating Profit or Loss. Short duration receivables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial.
- Non-Current Assets are accounted for in line with IAS 16, IAS 36 and IAS 38. All expenditure on the acquisition of Plant and Equipment is capitalised on an accruals basis provided that these assets yield a benefit to the organisation for a period of more than one year and is above a de-minimis limit of £1,000 for individual items. Plant and Equipment valuation is based on depreciated historical cost and is depreciated on a straight-line basis over 5 years. Additions below the de-minimis level are recognised in the Statement of Comprehensive Income as revenue expenditure. EMC does not presently own any land or buildings or any other categories of Non-Current Assets.
- The Equity of the Organisation is shown as Reserves in the Balance Sheet. These are compliant with IFRS but follow the provisions of the Local Authority Accounting Code of Practice which establishes Reserves to allow the carry forward of balances to the following year. The Reserves are made up of the following:
  - Revenue Reserves which are made up of excess income and grants from previous years with no conditions for repayment outstanding. This funding can be used for all types of expenditure during future years.
  - Pension Reserve which is an unusable reserve showing the balance of the net pension asset.

- Cash and Cash Equivalents are represented by cash in hand, deposits with financial institutions repayable without penalty with a notice of 24 hours or less and investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The cash and cash equivalents figure is not held separately by EMC as their cash balances are held within the local authority’s Bank Account. Due to this the cash and cash equivalents figure is formulated using the cash flow statement.

- Grants are accounted for in accordance with IAS 20. Revenue grants that have met any conditions attached have been credited to the appropriate service lines within the Statement of Comprehensive Income. Conditions are stipulations that specify how the funding must be utilised by the recipient otherwise the funding must be returned. Where conditions have not been met, the grants will be held as creditors on the Statement of Financial Position.
- Employee Benefits are accounted for in accordance with IAS 19.

- **Termination Benefits**

Termination benefits are amounts payable as a result of a decision by EMC to terminate an officer’s employment before normal retirement date or an officer’s decision to accept voluntary redundancy in exchange for those benefits. Termination benefits are charged to the Statement of Comprehensive Income against staffing expenses.

- **The Local Government Pension Scheme**

The Local Government Scheme is accounted for as a defined benefits scheme. The liabilities of the scheme attributable to EMC are included in the Balance Sheet on an actuarial basis using the ‘projected unit method’. This is based on an assessment of future payments that will be made in relation to retirement benefits earned to date by employees and assumptions about mortality rates and employee turnover. Liabilities are discounted to their value at current prices using the following discount rate:

Entity	Discount Rate
	%
Nottinghamshire County Council	4.80

The assets of the fund are shown in the Balance Sheet at fair value:

- Quoted securities – current bid price
- Unquoted securities – professional estimate
- Unitised securities – current bid price
- Property – market value

The actuarial valuations are obtained triennially and are updated at each balance sheet date. The amount charged to the operating surplus is the current service costs and gains and losses on settlements and curtailments. They are included as part of staffing expenses. Past service costs are recognised immediately in the Statement of Financial Activities. The expected return on assets and the interest cost are shown as part of the financing and investment income and expenditure. Actuarial gains and losses are recognised immediately in other comprehensive income and expenditure.

▪ **The Local Government Pension Scheme**

The organisation has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to award.

- VAT incorporated in the income and expenditure account is limited to irrecoverable sums.
- Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

**2. Accounting Standards that have been issued but not yet adopted**

There are currently no new relevant account standards that affect the disclosure of EMC's financial statements.

**3. Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 1, EMC has had to make certain judgement about complex transactions or those involving uncertainty about future events.

The critical judgements made in the financial statements are:

- These financial statements have been prepared on the basis that EMC is a going concern for the foreseeable future based on the level of reserves currently held and the commitment of membership authorities to make annual contributions.

**4. Assumptions Made about the Future and Other Major Sources of Estimation / Uncertainty**

The financial statements contain estimated figures that are based on assumptions made by the Organisation about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.



The item in the Statement of Financial Position as at 31 March 2023 for which there is a significant risk of material adjustment in the forthcoming financial year is as follows:

**Pension Asset / Liability:**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. An independent firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied, although ultimate responsibility for forming these assumptions remains with the Council.

This year for the first time in many years, the carrying value of the Pension fund as an Asset at 31 March 2023 is £31,000.

## 5. Reserves

	Revenue Reserve £000	Pension Reserve £000	Total £000
<b>Balance at 31 March 2021</b>	<b>585</b>	<b>(3,022)</b>	<b>(2,437)</b>
Transfer to Revenue	10	369	379
<b>Balance at 31 March 2022</b>	<b>595</b>	<b>(2,653)</b>	<b>(2,058)</b>
Transfers from Revenue	3	2,684	2,687
<b>Balance at 31 March 2023</b>	<b>598</b>	<b>31</b>	<b>629</b>

## 6. Partnership and Government Income

	2021/22 £000	2022/23 £000
Subscription	266	272
Government Grants – Home Office Migration-related	328	305
- DLUHC Hong Kong / Ukraine	-	252
- DfT Rail Collaboration Scheme	111	111
Contractual Agreements – Midlands Connect / Other Partnerships	74	298
Other Income	462	471
<b>Total</b>	<b>1,241</b>	<b>1,709</b>

## 7. Pensions – Revenue Costs

### Local Government Pension Scheme

EMC participates in the Local Government Pension Scheme (LGPS) for employees, administered locally by Nottinghamshire County Council (NCC). This is a funded, defined benefit final salary scheme, meaning that EMC and employees pay contributions into a fund calculated at a level intended to balance the pension liabilities with investment assets.

As part of the terms and conditions of employment of its officers, EMC makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, EMC has commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. EMC recognises the cost of retirement benefits when they are earned by employees, rather than when the benefits are eventually paid as pensions.

The table below summarises the membership data as the 31 March 2023:

Member Data Summary	Number	Salaries / Pensions £000	Average Age
Actives	13	622	48
Deferred pensioners	6	34	51
Pensioners	1	2	60

The Statement of Financial Position shows a pension surplus of £31k as assessed on an IAS19 basis. The total expenditure recognised in the Statement of Comprehensive Income is as follows:

### Pension Assets and Liabilities in Relation to Post-Employment Benefits

Nottinghamshire County Council	2021-22 £000	2022-23 £000
Current Service Cost	(293)	(351)
<b>Total Operating Charge</b>	<b>(293)</b>	<b>(351)</b>
Return on Pension Assets	(356)	(421)
Interest Cost on Pension Liabilities	110	141
<b>Net Pension Finance Costs</b>	<b>(246)</b>	<b>(280)</b>

The present value of defined benefit obligations at 31 March are as follows:

Nottinghamshire County Council	2021-22 Total Costs £000	2022-23 Total Costs £000
<b>As at 1 April</b>	<b>6,418</b>	<b>6,144</b>
Obligation Created	-	-
Current Service Cost	293	351
Interest Cost	129	161
Employee Contributions	55	68
Actuarial Gain / (Loss)	(422)	(2,713)
Benefits Paid / Obligation	(329)	(208)
Past Service Costs	-	-
Curtailments and Settlements	-	-
Change in demographic assumptions	-	(274)
<b>As at 31 March</b>	<b>6,144</b>	<b>3,529</b>

The fair value of EMC's share of scheme assets is as follows:

Nottinghamshire County Council	2021-22 Total Costs £000	2022-23 Total Costs £000
<b>As at 1 April</b>	<b>3,396</b>	<b>3,491</b>
Expected return on Assets	68	93
Actuarial Gain / (Loss)	200	(232)
Employer Contributions	110	141
Employee Contributions	55	68
Benefits Paid	(338)	(1)
Curtailments and Settlements	-	-
<b>As at 31 March</b>	<b>3,491</b>	<b>3,560</b>

Local Government Pension Scheme assets comprised of:

	2021/22		2022/23	
	£000	% of total assets	£000	% of total assets
Equities	2,115	61%	2,074	58%
Gilts	103	3%	74	2%
Other Bonds	238	7%	211	6%
Property	449	13%	423	12%
Cash	195	6%	186	5%
Inflation-linked pooled fund	184	5%	180	5%
Infrastructure	207	5%	280	8%
Private Equities	-	-	132	4%
<b>As at 31 March</b>	<b>3,491</b>	<b>100%</b>	<b>3,560</b>	<b>100%</b>

#### Basis for estimating assets and liabilities:

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. The Pension Fund liabilities have been assessed by an independent firm of actuaries. Estimates for the EMC fund are based on the latest full valuation of the Pension Fund as at 31 March 2023.

The principal assumptions used by the actuary have been:

Nottinghamshire County Council	2021-22 Assumptions	2022-23 Assumptions
Mortality Assumption (in years):		
Longevity at 65 for Current Pensioners:		
Men	21.6	20.7
Women	24.3	23.5
Longevity at 65 for Future Pensioners		
Men	23.0	22.0
Women	25.8	25.0
Rate of Increases in Salaries	4.15%	3.90%
Rate of Increase in Pensions / Inflation	3.15%	2.90%
Rate for Discounting Scheme Liabilities	2.60%	4.80%

### **Pension Fund Risk Management Strategy:**

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. the promised benefits payable to members). The aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure that there is sufficient liquidity to meet the Fund's required cash flows.

These investment risks are managed as part of the overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Pension Fund Management Board and is monitored annually or more frequently if required.

### **Impact on Cash Flows:**

Following the change of servicing authority on 1 April 2014, all active members were transferred from Leicestershire Local Government Pension Scheme (LGPS) to the Nottinghamshire LGPS from this date.

The scheme will need to take account of the national changes to the scheme under the Public Pension Services Act 2013. Under the Act, The Local Government Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

## **8. Equipment**

Depreciation on equipment was completed in 2014/15, and there have been no subsequent purchases of equipment above the de-minimis level requiring depreciation.

## 9. Current Assets

### Short Term Debtors

	31 March 2022 £000	31 March 2023 £000
Partnership Contributions	63	345
Other Government Bodies	210	286
Other Entities and Individuals	5	1
<b>Total</b>	<b>278</b>	<b>632</b>

### Prepayments

	31 March 2022 £000	31 March 2023 £000
Other Government Bodies	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### Cash and Cash Equivalents

	31 March 2022 £000	31 March 2023 £000
Cash	916	911

## 10. Short Term Creditors

	31 March 2022			31 March 2023		
	Creditors £000	Receipts in Advance £000	Total £000	Creditors £000	Receipts in Advance £000	Total £000
Partnership Organisations	-	15	15	-	20	20
Other Government Bodies	-	580	580	-	917	917
Other Entities and Individuals	4	-	4	8	-	8
<b>Total</b>	<b>4</b>	<b>595</b>	<b>599</b>	<b>8</b>	<b>937</b>	<b>945</b>

## 11. Transactions with Related Parties

Details of partnership contributions and other Government grants received are shown in Note 7. The employers' contribution paid to the Pension Fund is shown in Note 8.

EMC is required to disclose material transactions with related parties, bodies or - individuals that have the potential to exert control or be controlled or influenced by EMC.

A relationship exists between certain Committee members / directors and member companies.

Any transactions between these companies and the Council are on an arms-length basis under normal market conditions.

## **Governance**

- EMC is a member-led partnership representing local government in the East Midlands.
- The full membership of EMC meets twice a year.
- The Management Group consists of 7 members including the four political group leaders of EMC plus the Chair and the Vice-Chairs of East Midlands Councils/Executive Board. The Management Group provides political leadership and advice to the organisation and is responsible for financial and non-financial performance, risk and audit matters. [Membership of Management Group \(emcouncils.gov.uk\)](http://emcouncils.gov.uk)
- The Executive Board is the strategic decision-making body of EMC on issues of interest and relevance to Local Authorities at the regional level.

## **Central Government**

Significant sources of income including programme and project funding comes from Central Government Bodies.

## **Local Government**

A significant proportion of the funds received by EMC are from membership contributions. Although no one contribution is a significant proportion of overall funding, the total funding from Local Government is a significant amount.

Until 31 March 2014, Leicestershire County Council acted as the servicing authority and accountable body for EMC, thus including the relevant expenditure and income within their Statement of Accounts. In March 2013 Leicestershire County Council formally submitted notice to withdraw from being the servicing authority and accountable body with effect from 1 April 2014. Nottingham City Council was subsequently appointed to this role and took on the responsibility of accountable body for EMC from this date forward.

## **Membership**

The Executive Board of EMC meets quarterly and is comprised of 14 local council leaders. The four political group leaders and chairs of the Regional Migration Board and the Regional Employers Board also attend.

Each member council is invited to nominate one representative to EMC ‘by right’. Additional EMC member places are allocated through the political groups, the numbers of which are determined based on political balance.

The Executive Board operates control over the organisation’s financial and operating policies. The total of members’ allowances paid in 2022/23 is £21k (2021/22: £20k). There are other members who represent their authority at full EMC meetings.

### Officers

There were no interests declared by senior officers of EMC.

### 12. Officers’ Remuneration

The Director of EMC controls the major activities of the Organisation. Details of the Directors Remuneration are shown below:

Post Title	2021/22 £000	2022/23 £000
Executive Director		
Salary	98	99
Benefits in Kind	-	-
Pension Contributions	31	30
<b>Total</b>	<b>129</b>	<b>129</b>

### 13. Segmental Analysis

The figures included within the Statement of Comprehensive Income include one minor financial accounting adjustment. This relates to the IAS19 movement between the actuarial current service cost and the actuarial employer contributions made in year.



## Statement of Responsibilities for the Financial Statements

### Nottingham City Council Strategic Director and East Midlands Council Executive Director Responsibilities

The Strategic Director of Nottingham City Council and the Executive Director of East Midlands Council are responsible for the preparation of the organisation's Statement of Accounts in accordance with International Accounting Standards (IAS) regulation and in compliance with International Financial Reporting Standards (IFRS) and are required to prepare the financial statements giving a true and fair view of the profit or loss of the organisation for the given period.

The Strategic Director and Executive Director are responsible for keeping adequate accounting records that are sufficient to show and explain the organisation's transactions and disclose with reasonable accuracy the financial position of the organisation included within the Statement of Accounts.

In preparing this Statement of Accounts, the Strategic Director and Executive Director has:

- Selected suitable accounting policies and then applied them consistently,
- Made judgements and estimates that were reasonable and prudent,
- Complied with IFRS,
- Kept proper accounting records which were up to date,
- Taken reasonable steps for the preparation and detection of fraud and other irregularities.

I certify that the Statement of Accounts has been prepared in accordance with IFRS and presents a true and fair view of the financial position of EMC and its income and expenditure for the year ended 31 March 2023.



\_\_\_\_\_  
Date: 2.10.23  
Ross Brown  
Director of Finance and Section 151 Officer, Nottingham City Council



\_\_\_\_\_  
Date: 4.10.23  
Stuart Young  
Executive Director of East Midlands Councils

# Accounting policies

(see notes 35 & 36)





## 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

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Samantha Maher	Name:	Stuart Young
Date:	31.7.23	Date:	31.7.23

## Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	<b>X</b>	No	
Has the list of officers been completed? (see Page 2A)	Yes	<b>X</b>	No	
Has the return been signed? (see Note 37)	Yes	<b>X</b>	No	
Has the auditor's report been completed? (see Note 41)	Yes	<b>X</b>	No	
Is the rule book enclosed? (see Note 39)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	<b>X</b>	No	

## 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)

Please see the attached report

Signature(s) of auditor or auditors:

See the report

Name(s):

Melvin Bailey

Profession(s) or Calling(s):

FCCA, DChA

Address(es)

Rogers Spencer, Newstead House, Pelham Road, Nottingham. NG5 1AP

Date:

Contact name for enquiries and telephone number:

Melvin Bailey, 0115 9608412

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE EXECUTIVE BOARD OF EAST MIDLANDS COUNCILS

## Report on the financial statements

### Opinion

We have audited the non-statutory financial statements (the "financial statements") of East Midlands Councils for the year ended 31 March 2023, which comprise the following:

- the Statement of Financial Position as at 31 March 2023;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include the accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

In applying the financial reporting framework, the Executive Director of East Midlands Councils and The Strategic Director of Nottingham City Council have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

In our opinion the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2023 and of its profit and cash flows for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

This opinion is to be read in the context of what we say in the remainder of this report.

### Emphasis of matter

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the cash and cash equivalents figure which is not held separately by EMC as their cash balances are held within the local authorities' bank account. Due to this the cash and cash equivalents figure is formulated using the cash flow statement. In view of the significance of this we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

### 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 organisation 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisation'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 directors are responsible for the other information. The other information comprises the information included in the Executive Summary, other than the financial statements and our auditor's report thereon. 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.

## **Responsibilities of directors**

As explained more fully in the Statement of Responsibilities for the Statement of Financial Statements set out on page 21, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

## **The extent to which the audit was considered capable of detecting irregularities including fraud.**

Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the local government sector.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the council, including taxation legislation and data protection, anti-bribery and employment legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the council's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.
- Understanding the design of the council's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in notes 1 & 4 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.
- Reviewing correspondence with the Home Office, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

## **Use of our report**

This report is made solely to the organisation's directors, the Executive Director of East Midlands Councils and The Strategic Director of Nottingham City Council, as a body, for Requirements under the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the organisation's directors 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 organisation and the organisation's directors as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'M. Bailey', with a stylized flourish at the end.

**Melvin Bailey FCCA DChA (Senior Statutory Auditor)**

**For and on behalf of Rogers Spencer  
Statutory Auditor  
Chartered Accountants  
Newstead House  
Pelham Road  
Nottingham  
NG5 1AP**

Date: 6 October 2023