

LOCAL INFORMATION UNIT LIMITED
(Company limited by Guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

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

LOCAL INFORMATION UNIT LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2020

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LOCAL INFORMATION UNIT LIMITED

LEGAL AND ADMINISTRATION

YEAR ENDED 31 DECEMBER 2020

Registered Name of charity Local Information Unit Limited

Other names used by the charity LGiU

Trustees

Cllr Abdul Jabbar
Cllr Alexander Hollingsworth
Cllr Brian Robinson
Cllr Jayne McCoy
Cllr Michael Mordey
Cllr Michael Payne (Chair)
Mike Short
Cllr Laura Mayes
Cllr Neil Nerva
Cllr Sam Chapman-Allen
Cllr Tudor Evans

Chief Executive & Company Secretary J Carr-West

Registered office 251 Pentonville Road
London
N1 9NG

Company Registration Number 01872218 (England and Wales)

Charity Registration Number 1113495

Auditor Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Bankers National Westminster Bank PLC
23 Brunswick Place
Southampton
SO15 2AQ

LOCAL INFORMATION UNIT LIMITED

LEGAL AND ADMINISTRATION (continued)

YEAR ENDED 31 DECEMBER 2020

Subsidiary undertakings:

LGiU International Ltd

Directors

J Carr-West
A Johnston

Company Registered Number

07132669 (England and Wales)

Local Energy Limited

Directors

A Johnston
J Carr-West

Company Registration number

07092950 (England and Wales)

LGiU Enterprises Limited

Directors

A Johnston
J Carr-West

Company Registration number

07073661 (England and Wales)

LGiU Ireland Limited

Directors

A Johnston
J Carr-West

Company Registration number

597961 (Ireland)

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

The trustees present their statutory report together with the consolidated financial statements of the Local Information Unit Limited and its subsidiaries for the year ended 31 December 2020.

The report has been prepared in accordance with Part VI of the Charities Act 2011 and is also the directors' report for the purposes of company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 21 therein and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice (SORP 2015) (Second Edition, effective 1 January 2019).

The financial statements include the results of the two social enterprise trading subsidiaries, Local Energy Limited and LGiU International Limited, both commenced trading in 2010 and undertake consultancy assignments. LGiU Ireland is included as a trading subsidiary of LGiU International, which commenced trading in 2018. In addition, there is a dormant intermediary holding company LGiU Enterprises Limited.

Introduction

The Local Government Information Unit (LGiU) is a membership organisation and think tank. The object of the organisation is the promotion for the public good of efficient public administration of local government by the provision of information, advice, research and training and the publication of research.

LGiU operates internationally through LGiU International, a wholly owned trading subsidiary.

Public benefit

The LGiU must be able to demonstrate that its aims and activities are for the public benefit. The Trustees have reviewed the guidance issued by the Charity Commission and have prepared this report with the guidance in mind.

Mission/Vision

We are a not-for-profit membership organisation and think tank. We work for local authorities and with local authorities helping them to serve their communities more effectively. We give councillors and councils officers the information they need to do their jobs today, the ideas they need to improve for the future and the networks they need to learn and to share.

As LGiU becomes increasingly international in focus, our aim is to be the preeminent global hub for the best information, ideas and insight about local government and local democracy and to create a global network of local authorities, public servants and politicians supporting each other to strengthen local democracy, improve public services and meet the complex challenges of the 21st century

Activities, specific objectives and relevant policies

◆ **Activities and specific objectives**

To fulfil our charitable mission, we support innovation in local government working with our members and others to provide:

- ◆ the **information** they need to be effective: including policy briefings and wider services such as seminars, conferences, publications, consultancy and learning and development;
- ◆ the **innovation** they need to do things differently: including research and thought leadership and developing and sharing good practice.
- ◆ the **influence** they need to put new thinking into practice: through our policy making, media and public affairs activity, we make the case for policy change that gives councils and their partners the freedom to make local decisions, shape local services, and be responsive to local citizens.

◆ **Volunteers**

Generally, the LGiU does not use volunteers. Internships are occasionally provided to people seeking work experience and are paid at the London living wage.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

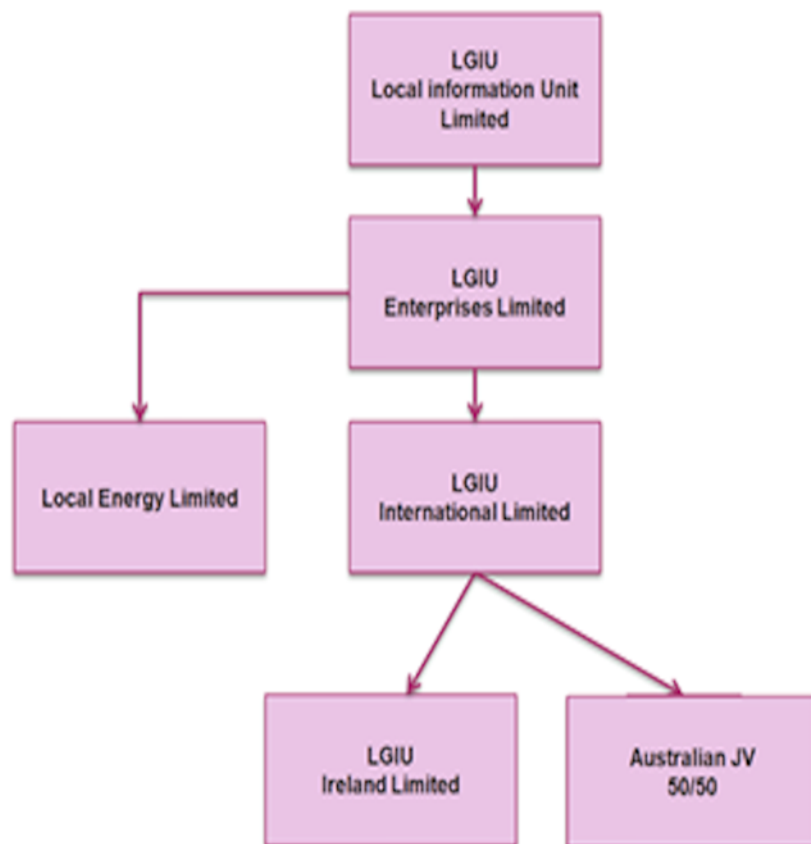
YEAR ENDED 31 DECEMBER 2020

The LGiU Group

Since 2015 the LGIU has been expanding its international operations with the launch of LGIU Scotland, LGIU Ireland and LGIU Australia.

We believe that if local government is at its best when it is informed, engaged and networked, then all our members will gain value from global perspectives, lessons and relationships.

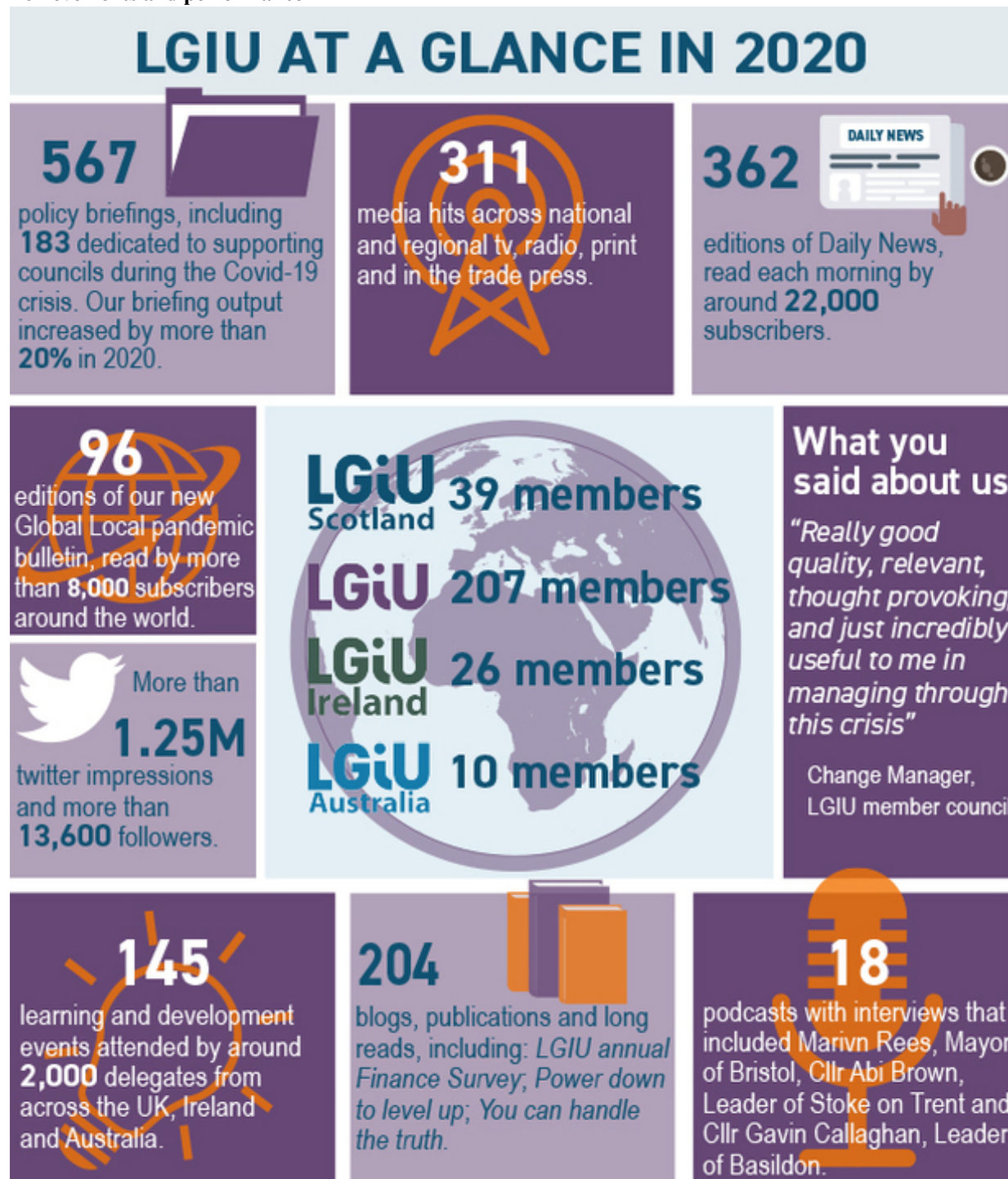
These international operations are trading subsidiaries wholly owned by LGIU.



LGiU Enterprises and LGIU International have boards which report to the main LGIU Board. The relationship between subsidiaries is set out in a Resource Sharing Agreement and governed by a conflict of interests policy.

These arrangements are regularly reviewed by our legal advisors Bates Wells. LGIU International and LGIU Ireland are audited separately.

Achievements and performance



LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

LGIU in 2020

2020 was an unprecedentedly challenging year for everyone, not least local government.

At LGIU we were fortunate in that we were already set up for home working, already had a dispersed team, deliver most of our services online and invoice most of our income at the beginning of the year.

This gave us a good degree of resilience and flexibility in relation to the pandemic and there was minimal impact on business continuity except in relation to learning and development and other events such as Cllr awards which we repurposed to be online only.

The mental and physical well being of staff has been our top-priority. We closed the office in March ahead of government guidance and we are still working at home.

We are fortunate that while three members of staff have had mild cases of Covid-19, no one has been seriously ill. To combat the potential stress and isolation of prolonged home working we introduced a new employee wellness support service and have ensured regular formal and social contact with all employees. We also operate a policy of complete flexibility to allow staff to manage caring and homeschooling responsibilities.

We will be starting a cautious return to the office for staff who wish to in summer 2021.

Overall, despite the challenges, 2020 was a successful year for LGIU, we increased our productivity and our output and our impact.

Covid-19 has dominated the year and our briefing service has responded, providing information and analysis crucial to understanding and responding to the effects of the pandemic on individuals and communities. Our briefing output increased by 20% on last year and we carried on delivering briefings on the full range of issues – from Brexit, to finance, to education – that still confront local government in the midst of the global health crisis.

We expanded the number and scope of the international briefings that we now offer members, bringing them global learning on Covid-19, sustainability and more from Australia, South Africa, Europe and elsewhere.

Other significant developments in 2020 included the launch of LGiU Australia in February. Progress has been slower than hoped because of the pandemic and internal travel restriction but the service has nonetheless established itself and had 12 members by the end of the year (income c AUD 50K).

We also launched the LGIU's new Local Democracy Research which Centre brings together experts from local government and academia to do practical research on some of the key challenges for local democracy around the World.

Through the Local Democracy Research Centre, we are developing a broad, international programme that engages universities and local authorities to develop new ideas and approaches for governance, municipalism and citizen participation. The projects are rooted in practice but draw on insights and ideas from academia.

Membership numbers held fairly steady in 2020, despite a challenging financial environment within local government. At the end of December 2021, we had 284 paying members, up by 13 since the start of the year; this includes 187 governance members in England (i.e. local authorities and trade unions). Growth was mainly driven by new members in Australia, as well as three new members in England and one in Ireland. A major project this year has been to improve the quality of our membership data, by pulling together information from financial records, email correspondence, the CRM and content readership, which has given us a much clearer picture of our performance and key risk/opportunity areas. Relationship managers can now see more clearly what is happening in their region and know what actions they need to take, which sets us up well for 2021's recruitment and retention plans.

Across England, Scotland, Ireland and Australia, one of our first Covid-19 briefings on information and commentary was extremely popular, achieving an almost 50% open rate and over 2,000-page views, making it the most-viewed briefing of the year. In England, the other top briefings were on the 2020 Budget and key updates for local government on Covid-19 (which was also in the top three for Scotland). Also popular in Scotland was a briefing on the Scottish Budget. The most-

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

read Irish briefings included a look at Age Friendly Ireland's response to Covid-19 and spatial and economic strategies in the eastern and middle regions. Finally, for Australia, the top briefings considered recycling and waste management, health and wellbeing integration in urban planning and the Circularity Gap. As far as total briefings produced for 2020, 607 were sent to our members across the globe – this compared to 457 in 2019. This included 186 Covid-19 specific briefings and 96 editions of the new Global-Local Pandemic Bulletin.

The website consistently received a high number of views throughout the year, achieving almost half a million-page views. This compares to 359,917-page views for the whole of 2019. The top pages were the home page, English facts & figures page and membership page. The website peaks were on 17th March (corresponding with the publication of our first Covid briefing), 8th September (several new briefings), 14th October (the day the Cllr Awards shortlists were announced) and 25th November (the day of the Spending Review and the day between the English and Scottish Cllr Awards ceremonies).

In 2020, we produced 200 blogs compared to 127 in 2019.

We held 36 events this year – 30 virtual and 6 in-person events (compared to 21 in-person events in 2019 and no virtual events). We participated in 21 speaker platforms (compared to 16 in 2019). Highlights of our speaker platforms included the LGC Summit, the CCA and LGA Labour Conference and giving evidence to the HCLG Select Committee, while LGIU events included the Cllr Awards, virtual leaders 'dinners at the party conferences, a virtual APPG meeting on the long-term funding implications for local authorities post-Covid-19 and a homelessness webinar with Dame Louise Casey.

On the L&D front, we held 145 webinars and in-person seminars (pre-pandemic) which were attended by over 2,000 people, demonstrating the success of moving these seminars online (compared to 102 in 2019).

Media coverage was good this year, although slightly lower due to the local elections being cancelled (572 hits in 2019 and 348 hits in 2020). There was notable coverage of our response to Croydon's Section 114 notice on BBC Radio 4 as well as coverage of our press statement on the Spending Review. We featured in the Telegraph for our response to the provisional local government funding settlement announced in December. Our response to the new coronavirus funding package for local government was picked up by major news sites such as The Guardian, the FT and the BBC and we received significant regional coverage across England and Scotland for the Cllr Awards.

Financial Review

◆ Results for the year

- ◆ 2020 was a successful year for LGiU in which we continued to build on strong financial performance of the previous two years.
- ◆ A surplus of £170K was achieved before adjustments for pension costs.
- ◆ The LGiU reserves excluding pension liability were £672k at the end of 2020.
- ◆ LGiU's finances reflect the Board's ambition to create a sustainable financial model for the LGiU. There is now a structural surplus built into the relationship between our two main financial lines – affiliate income and salaries.
- ◆ Despite the pandemic, LGiU income was largely as budgeted but expenditure was lower because we did not put on large in person events.
- ◆ 2021 budget anticipates a surplus of approximately £7k in LGiU whilst the LGiU Group as a whole is forecast to generate a slightly larger surplus of approximately £80k.
- ◆ These figures do not include the results of the FRS17 annual pension fund report.

◆ Reserves policy

The trustees recognise the need to hold reserves to protect against unforeseen fluctuations in income, assist long term strategic planning, and to provide a fund to deal with costs arising should the organisation cease to trade.

General funds of the group at 31 December 2020 were £672,407 (2019- £502,598) and the pension reserve deficit was £5,021,000 (2019 - deficit of £3,232,000).

The pension is a defined benefit scheme and we are part of a pool within the Camden Council LGPS. Such schemes typically show large deficits, but the pension deficit is not taken into account against reserves and is dealt with from future budgets. LGiU budgets are, and have always been, prepared on this basis. The level of contribution that LGiU makes to the pension fund is set every three years. We are currently half way through one of the periods and we have retained enough space in the budget to be able to increase the contribution in future if necessary. The trustees are satisfied that we will be able to meet future commitments.

The 2020 reserves represent approximately 12 weeks' expenditure which are adequate but not excessive.

Our strategic aspiration in 2017 was to grow reserves to around £500K by the end of 2020 and we have exceeded this target.

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

In 2021 we are budgeting a group surplus of c£80k. This includes investment in a new CRM, enhanced audience insight research and development of new global information products, using the strong financial position we have built up to invest in the future while retaining a strong cash reserve.

◆ Investment policy

Any surplus cash is held in either our deposit account, or in short term bonds specifically designed for charities who want to retain liquidity and attract a reasonable rate of return.

◆ Risk management

The most significant risk faced by the LGiU is the loss of income, primarily from the resignation of members. Strategies are in place to retain existing members and to recruit new ones. The Executive Board is regularly updated about these issues, together with actions being taken to ameliorate the risk.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

The LGiU believes that while local government still has substantial reductions in spending to implement, our active member engagement strategy and improvements to services mitigate the risk of substantial decline in membership income. Expansion into other local government markets around the world also offsets that risk.

We have commissioned a new CRM that will enable us to track our engagement with our members even more effectively and to deliver more personalised services. We are also undertaking detailed audience research to generate further customer insight and will be expounding the membership teams in 2021.

The Coronavirus crisis and potential for a prolonged recession presents a series of long-term challenges to local government finance both in the UK and beyond which will make it all the more important that we continue to demonstrate real and practical value to our members across the world.

The LGiU also faces the organisational risks that would be expected in a small company, such as loss of key staff. Strategies are in place to anticipate and reduce these risks and staff movement in 2020 has not led to any significant problems.

Governance, structure and management

◆ **Governance**

The LGiU is a registered charity (Charity Registration Number 1113495) and is constituted as a company limited by guarantee (Company Registration Number 01872218). It is governed by its memorandum and articles of association, which were most recently modified in July 2009. The charity was registered with the Charity Commission in England and Wales on 30 March 2006. The Local Information Unit Limited (which trades as the Local Government Information Unit) was registered as a company limited by guarantee on 17 December 1984 and has been operating since that date.

The trustees of the charity are also directors of the company for the purposes of the Companies Act. Each affiliate of the LGiU nominates a representative to be part of the Members' Assembly, the body which debates the general policy direction of the organisation. The Members' Assembly elects the Executive Board (Board of Directors) from within their ranks. Directors/trustees serve a three year set term before being required to stand for re-election. Where directors/trustees resign or become ineligible, a replacement is sought at the next Members' Assembly meeting to complete that three year term. The memorandum and articles of association specify a minimum number of places on the Board from different types of affiliates, such as District Councils, London Boroughs and Trade Unions etc. This is to ensure balanced representation of the membership.

New trustees are given relevant documentation on their duties and responsibilities, including the Charity Commission publication designed for this purpose. The LGiU has several nominated contacts that trustees can contact if they have any specific queries.

Trustees are offered the opportunity to take part in various training opportunities, and the LGiU is always prepared to buy in specific training as and when necessary.

◆ **Structure and management reporting**

The day-to-day running of the organisation is delegated to the staff under the leadership of the Chief Executive. The Executive Board meets about six times per year primarily to discuss issues of strategic direction in relation to the running of the organisation. They approve the annual budget before the start of the year and then monitor its progress through regular updates. In addition, the Executive Board has a business and policy planning weekend each September, together with senior staff.

◆ **Remuneration**

The Board has a Remuneration Committee with a membership of four Board members which has oversight of pay strategy across the organisation and direct responsibility for the Chief Executive's pay and appraisal.

Current membership of the Remuneration Committee is Michael Payne, Mike Short and two vacancies.

The Remuneration Committee appoints an independent person to accompany the Chair to conduct the annual appraisal for the Chief Executive to ensure the process is open and transparent.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

Plans for the future

LGIU began 2020 in a robust position. Our ambition for 2025 was to become the preeminent global hub for the best information, ideas and insight about local government and local democracy and to create a global network of local authorities, public servants and politicians supporting each other to strengthen local democracy, improve public services and meet the complex challenges of the 21st century.

Obviously, no one anticipated how 2020 would turn out. But events of the past year only make LGIU's mission and ambition more relevant not less.

In 2021 we want to build on the momentum generated by a successful 2020. We begin 2021 with working groups looking at how to further improve performance in CRM, audience insight, content integration, learning and development and new global products.

Our aspirations for the year include:

- five research projects delivered by the new Research Centre
- Launch new Global Local newsletter
- Phase two LGIU Australia, doubling membership
- Launching new contact management system
- Full scoping and business plan for LGiU South Africa
- Growing audience among existing members for retention and non members for recruitment.

Taken together these will improve our ability to support our members as the recovery phase of the pandemic poses critical challenges for the local government sector and will support LGIU to continue as a sustainable and dynamic organisation.

Trustees' liability

In the event of the charity being wound up the trustees, are required to contribute an amount not exceeding £1.

Statement of Trustees' responsibilities

The trustees (who are also directors of Local Information Unit Limited for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

LOCAL INFORMATION UNIT LIMITED

TRUSTEES' REPORT

YEAR ENDED 31 DECEMBER 2020

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the trustees and signed on their behalf by:



Michael Payne
Trustee

Date: 13 July 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LOCAL INFORMATION UNIT LIMITED

Opinion

We have audited the financial statements of Local Information Unit Limited for the year ended 31 December 2019 which comprise, the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and related to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the [group/charitable company]'s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LOCAL INFORMATION UNIT LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the parent charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to management override, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management override. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates including the defined benefit pension scheme.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

LOCAL INFORMATION UNIT LIMITED

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory
Auditors Date: 13 July 2021

10 Queen Street Place
London
EC4R 1AG

LOCAL INFORMATION UNIT LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME & EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2020

		Total funds	
		2020	2019
INCOME AND EXPENDITURE	Notes	£	£
INCOME			
Charitable activities			
Affiliation fees & subscriptions		1,517,103	1,499,748
Consultancy and project income		216,028	226,334
Income from:			
Investment income, bank and other interest		1,222	3,873
Total income		<u>1,734,353</u>	<u>1,729,955</u>
EXPENDITURE			
Expenditure on charitable activities			
Services to affiliates & subscribers	2	698,799	765,327
Conferences, seminars and training	2	208,350	220,758
Consultancy	2	265,891	281,377
Publications	2	139,916	151,721
Trading activities	2	251,588	137,543
Total expenditure		<u>1,564,544</u>	<u>1,556,726</u>
Net income/ (expenditure) before additional pension costs		169,809	173,229
Service cost and other movements on pension provision	17	<u>(44,000)</u>	<u>(47,000)</u>
Net income/ (expenditure) before other recognised gains and losses		125,809	126,229
Actuarial gains/ (losses) on defined benefit pension scheme	17	<u>(1,745,000)</u>	<u>(288,000)</u>
Net movement in funds		<u>(1,619,191)</u>	<u>(161,771)</u>
Fund balances brought forward at 1 January 2020		<u>(2,729,402)</u>	<u>(2,567,631)</u>
Fund balances carried forward at 31 December 2020		<u><u>(4,348,593)</u></u>	<u><u>(2,729,402)</u></u>

All of the group's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the Statement of Financial Activities.

All comparative figures were also unrestricted and have been presented on the Statement of Financial Activities.

LOCAL INFORMATION UNIT LIMITED

COMPANY NUMBER: 01872218

GROUP AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	Charity £	Group £	Charity £	Group £
Fixed assets					
Tangible assets	8	4,777	4,777	8,491	8,491
Intangible assets	8	15,050	15,050	25,650	25,650
Investments	9	3	-	3	-
		<u>19,830</u>	<u>19,827</u>	<u>34,144</u>	<u>34,141</u>
Current assets					
Debtors due within one year	10	230,336	62,455	253,183	177,990
Short term deposits		392,773	392,773	391,745	391,745
Cash at bank and in hand		341,789	543,248	156,923	248,427
		<u>964,898</u>	<u>998,476</u>	<u>801,851</u>	<u>818,162</u>
Creditors: amounts falling due within one year	11	(312,321)	(345,896)	(333,397)	(349,705)
Net current assets		<u>652,577</u>	<u>652,580</u>	<u>468,454</u>	<u>468,457</u>
Net assets excluding pension liability		<u>672,407</u>	<u>672,407</u>	<u>502,598</u>	<u>502,598</u>
Pension liability	17	(5,021,000)	(5,021,000)	(3,232,000)	(3,232,000)
Net liabilities including pension liability		<u>(4,348,593)</u>	<u>(4,348,593)</u>	<u>(2,729,402)</u>	<u>(2,729,402)</u>
Represented by:					
Funds and reserves					
Income funds:					
Unrestricted funds					
General funds	14	672,407	753,507	502,598	620,456
Pension reserve	17	(5,021,000)	(5,021,000)	(3,232,000)	(3,232,000)
		<u>(4,348,593)</u>	<u>(4,267,493)</u>	<u>(2,729,402)</u>	<u>(2,611,544)</u>
Non-charitable trading funds	14	-	(81,100)	-	(117,858)
		<u>(4,348,593)</u>	<u>(4,348,593)</u>	<u>(2,729,402)</u>	<u>(2,729,402)</u>

The parent charity's income for the year was £1,574,669. Net movement in funds before the pension costs was £169,809. Net movement in funds after pensions was £(1,619,191).

The financial statements were approved and authorised for issue by the Trustees on and were signed on their behalf by:



Michael Payne
Director of Local Information Unit Limited

Date: 13 July 2021

LOCAL INFORMATION UNIT LIMITED

COMPANY NUMBER: 01872218

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	Charity £	Group £	Charity £	Group £
Cashflow from operating activities				
Net income/(expenditure) for the year	(1,619,191)	(1,619,191)	(161,771)	(161,771)
Adjustments for				
Movements on defined benefit pension scheme	1,789,000	1,789,000	335,000	335,000
Depreciation of tangible and intangible assets	15,103	15,103	9,600	9,600
Interest received	(1,222)	(1,222)	(3,873)	(3,873)
Decrease / (increase) in debtors	22,847	115,535	(82,336)	(55,082)
(Decrease) in creditors	(21,076)	(3,089)	(110,892)	(108,412)
Net cash generated from operating activities	185,461	295,416	(14,272)	15,462
Cashflow from investing activities				
Net purchase of fixed assets	(789)	(789)	(30,584)	(30,584)
Interest received	1,222	1,222	3,873	3,873
	433	433	(26,711)	(26,711)
Net increase in cash	185,894	295,849	(40,983)	(11,249)
Net cash and cash equivalents at the start of the year	548,668	640,172	589,651	651,421
Net cash and cash equivalents at the end of the year	734,562	936,021	548,668	640,172
Cash and cash equivalents consists of:				
Short Term deposits	392,773	392,773	391,745	391,745
Cash at bank and in hand	341,789	543,248	156,923	248,427
Cash and cash equivalents at 31 December	734,562	936,021	548,668	640,172
Change in net debt:				
Debt as at 01 January	548,668	640,172		
Cash flows	185,894	295,849		
Debt as at 31 December	734,562	936,021		

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP 2015) (Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Local Information Unit Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements which is to 31st July 2022. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on membership and other income and considered the impact of the coronavirus pandemic on the LGIU's operations. The majority of the LGIU's income comes from membership income which is fixed from 30 June in the preceding financial year. This allows Trustees to be confident that expenditure budgets are appropriate. The Trustees do not believe that the pension deficit will crystallise in the short term as the scheme is still open and LGIU has active employees in the scheme. In considering going concern the trustees have reviewed cash flows and are confident that the Charity can meet ongoing liabilities, including contributions to the pension scheme. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Local Energy Limited, LGiU International Ltd, LGiU Enterprises Limited and LGiU Ireland Limited on a line by line basis. A separate statement of financial activities is not prepared by the charity itself following the exemption afforded by section 408 of the Companies Act 2006.

Income

Income is recognised in the period in which the charity and the group are entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity and the group has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Financial Instruments

Financial assets such as cash and debtors are measured at their present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors, loans and finance leases are measured at the present value of the obligation.

Expenditure and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred. Expenditure which can be allocated directly to the charity and the group's charitable activities are charged against the applicable activity. All other costs are treated as support costs and are allocated to activities on the basis of staff time spent on those activities.

Expenditure comprises the following:

The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:

- Staff costs
- Premises costs
- Office costs
- Other costs

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

All assets costing more than £500 with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- | | |
|--|---------------------------------------|
| • Furniture and general office equipment | Over 6 years on a straight line basis |
| • Computer equipment and website | Over 3 years on a straight line basis |

Intangible fixed assets

All assets costing more than £500 with an expected useful life exceeding one year are capitalised.

Intangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- | | |
|-----------|---------------------------------------|
| • Website | Over 3 years on a straight line basis |
|-----------|---------------------------------------|

Fixed asset investments

The investments in the subsidiary undertakings, Local Energy Limited, LGiU International Ltd, LGiU Enterprises Limited and LGiU Ireland Limited, are stated at cost.

Fund accounting

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight-line basis over the lease term.

Pension costs

Defined benefit pension scheme

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period are charged to the statement of financial activities.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as other recognised gains and losses for the period. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

Local Information Unit Limited has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet as advised by an independent actuarial adviser. The assumptions reflect historical experience and current trends.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1. ACCOUNTING POLICIES (continued)

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives - The annual depreciation charge for property, plant and equipment and intangible assets is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Functional currency and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in a foreign operation are recognised in other comprehensive income and are not reclassified to profit or loss.

Translation of group companies

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling (£) using the closing exchange rate. Income and expenses are translated using the average rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising on the translation of group companies are recognised in other comprehensive income and are not reclassified to profit or loss.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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

	Services to affiliates £	Conference seminars & training £	Consultancy £	Publications £	Trading Activities £	2020 Total funds £
Staff costs	451,863	142,976	127,358	102,319	6,113	830,629
Other direct costs	31,104	-	83,298	-	83,984	198,386
Allocation of support costs (note 3)	698,799	65,374	55,235	37,597	161,491	535,529
	<u>698,799</u>	<u>208,350</u>	<u>265,891</u>	<u>139,916</u>	<u>251,588</u>	<u>1,564,544</u>
	<u><u>698,799</u></u>	<u><u>208,350</u></u>	<u><u>265,891</u></u>	<u><u>139,916</u></u>	<u><u>251,588</u></u>	<u><u>1,564,544</u></u>
	Services to affiliates £	Conference seminars & training £	Consultancy £	Publications £	Trading Activities £	2019 Total funds £
Staff costs	424,720	137,250	122,800	100,988	5,642	791,400
Other direct costs	71,308	-	88,731	-	41,111	201,150
Allocation of support costs (note 3)	269,299	83,508	69,846	50,733	90,790	564,176
	<u>765,327</u>	<u>220,758</u>	<u>281,377</u>	<u>151,721</u>	<u>137,543</u>	<u>1,556,726</u>
	<u><u>765,327</u></u>	<u><u>220,758</u></u>	<u><u>281,377</u></u>	<u><u>151,721</u></u>	<u><u>137,543</u></u>	<u><u>1,556,726</u></u>

3. SUPPORT COSTS

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

		2020 £	2019 £
Governance costs	Basis of appointment		
Auditor's remuneration – statutory audit	Staff time	16,550	12,285
Other governance costs	Staff time	5,614	10,177
		<u>22,164</u>	<u>22,462</u>
Other support costs	Basis of appointment		
Staff costs	Time spent	113,179	123,083
Premises costs	Staff time	90,157	100,436
Office costs	Staff time	214,989	201,331
Other costs	Staff time	95,130	116,864
		<u>513,365</u>	<u>541,714</u>
Total		<u><u>535,529</u></u>	<u><u>564,176</u></u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

4. NET INCOME

	Total Funds 2020 £	Total Funds 2019 £
This is stated after charging:		
Staff costs (note 5)	943,807	914,482
Auditors remuneration		
- statutory audit services	16,550	12,285
Depreciation	15,103	9,600
Operating lease rentals	41,022	41,022
	<u>943,807</u>	<u>914,482</u>

5. EMPLOYEES AND STAFF COSTS

	2020 £	2019 £
Staff costs during the year were as follows:		
Wages and salaries	662,392	601,525
Social security costs	71,594	65,793
Other pension costs	206,504	244,060
Redundancy costs	-	-
Other	3,317	3,104
	<u>943,807</u>	<u>914,482</u>

In addition, consultants were used during the year at a cost of £51,427 (2019: £85,600).

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

	2020 Number	2019 Number
Charitable activities	14	14
Support	2	2
	<u>16</u>	<u>16</u>

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2020 Number	2019 Number
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£120,001 - £130,000	1	1
	<u>2</u>	<u>2</u>

The total employee benefits including pension contributions of the key management personnel were £313,962 (2019: £303,238). The Key Management Personnel are defined as the Leadership team which is made up of 2 people consisting of the chief executive and chief operating officer.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

6. TRUSTEES' REMUNERATION

An honorarium was paid to the Chair of Trustees of £8,742 (2019 - £8,760). None of the other trustees received any remuneration in respect of their services during the year (2019 - £nil).

During the year expenses amounting to £nil (2019 - £44) were reimbursed to 0 trustees (2019 - 1).

The cost of refreshments at Trustee meetings and the accommodation costs for the overnight Executive Board business planning meeting are met directly by the LGiU. In 2020 this amounted to £127 (2019 - £1,428).

The trustees of the charity are members of local councils which pay membership subscriptions to LGIU. Membership fees to these organisations are charged on an arm's length basis.

7. TAXATION

Local Information Unit Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

Any taxable profits generated by the subsidiary companies will be donated to the parent charity.

8. FIXED ASSETS

Total Fixed Assets

	2020 £	2019 £
Tangible Fixed Assets (a)	4,777	8,491
Intangible Fixed Assets (b)	15,050	25,650
	<u>19,827</u>	<u>34,141</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

8. FIXED ASSETS (continued)

a) Tangible Fixed Assets

	Fixtures and Fittings £	Computers £	Total £
Charity and Group			
Cost or valuation			
At 1 January 2020	3,997	42,775	46,772
Additions	-	789	789
	<hr/>	<hr/>	<hr/>
At 31 December 2020	3,997	43,564	47,561
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2020	3,997	34,284	38,281
Charge for the year	-	4,503	4,503
	<hr/>	<hr/>	<hr/>
At 31 December 2020	3,997	38,787	42,784
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 December 2020	-	4,777	4,777
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	8,491	8,491
	<hr/>	<hr/>	<hr/>

b) Intangible Fixed Assets

	Website £	Total £
Charity and Group		
Cost or valuation		
At 1 January 2020	31,800	31,800
Additions	-	-
	<hr/>	<hr/>
At 31 December 2020	31,800	31,800
	<hr/>	<hr/>
Depreciation		
At 1 January 2020	6,150	6,150
Charge for the year	10,600	10,600
	<hr/>	<hr/>
At 31 December 2020	16,750	16,750
	<hr/>	<hr/>
Net book values		
At 31 December 2020	15,050	15,050
	<hr/>	<hr/>
At 31 December 2019	25,650	25,650
	<hr/>	<hr/>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. Investments

Charity	Shares in subsidiary companies £	Total £
Cost at 1 January 2020 & 31 December 2020	3	3

Local Information Unit Limited owns the entire called up share capital of LGiU Enterprises Limited, a company registered in England and Wales, which has been dormant since incorporation.

LGiU Enterprises Limited was dormant during the year and owns the entire called up share capital of Local Energy Limited and LGiU International Ltd, which are trading companies registered in England and Wales. In addition LGiU International Ltd is the parent of LGiU Ireland Limited a company registered in Ireland.

The Company Registration Numbers and incorporation dates of the subsidiary companies are given below:

	Company Registration number	Date of incorporation
LGiU Enterprises Limited	7073661	12 November 2009
Local Energy Limited	7092950	2 December 2009
LGiU International Ltd	7132669	21 January 2010
LGiU Ireland Limited	Ireland (597961)	8 February 2018

A summary of the trading results of the group's trading subsidiaries for the year ended 31 December 2020 are given below. Any taxable profits generated by the subsidiaries will be Gift-Aided to the parent charity.

	2020 £	2019 £
Local Energy Limited		
Profit & loss Account		
Turnover	-	-
Cost of sales	(2,061)	(4,062)
	<hr/>	<hr/>
Operating loss before Gift Aid	(2,061)	(4,062)
	<hr/>	<hr/>
Gift Aid	-	-
	<hr/>	<hr/>
Loss for the financial year	(2,061)	(4,062)
	<hr/>	<hr/>
Balance Sheet		
Current assets	722	927
Current liabilities	(117,285)	(115,429)
	<hr/>	<hr/>
Net Liabilities	(116,563)	(114,502)
	<hr/>	<hr/>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. INVESTMENTS (continued)

	2020	2019
	£	£
LGiU International Ltd		
Profit & Loss Account		
Turnover	622,190	119,625
Cost of sales	(583,371)	(102,972)
	<hr/>	<hr/>
Operating profit/(loss)	38,819	16,653
Gift Aid	-	-
	<hr/>	<hr/>
Profit/(loss) for the financial year	<u>38,819</u>	<u>16,653</u>
Balance Sheet		
Current assets	61,210	21,266
Current liabilities	(27,068)	(25,943)
	<hr/>	<hr/>
Net Liabilities	<u>34,142</u>	<u>(4,677)</u>

	£	£
LGiU International Ltd		
Statement of income and retained earnings		
Total equity brought forward	(4,677)	(21,330)
Total comprehensive income for the year	38,819	16,653
Gift aid distribution to parent charity	-	-
	<hr/>	<hr/>
Total equity carried forward	<u>34,142</u>	<u>(4,676)</u>

	2020	2019
	£	£
LGiU Ireland Limited		
Profit & Loss Account		
Turnover	41,883	28,146
Cost of sales	(41,833)	(28,146)
	<hr/>	<hr/>
Operating profit	-	-
Gift Aid	-	-
	<hr/>	<hr/>
Profit for the financial year	<u>-</u>	<u>-</u>
Balance Sheet		
Current assets	148,534	93,037
Current liabilities	(148,534)	(93,037)
	<hr/>	<hr/>
Net Assets	<u>-</u>	<u>-</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. INVESTMENTS (continued)

As at 31 December 2020, the capital and reserves for each company was as follows:

	Issued share capital	Retained profit/(losses)	Total
LGiU Enterprises Limited	1	-	1
Local Energy Limited	1	(116,563)	(116,562)
LGiU International Ltd	1	34,142	34,143
LGiU Ireland Limited	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

10. DEBTORS: due within one year

	2020		2019	
	Charity £	Group £	Charity £	Group £
Trade debtors	25,052	28,545	75,871	97,057
Amounts due from subsidiary undertakings	173,049	-	98,921	-
Prepayments and accrued income	23,240	23,240	67,385	67,385
Other debtors	-	-	203	203
VAT	8,995	10,670	10,803	13,345
	<u>230,336</u>	<u>62,455</u>	<u>253,183</u>	<u>177,990</u>

11. CREDITORS: amounts falling due within one year

	2020		2019	
	Charity £	Group £	Charity £	Group £
Trade creditors and accruals	299,288	315,194	286,732	295,242
Other creditors	419	419	34,42	34,432
Deferred income (note 12)	12,614	30,283	12,233	20,031
	<u>312,321</u>	<u>345,896</u>	<u>333,397</u>	<u>349,705</u>

12. DEFERRED INCOME

	2020		2019	
	Charity £	Group £	Charity £	Group £
Deferred Income Brought Forward	12,233	20,031	138,960	146,239
Deferred in the year	12,614	30,283	12,233	20,031
Released in the year	(12,233)	(20,031)	(138,960)	(146,239)
	<u>12,614</u>	<u>30,283</u>	<u>12,233</u>	<u>20,031</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	General funds and non- Charitable trading funds £	Pension reserve £	2020 Total £
Fund balances at 31 December 2020 are represented by:			
Fixed assets	19,827	-	19,827
Current assets	998,476	-	998,476
Creditors: amounts falling due within one year	(345,896)	-	(345,896)
Net pension liability	-	(5,021,000)	(4,708,000)
Total net assets	672,407	(5,021,000)	(4,348,593)

Group	General funds and non- Charitable trading funds £	Pension reserve £	2019 Total £
Fund balances at 31 December 2019 are represented by:			
Fixed assets	34,141	-	34,141
Current assets	818,162	-	818,162
Creditors: amounts falling due within one year	(349,705)	-	(349,705)
Net pension liability	-	(3,232,000)	(3,232,000)
Total net assets	502,598	(3,232,000)	(2,729,402)

14. MOVEMENT IN FUNDS

2020	B/Fwd £	Income £	Expenditure £	Actuarial Gains £	C/Fwd £
General Funds	620,456	1,734,353	(1,601,302)	-	753,507
Pension Reserve	(3,232,000)	-	(44,000)	(1,745,000)	(5,021,000)
Total net (liabilities) (charity)	(2,611,544)	1,734,353	(1,645,302)	(1,745,000)	(4,267,493)
Non-charitable trading funds	(117,858)	-	36,758	-	(81,100)
Total net (liabilities) (group)	(2,729,402)	1,734,353	(1,603,726)	(1,745,000)	(4,348,593)

LOCAL INFORMATION UNIT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****14. MOVEMENT IN FUNDS (continued)****2019**

	B/Fwd	Income	Expenditure	Actuarial	C/Fwd
	£	£	£	Gains	£
				£	
General Funds	459,819	1,729,955	(1,569,318)	-	620,456
Pension Reserve	(2,897,000)	-	(47,000)	(288,000)	(3,232,000)
Total net assets (charity)	(2,437,181)	1,729,955	(1,616,318)	(288,000)	(2,611,544)
Non-charitable trading funds	(130,450)	-	12,592	-	(117,858)
Total net assets (group)	(2,567,631)	1,729,955	(1,603,726)	(288,000)	(2,729,402)

15. FINANCIAL COMMITMENTS**Operating leases**

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

	Land and buildings	
	2020	2019
	£	£
Charity and Group		
Amounts due:		
Less than one year	57,250	53,193
Within two to five years	71,563	179,886
More than five years	-	-
	<u>128,813</u>	<u>233,079</u>

16. LIABILITY OF MEMBERS

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

17. PENSION COMMITMENTS

The charity is one of several employing bodies included within the Camden Local Government Pension Scheme (Camden LGPS). The Camden LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation of the scheme took place in 2010. The results of the valuation have been made available to the employers and show a smaller increase in future employer contribution rates than previously expected.

The following information is based upon a full actuarial valuation of the fund at 31 March 200, updated to 31 December 2020 by a qualified independent actuary.

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PENSION COMMITMENTS (continued)

	2020 %	2019 %	2018 %
The major assumptions used by the actuaries were:			
Rate of increase in salary	1.6	2.6	3.0
Rate of increase in pensions in payment	2.5	2.2	2.4
Discount rate	1.3	2.0	2.9
Inflation assumption	2.5	2.4	2.4

Following the Chancellor's budget statement in June 2010, the measure of inflation used by the actuary changed from the Retail Price Index (RPI) to the Consumer Price Index (CPI).

Literature provided to scheme members specifically linked pension benefit increases to the RPI. The trustees therefore consider the change to CPI to be an augmentation of benefits, rather than a change in actuarial assumptions.

The mortality assumptions used were as follows:

	2020 Years	2019 Years
Longevity at age 65 for current pensioners		
- Men	21.8	21.8
- Women	23.9	23.9
Longevity at age 65 for future pensioners		
- Men	23.2	23.2
- Women	25.9	25.9

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

	Long term rate of return expected 2020 %	Value at 31 December 2020 £'000	Long term rate of return expected 2019 %	Value at 31 December 2019 £'000	Long term rate of return expected 2018 %	Value at 31 December 2018 £'000
Equities	2.7	7,852	2.7	7,779	2.7	6,782
Bonds	2.7	1,613	2.7	984	2.7	881
Property	2.7	860	2.7	984	2.7	969
Cash	2.7	430	2.7	100	2.7	176
Total market value of assets		10,442		9,487		8,808
Present value of scheme liability		(15,463)		(13,079)		(11,705)
Net pension liability		(5,021)		(3,232)		(2,897)

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PENSION COMMITMENTS (continued)

None of the fair values of the assets shown above include any of the charity's own financial instruments or any property occupied by, or other assets used by, the charity. The equity investments and bonds which are held in scheme assets as at 31 December 2020 are quoted, and are valued at the current bid price following the adoption of the amendment of FRS102.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rate of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions

Total expenditure recognised in the Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	114	127
Interest cost	259	335
Interest income on plan assets	(195)	(251)
Contributions paid	(134)	(164)
Total expenditure recognised in SOFA	<u>44</u>	<u>47</u>

Net profit / (loss) recognised in the SOFA

	2020 £'000	2019 £'000
Actuarial profit / (loss) on scheme assets and liabilities	<u>(1,745)</u>	<u>(288)</u>

The cumulative amount of actuarial gains and losses recognised in the SOFA to 31 December 2020 is a net loss of £5,021,000 (2019: loss of £3,232,000).

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

	2020 £'000	2019 £'000
Scheme liabilities at 1 January 2020	13,079	11,705
Current service cost	114	127
Interest cost	259	335
Contributions by scheme participants	27	29
Actuarial (gains) / losses	2,364	1,375
Benefits paid	(380)	(492)
Scheme liabilities at 31 December 2020	<u>15,463</u>	<u>13,079</u>

LOCAL INFORMATION UNIT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. PENSION COMMITMENTS (continued)

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

	2020 £'000	2019 £'000
Fair value of scheme assets at 1 January 2020	9,847	8,808
Interest income on plan assets	195	251
Return on assets excluding amounts included in net interest	619	1,087
Contributions by employer	134	164
Contributions by scheme participants	27	29
Benefits paid	(380)	(492)
Fair value of scheme assets at 31 December 2020	10,442	9,847

Contributions

The total contributions made by the employer in the year were £214,000. The level of contribution were reviewed as a result of the triennial valuation of the scheme as at 31 March 2019 and maintained.

The best estimate of contributions to be paid by the employer to the scheme in the next financial year is £113,000.

History of experience gains and losses

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Fair value of assets	10,442	9,847	8,808	9,453	8,350
Present value of scheme liabilities	(15,463)	(13,079)	(11,705)	(12,485)	(11,963)
Deficit in scheme	(5,021)	(3,232)	(2,897)	(3,032)	(3,613)
Experience adjustment on scheme assets	-	-	-	-	-
Experience adjustment on scheme liabilities	-	-	-	-	-