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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

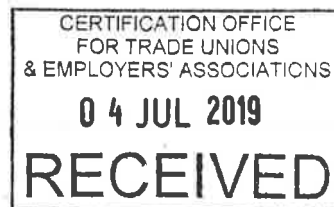
e-mail:

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: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



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
56				56

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change

List of Officers in Post at 31 March 2019

Title	Forename	Surname
Cllr Dr	John	Cordwell
Cllr	David	Fothergill
Cllr	Tim	Warren
Cllr	John	Hart
Cllr	Mark	Hawthorne
Cllr	Helen	Holland
Cllr	Roger	Hutchinson
Cllr	Stephen	Jordan
Cllr	Philip	Sanders
Cllr	Harvey	Siggs
Cllr	Rebecca	Knox

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
	From Members Subscriptions, levies, etc	344,127	
	Investment income Interest and dividends (gross)	26,367	370,494
	Other income		
	Rents received	14,644	
	Course fees	449,712	
	Consultancy fees	161,721	
	Grant Income	216,736	
	RIEP funding	0	
	Trade union contribution	2,470	
	Other income	50,235	
	Funding for SW Portal	21,000	
	Public Health Funds	436,112	
	Other finance income (Pension Scheme)	(280,000)	
	Actuarial gain on pension scheme (FRS102)	371,000	
	Changes in assumptions (FRS 102)	246,000	
	Pension reserve transfer	45,490	1,735,120
	TOTAL INCOME		2,105,614
	EXPENDITURE		
	Administrative expenses		
	Remuneration and expenses of staff	845,628	
	Occupancy costs	53,901	
	Printing, Stationery, Post	2,285	
	Telephones	6,655	
	Legal and Professional fees	5,577	
	Furniture and equipment	4,573	
	IT	53,086	971,705
	Other charges		
	Bank charges	260	
	Depreciation	10,473	
	Sums written off/bad debt provision	0	
	Subscriptions	7,153	
	Conference and meeting fees	24,635	
	Training course expenses	251,607	
	Consultancy	34,106	
	Miscellaneous	583	
	Public Health Funds	436,112	
	Pension reserve transfer (FRS 102)	457,000	1,221,929
	TOTAL EXPENDITURE		2,193,634
	Operational Deficit for year		88,020
	Amount of fund at beginning of year		1,855,857
	Amount of fund at end of year		1,767,837

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
Total Income			
Expenditure	Administrative expenses		
	Other expenditure (specify)		
Total Expenditure			
Surplus (Deficit) for the year			
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
Total Income			
Expenditure	Administrative expenses		
	Other expenditure (specify)		
Total Expenditure			
Surplus (Deficit) for the year			
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
		Total Income	
Expenditure	Administrative expenses Other expenditure (specify)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	
		Amount of fund at the end of year (as Balance Sheet)	

BALANCE SHEET AS AT [31 March 2019]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at page 11)		90,240
	Investments (as per analysis on page 13)		
	Quoted (Market value £)		
	Unquoted	2,850,000	
	Total Investments		2,850,000
	Other Assets		
	Sundry debtors	212,568	
	Cash at bank and in hand	100,201	
	Stocks of goods		
	Payments in Advance	26,006	
	Total of other		338,776
	assets		
		TOTAL ASSETS	3,279,016
		Surplus Fund	1,767,837
		Building Fund	284,421
		Pension Reserve Fund	0
		General Contingency	210,000
		Pension Reserve	(10,696,000)
			(8,433,742)
	Liabilities		
	Loans		
	Bank overdraft		
	Sundry creditors	163,236	
	Other liabilities (Receipts in Advance)	853,522	
	Pension Scheme Liability	10,696,000	
		TOTAL LIABILITIES	11,712,758
		TOTAL ASSETS	3,279,016

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period	267,698	16,723	44,887	329,308
Additions during period			5,048	5,048
Less: Disposals during period				
Less: DEPRECIATION:	178,096	16,085	49,935	244,116
Total to end of period	89,602	638	0	90,240
BOOK AMOUNT at end of period				
Freehold	89,602			
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				90,240

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	2,850,000
	TOTAL QUOTED (as Balance Sheet)	2,850,000
	*Market Value of Unquoted Investments	

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO ✓
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name N/A		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees? N/A		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	344,127		344,127
From Investments	26,367		26,367
Other Income (including increases by revaluation of assets)	1,735,120		1,735,120
Total Income	2,105,614		2,105,614
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	2,193,634		2,193,634
Funds at beginning of year (including reserves)	(8,757,232)		- 8,345,722
Funds at end of year (including reserves)	(8,433,742)		- 8,433,742
ASSETS			
Fixed Assets			90,240
Investment Assets			2,850,000
Other Assets			338,776
		Total Assets	3,279,016
LIABILITIES		Total Liabilities	11,712,758
NET ASSETS (Total Assets less Total Liabilities)			(8,433,742)

NOTES TO THE ACCOUNTS

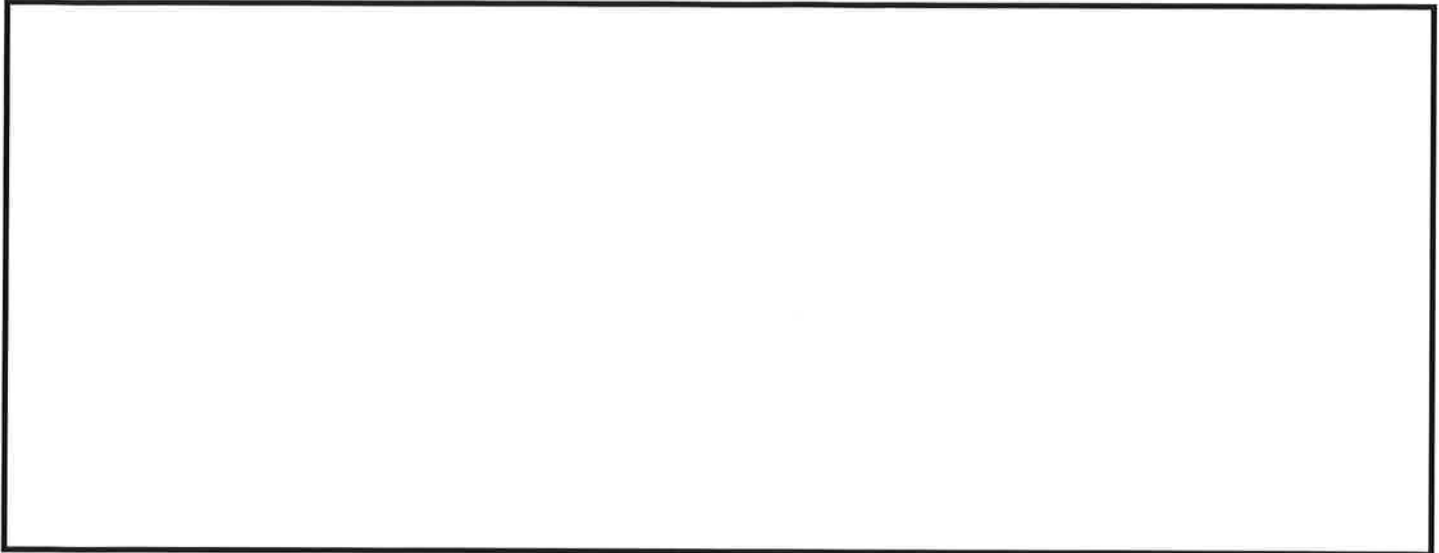
(see note 36)

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

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page's vertical space below the instruction.

ACCOUNTING POLICIES



(see notes 37 and 38)



SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: 	Chairman's Signature:  <small>(or other official whose position should be stated)</small>
Name: BRYONY HOULDEN	Name: JOHN HART
Date: 21 June 2019	Date: 21 June 2019

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES		NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES		NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES		NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES		NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

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)

YES NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES NO

If "No" please explain below.

3. 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)

YES NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 45)

SEE ATTACHED

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2019

Opinion

We have audited the AR27 of South West Councils for the year ended 31 March 2019 set out on pages 3 to 15. The AR27 has been prepared under the accounting policies set out therein.

In our opinion the AR27:

- give a true and fair view in accordance with applicable accounting standards of the state of South West Councils' affairs as at 31 March 2019 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis of 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 South West Councils 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 Chief Executive's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Chief Executive (as Treasurer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2019

Matters on which we are required to report by exception

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

- whether the trade union has kept proper accounting records in accordance with the requirements of section 28,
- whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
- whether the AR27 to which the report relates agree with the accounting records.

Responsibilities of the Treasurer

As explained more fully in the Statement of Responsibilities set out on page 1, the Chief Executive (as Treasurer) is responsible for the preparation of the AR27 and for being satisfied that they give a true and fair view, and for such internal control as they 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 Chief Executive is responsible for assessing the organisations 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 Chief Executive either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Albert Goodman LLP
Registered Auditor
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset

Date: 28/06/19

**SOUTH WEST
COUNCILS**

**STATEMENT
OF
ACCOUNTS**

2018/19

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STATEMENT OF RESPONSIBILITIES

Chief Executive's Responsibilities in Respect of the Accounts

The Chief Executive is responsible to South West Councils via the Resources and Management Committee for the accountability and control of staff and the security, custody and control of all other resources including buildings, materials, cash and stores. The Chief Executive must make sure that the financial affairs of the organisation are managed properly under her role as Treasurer.

Chief Executive's Responsibilities (as Treasurer) in Respect of the Accounts

The Treasurer is responsible for preparing accounts for each financial year, which give a true and fair view of the state of affairs of the organisation and of its income and expenditure for that period. In preparing those accounts, the Treasurer is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are responsible and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Treasurer is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the organisation and to enable them to ensure that the accounts comply with the Trade Union & Labour Relations (Consolidation) Act 1992. She is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXPLANATORY FOREWORD

The accounts of South West Councils are set out on pages 6 to 9 and are supported by the Statement of Accounting Policies, which follows this foreword, together with various explanatory notes on pages 10 to 17. The Resources and Management Committee is responsible for managing the finance, legal and administrative functions of South West Councils, which is registered as an Employers' Association with the Certification Office for Trade Unions & Employers' Associations.

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2019

Opinion

We have audited the accounts of South West Councils for the year ended 31 March 2019 which comprise the Statement of Accounting Policies, the Balance Sheet, the Income & Expenditure Account, the Statement of Total Comprehensive Income, the Statement of Movement in Reserves, the Statement of Cash Flows and the Notes to the Accounts. These accounts have been prepared under the accounting policies set out therein.

In our opinion the accounts:

- give a true and fair view in accordance with applicable accounting standards of the state of South West Councils' affairs as at 31 March 2019 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis of 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 South West Councils 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 Chief Executive's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Chief Executive has 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Chief Executive (as Treasurer) is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2019

Matters on which we are required to report by exception

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

- whether the trade union has kept proper accounting records in accordance with the requirements of section 28,
- whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
- whether the accounts to which the report relates agree with the accounting records.

Responsibilities of the Treasurer

As explained more fully in the Statement of Responsibilities set out on page 1, the Chief Executive (as Treasurer) is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as they 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 Chief Executive is responsible for assessing the organisations 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 Chief Executive either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

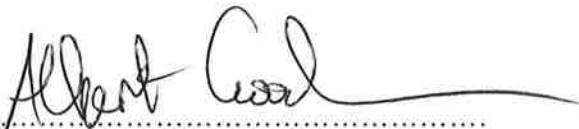
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Albert Goodman LLP
Registered Auditor
Chartered Accountants
Statutory Auditor

Mary Street House
Mary Street
Taunton
Somerset

Date: 28/06/19

STATEMENT OF ACCOUNTING POLICIES

General

These accounts are prepared in accordance with generally accepted accounting practices and the historic cost convention. They conform where relevant to the Companies Act 2006 (Part 15) and Financial Reporting Standard 102.

Basis of Inclusion of Debtors & Creditors at the Year End

The accounts follow the 'accruals' concept whereby amounts due to or from South West Councils in respect of the financial year, but not actually settled at the year-end are brought into the accounts. Any difference between the actual figures and those included in the accounts will therefore be reflected in the following year.

Depreciation

The asset values shown in the Balance Sheet are, where appropriate, written down annually either on a straight line or reducing balance basis to reflect the extent to which the assets have been consumed. All Fixed Assets are subject to annual depreciation charges unless the charge is deemed not to be material to the accounts. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit.

Land & Buildings

Dennett House - Straight Line Basis at 2% pa

Other Assets

Fixtures & Fittings - Reducing Balance Basis at 10% pa

Other Equipment (Acquired by Finance Lease) - Straight Line Basis

A full year's depreciation is charged in the year of purchase and not in the year of disposal.

Basis of Recording Fixed Assets in the Balance Sheet

The figures for fixed assets are included on the basis of gross historical cost less accumulated depreciation. Assets costing over £6,000 are deemed to be capital expenditure and are depreciated accordingly.

Leased Assets

Assets held under finance leases are included in the Balance Sheet and depreciated in accordance with South West Councils' normal accounting policies. The present value of future rentals is shown as a liability. Rentals payable under operating leases are charged to the Income & Expenditure Account on a straight line basis over the period of the leases.

Grants

Grants received are matched to the relevant expenditure in the year. Any surpluses of income are carried forward to the following year as Receipts in Advance.

Management of Liquid Resources


Moneys on Deposit which are placed with Somerset County Council's 'COMFUND' can be withdrawn or added-to at month-end. They are therefore classed as Liquid Resources under the definition of FRS1 (revised).

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019	2018
Fixed assets	A	90,240	95,665
Current assets			
Sundry debtors	B	212,568	86,986
Payments in advance	C	26,006	20,671
Moneys on deposit	D	2,850,000	3,000,000
Cash at bank	E	99,001	139,124
Cash in hand	E	1,200	1,200
		<u>3,188,775</u>	<u>3,247,981</u>
Current liabilities			
Sundry creditors	F	163,236	130,827
Cash at bank	E	-	-
Receipts in advance	G	853,522	817,051
		<u>1,016,758</u>	<u>947,878</u>
Net current assets		2,172,018	2,300,103
Total assets less current liabilities		<u>2,262,258</u>	<u>2,395,768</u>
Long term liabilities			
Pension liability	H	(10,696,000)	(11,153,000)
Net assets/(liabilities)		<u>(8,433,742)</u>	<u>(8,757,232)</u>
Represented by			
Building fund		284,421	284,421
Contingency		210,000	210,000
Pensions reserve - contingency		-	45,490
Pensions reserve - FRS102	H	(10,696,000)	(11,153,000)
Accumulated surplus		1,767,837	1,855,857
		<u>(8,433,742)</u>	<u>(8,757,232)</u>

B Houlden



Treasurer

DATE 21 June 2019

J Hart



Chair

DATE 21 June 2019

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019	2018
INCOME			
Subscriptions			
Local Authorities to SW		302,751	295,754
Affiliates/Associates		<u>41,376</u>	<u>38,863</u>
		344,127	334,617
Other Core Activities			
Course fees		449,712	366,627
Consultancy		<u>161,721</u>	<u>102,610</u>
		611,433	469,238
Grant Income			
SW Strategic Migration	I	<u>216,736</u>	<u>220,753</u>
		216,736	220,753
Other income			
SW Portal		21,000	21,124
Misc		50,235	104,333
Trade Union Contribution		2,470	2,470
Room Hire		14,644	8,919
SW Directors of Public Health Network		16,119	8,345
SW AGW Public Health Network		8,204	24,776
Public Health Workforce Development		<u>411,789</u>	<u>446,445</u>
		524,462	616,411
Interest receivable		26,367	19,144
Other finance income - pension scheme	H	(280,000)	(332,000)
		<u>1,443,124</u>	<u>1,328,162</u>
EXPENDITURE			
Employees	M	845,628	823,884
Accommodation		59,326	73,197
Office expenses		71,647	74,238
Training course expenses		251,607	221,808
Other expenses		72,314	121,715
SW Directors of Public Health Network		16,119	8,345
SW AGW Public Health Network		8,204	24,776
Public Health Workforce Development		<u>411,789</u>	<u>446,445</u>
		(1,736,634)	(1,794,406)
SURPLUS (DEFICIT) FOR YEAR	J	<u><u>(293,510)</u></u>	<u><u>(466,244)</u></u>

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

		2019 £	2018 £
Surplus/(deficit) for year	J	(293,510)	(466,244)
Return on assets less interest	H	371,000	294,000
Other actuarial gains (losses)	H	-	-
Change in financial & demographic assumptions	H	246,000	1,214,000
Experience gain (loss) on defined benefit obligation	H	-	-
Total of Comprehensive Income		323,490	1,041,756

STATEMENT OF MOVEMENT IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2019

	Building Fund £	Contingency for potential SW RIEP liabilities £	Pensions reserve contingency £	Pensions reserve – FRS102 £	Accumulated surplus £	Total
As at 1 April 2018	284,421	210,000	45,490	(11,153,000)	1,855,857	(8,757,232)
Deficit for the year					(293,510)	(293,510)
Actuarial loss on pension scheme					371,000	371,000
Change in financial & demographic assumptions					246,000	246,000
Use of Pension Contingency to fund annual deficit payments			(45,490)		45,490	-
Use of Surplus to fund annual deficit payments					-	-
Pension reserve transfer				457,000	(457,000)	-
As at 1 April 2019	284,421	210,000	0	(10,696,000)	1,767,837	(8,433,742)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

		2019 £	2018 £
Net Cash inflow/(outflow) from operating activities	K	(208,460)	(360,966)
Investing Activities			
Investment Interest received	L	23,385	21,760
Payments made to acquire tangible fixed assets	A	<u>(5,048)</u>	<u>(5,048)</u>
		18,337	16,712
Increase / (decrease) in cash and cash equivalents		(190,123)	(344,253)
Cash and cash equivalents at 1 April		3,140,324	3,484,577
Cash and cash equivalents at 31 March		2,950,201	3,140,324
Opening balance		2019	2018
Petty cash		1,200	1,200
Bank		139,124	(16,623)
Deposit account		<u>3,000,000</u>	<u>3,500,000</u>
		3,140,324	3,484,577
Closing balance		2019	2018
Petty cash		1,200	1,200
Bank		99,001	139,124
Deposit account		<u>2,850,000</u>	<u>3,000,000</u>
		2,950,201	3,140,324

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/3/19

A. Fixed Assets

	Land and Buildings	Fixtures and Fittings	Copier/Printers (Finance Lease)	Total
	£	£	£	£
COST:				
As at 1.4.2018	267,698	16,723	44,887	329,308
Additions	0	0	5,048	5,048
Disposals	0	0	0	0
As at 31.3.2019	267,698	16,723	49,935	334,356
DEPRECIATION:				
As at 1.4.2018	172,742	16,014	44,887	233,643
Charge for the Year	5,354	71	5,048	10,473
Disposals	0	0	0	0
As at 31.3.2019	178,096	16,085	49,935	244,116
NET BOOK VALUE:				
As at 31.3.2019	89,602	638	0	90,240
Freehold	89,602			

B. Sundry Debtors

This is where money is owed to South West Councils which relates to 2018/19. The note below shows the debtor balances with the investment interest debtors removed for cash flow purposes, together with the change in debtors which is also shown for cash flow purposes.

2019			2018	
£	£		£	£
86,986		Opening balance	117,238	
8,049		Less investment interest debtor (note L)	10,665	
	78,937	Closing balance	86,986	106,573
212,568		Less investment interest debtor (note L)	8,049	
11,031		Change in debtors (note K)		78,937
	201,537			27,636
	(122,600)			

C. Payments in Advance

This is where money was paid in 2018/19 but relates to goods and services not due until 2019/20. The change in payments in advance is shown for cash flow purposes.

2019			2018	
£	£		£	£
20,671		Opening balance	20,983	
26,006		Closing balance	20,671	
	(5,335)	Change in payments in advance (note K)		312

D. Moneys on Deposit

This represents moneys on deposit, invested in the name of Somerset County Council (SCC) on behalf of South West Councils. The Fund invests with counterparties as per the criteria set out as part of the SCC Annual Investment Strategy, which in turn is part of the Treasury Management Strategy Statement, an annual document approved by SCC's Full Council. The Fund has the objective to return better than Base Rate over the longer-term. This was achieved in 2018/19. These funds are treated as liquid resources and an analysis of the movement can be seen below:

2019			2018	
£	£		£	£
3,000,000		Opening balance	3,500,000	
600,000		Deposits during the year	450,000	
750,000		Withdrawals during the year	950,000	
	(150,000)	Change in liquid resources in the year		500,000
	2,850,000	Closing balance		3,000,000

E. Analysis of changes in cash and cash equivalents during the year

As part of the ongoing treasury management service provided by SCC, cash balances are transferred between the South West Councils bank account and that of SCC. This ensures investments are maximised. The Cash at Bank figure for 2018/19 is the year-end bank balance together with the cash balance owed by South West Councils to Somerset County Council.

2019			2018	
£	£		£	£
1,200		Opening balance – petty cash	1,200	
139,124		Opening balance – cash at bank	(16,623)	
	140,324			(15,423)
1,200		Closing balance – petty cash	1,200	
99,001		Closing balance – cash at bank	139,124	
	100,201			140,324
	(40,122)	Change in cash and cash equivalents		155,747

F. Sundry Creditors

This is where South West Councils owes money to people and external organisations for goods and services received in 2018/19. The change in creditors is shown for cash flow purposes.

2019			2018	
£	£		£	£
130,827		Opening balance	218,834	
163,236		Closing balance	130,827	
	32,409	Change in creditors (note K)		(88,007)

G. Receipts in Advance

This is where income has been received which relates to the following or future years. The total change between the years is shown for cash flow purposes.

2019			2018	
£	£		£	£
316,758		Coaching pool, member development & other training receipts	365,354	
31,333		Supporting the RIEP legacy, including funding for networks and frameworks	47,263	
95,875		Funding held for SW Directors of Public Health Network	46,841	
350,178		Funding held for SW Public Health Workforce Development	286,968	
20,597		Funding held for SW Public Health AGW Network	28,801	
10,919		Funding held (mainly from Local Government Employers) for future HR projects	10,919	
27,862		Miscellaneous receipts	30,905	
	853,522	Total		817,051
	36,471	Change in receipts in advance (note K)		(52,000)

H. Pension Assets and Liabilities

In accordance with Financial Reporting Standard No: 102, South West Councils is required to disclose certain information concerning the pension schemes for its employees.

South West Councils participates in the Local Government Pension Scheme (LGPS), administered by Peninsula Pensions which acts as Administering Authority on behalf of the Somerset Pension Fund. The LGPS provided defined benefits, based on members' final pensionable salary up to 31 March 2014. Changes to the LGPS came into effect from 1 April 2014 and any benefits accrued from that date will be based on career average revalued salary, with various protections in place for those members in the scheme before 1 April 2014.

Contribution levels are set every three years, following an actuarial review of the Fund as required by the LGPS regulations. The last valuation was carried out as at 31 March 2016 and has been updated by independent actuaries to the Somerset Pension Fund to take account of the requirements of FRS 102 in order to assess the Fund as at 31 March 2019. The next valuation will be carried out as at 31 March 2019 and will set contributions for the period 1 April 2020 to 31 March 2023. During the inter-valuation period, the minimum employer contributions due from South West Councils are:

April 2017 to March 2018	13.2%	plus £224,514 pa
April 2018 to March 2019	13.2%	plus £229,886 pa

April 2019 to March 2020 13.2% plus £235,386 pa

Employees contributed between 5.5% and 8.5% of their earnings to the pension fund.

The financial assumptions used for the purposes of FRS 102, set with reference to market conditions at 31 March 2019, are:

Assumptions at	31 March 2019	31 March 2018	31 March 2017
	% pa	% pa	% pa
Salary increases	3.9	3.8	4.2
Pension increases	2.4	2.3	2.7
Discount rate	2.4	2.55	2.7

The results of the calculations made by the Actuaries in accordance with the requirements of FRS 102 are set out below.

Net pension asset as at	31 March 2019	31 March 2018	31 March 2017
	(£000)	(£000)	(£000)
Present value of defined benefit obligation	24,928	24,981	25,901
Fair value of Fund assets (bid value)	14,264	13,862	13,502
Deficit (Surplus)	10,664	11,119	12,399
Present value of unfunded obligation	32	34	36
Net defined benefit liability (asset)	10,696	11,153	12,435

The amounts recognised in the profit and loss statement are:	Year to 31/3/19	Year to 31/3/18
	(£000)	(£000)
Service cost	168	172
Net interest on the defined liability (asset)	280	332
Administration expenses	8	8
Total loss (profit)	456	512

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31/3/19	Year to 31/3/18
	(£000)	(£000)
Opening defined benefit obligation	25,015	25,937
Current service cost	168	172
Interest cost	630	693
Change in financial assumptions	1,161	(1,214)
Change in demographic assumptions	(1,407)	-
Experience loss/(gain) on defined benefit obligation	-	-
Estimated benefits paid (net of transfers in)	(638)	(602)
Contributions by Scheme participants	33	31
Unfunded pension payments	(2)	(2)
Closing defined benefit obligation	24,960	25,015

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31/3/19	Year to 31/3/18
	(£000)	(£000)
Opening fair value of Fund assets	13,862	13,502
Interest on assets	350	361
Return on assets less interest	371	294
Other actuarial gains/(losses)	-	-
Administration expenses	(8)	(8)
Contributions by employer including unfunded	296	286
Contributions by Fund participants	33	31
Estimated benefits paid net of transfers and including unfunded	(640)	(604)
Closing fair value of Fund assets	14,264	13,862

Remeasurement of the net assets (defined liability)	Year to 31/3/19	Year to 31/3/18
	(£000)	(£000)
Return on Fund assets in excess of interest	371	294
Other actuarial gains/(losses) on assets	-	-
Change in financial assumptions)	(1,161)	1,214
Change in demographic assumptions)	1,407	-
Experience gain/(loss) on defined benefit obligation	-	-
Remeasurement of the net assets (defined liability)	617	1,508

The following show the projected pension expense for the year to March 2020:
Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2019. These projections are based on assumptions as at 31 March 2019.

	Year to 31/3/20
	(£000)
Service cost	170
Net interest on the defined liability (asset)	253
Administration expenses	8
Total	431
Employer contributions	299

I. Home Office Grant

During 2018/19, £220,750 grant was received from the Home Office for South West Migration Partnership work, against a spend of £216,736. The balance is included within receipts in advance (miscellaneous receipts).

J. Reconciliation of deficit to operating (cash) deficit

2019			2018	
£	£		£	£
(293,510)		Deficit for the year	(466,244)	
		Pension scheme adjustments:		
296,000		Less contributions (incl unfunded)	286,000	
8,000		Add admin costs	8,000	
168,000		Add current service cost	172,000	
280,000		Add net interest cost	332,000	
	(133,510)	Operating deficit		(240,244)

K. Reconciliation of Operating Deficit to Net Cash Outflow from Operating Activities

2019			2018	
£	£		£	£
(133,510)		Operating deficit for the year	(240,244)	
26,367		Less investment interest	19,144	
	(159,877)			(259,388)
	10,473	Depreciation charge (note A)		10,481
	(122,600)	Change in debtors (note B)		27,636
	(5,335)	Change in payments in advance (note C)		312
	32,409	Change in creditors (note F)		(88,007)
	36,471	Change in receipts in advance (note G)		(52,000)
	(208,460)			(360,966)

L. Investment Interest Reconciliation

2019			2018	
£	£		£	£
26,367		Investment interest	19,144	
8,049		Add investment interest opening debtor	10,665	
11,031		Less investment interest closing debtor	8,049	
	23,385	Investment interest (cash received in year)		21,760

M. Salaries, NI & Pension

The total of £845,628 in the Income and Expenditure Account can be broken down and reconciled as follows (with 2018 as comparison):

	Average wte	2019 £	Average wte	2018 £
Employees		845,628		823,884
Current service cost		(168,000)		(172,000)
Admin cost		(8,000)		(8,000)
Employer contributions (incl unfunded pension payments)		296,000		286,000
		<u>965,628</u>		<u>929,884</u>
Compensation for Loss of Office		1,883		1,829
Travel and Subsistence		30,037		32,643
Training Expenses		2,822		4,986
Staff Advertising		160		782
Permanent Staff				
Salaries		576,859		549,282
National Insurance		57,812		53,291
Pension		64,433		59,581
Deficit recovery payments		<u>229,890</u>		<u>224,510</u>
Total Permanent Staff	15.7	928,994	16.8	886,664
Seconded and Temporary Staff				
Salaries		1,732		2,980
National Insurance		0		0
Pension		<u>0</u>		<u>0</u>
Total Seconded and Temporary Staff	0.0	1,732	0.0	2,980
Overall Total		<u>965,628</u>		<u>929,884</u>

N. Amounts due under lease arrangements

The commitments due under finance and operating leases are as follows: -

	Finance	Operating
	£	£
Lease Expiring in:		
2019/20	5,048	0
2020/21 – 2021/22	0	8,979
Total	5,048	8,979

O. Contingent Assets and Liabilities

There are no material contingent assets or liabilities that need to be reported.

P. Related Party Transactions.

There are no related party transactions that need to be reported.