

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:

Postcode

Website address (if available)

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

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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 ('X' in appropriate box)

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: 0330 1093602

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

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
48				48

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Member	Cllr Ben Ingham	N/A	May 2020

Officers in post

(see note 10)

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

Name of Officer	Position held
Cllr Dr John Cordwell	Member
Cllr Spencer Flower	Member
Cllr David Fothergill	Member
Cllr John Hart	Member (Chair)
Cllr Mark Hawthorne	Member
Cllr Helen Holland	Member
Cllr Stephen Jordan	Member
Cllr Val Keitch	Member
Cllr Peter Smith	Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
	From Members	Subscriptions, levies, etc	327,796	327,796
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	18,113	18,113
		Other (specify)		
		Total Investment Income	18,113	18,113
	Other Income	Rents received	14,790	14,790
		Insurance commission		
		Consultancy fees	157,416	157,416
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Grant Income	199,459	199,459
		Course Fees	293,909	293,909
		Public Health Funds	198,280	198,280
		Other	77,901	77,901
		Total of other income		941,755
		Total income		1,287,664
		Interfund Transfers IN		
	Expenditure			
	Administrative expenses	Remuneration and expenses of staff	892,648	892,648
		Occupancy costs	51,707	51,707
		Printing, Stationery, Post	1,465	1,465
		Telephones	5,609	5,609
		Legal and Professional fees	7,068	7,068
		Miscellaneous (specify)		
		IT	56,239	56,239
		Pension Scheme/FRS102	103,000	103,000
		Total of Admin expenses		1,117,736
	Other Charges	Bank charges	220	220
		Depreciation	9,512	9,512
		Sums written off	65	65
		Affiliation fees		
		Donations		
		Conference and meeting fees	769	769
		Expenses	866	866
		Miscellaneous (specify)		
		Training Course Expenses	107,357	107,357
		Public Health Funds	198,280	198,280
		Consultancy	26,613	26,613
		Subscriptions	5,658	5,658
		Total of other charges		349,340
		Taxation		
		Total expenditure		1,467,076
		Interfund Transfers OUT		
		Surplus/Deficit for year		-179,412
		Amount of fund at beginning of year		1,626,328
		Amount of fund at end of year		1,446,916

Accounts other than 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	
	Interfund Transfers IN			
	Expenditure	Administrative expenses		
		Other expenditure (specify)		
		Total Expenditure		
Interfund Transfers OUT				
		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	
	Interfund Transfers IN			
	Expenditure	Administrative expenses		
		Other expenditure (specify)		
		Total Expenditure		
Interfund Transfers OUT				
		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 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	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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	
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
		Total Expenditure	
	Interfund Transfers OUT		
		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 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	
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
Interfund Transfers OUT			
		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	
Interfund Transfers IN			
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
Interfund Transfers OUT			
		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 2021]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	79,411	79,411
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		2,700,000
	Total Investments	2,700,000	2,700,000
	Other Assets		
	Sundry debtors	63,637	63,637
	Cash at bank and in hand	11,684	11,684
	Stocks of goods		
	Others (specify)		
	Payments in Advance	21,586	
	Total of other assets	96,907	96,907
	Total Assets		2,876,318
1,626,328	Revenue Account/ General Fund	1,446,916	
	Revaluation Reserve		
	Building Fund	284,421	##
	General Contingency	210,000	##
	Pension Reserve	-12,893,000	##
	Liabilities		##
	Sundry creditors	109,278	
	Receipts in advance	825,703	
	Pension scheme liability	12,893,000	
	Total Liabilities		13,827,981
	Total Assets		2,876,318

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period	267,698	16,723	54,983	339,404
Additions during period			4,100	4,100
Less: Disposals			-57,927	-57,927
Less: Depreciation	-188,804	-16,206	-1,156	-206,166
Total to end of period	78,894	517		79,411
Book Amount at end of period	78,894	517		79,411
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	78,894	517		79,411

Analysis of Investments

(see note 22)

Quoted		Other Funds
	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	Total Quoted (as Balance Sheet)	
	Market Value of Quoted Investments	
Unquoted	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted investments (to be specified)	
		2,700,000
	Total Unquoted (as Balance Sheet)	2,700,000
	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 note 23)

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

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?

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 24 to 33)

	All Funds	Total Funds
	£	£
Income		
From Members	327,796	327,796
From Investments	18,113	18,113
Other Income (including increases by revaluation of assets)	941,755	941,755
Total Income	1,287,664	1,287,664
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	-1,467,076	1,467,076
Funds at beginning of year (including reserves)	-10,772,251	-10,772,251
Funds at end of year (including reserves)	-10,951,663	-10,951,663
ASSETS		
Fixed Assets		79,411
Investment Assets		2,700,000
Other Assets		96,907
Total Assets		2,876,318
Liabilities		
Total Liabilities		13,827,981
Net Assets (Total Assets less Total Liabilities)		-10,951,663

Notes to the accounts

(see note 34)

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

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

Accounting policies

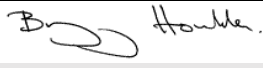
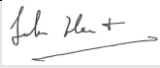
(see notes 35 & 36)

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Bryony Houlden	Name:	John Hart
Date:	25 June 2021	Date:	25 June 2021

Checklist

(see note 39)

(please enter 'X' as appropriate)

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

SOUTH WEST COUNCILS

STATEMENT OF ACCOUNTS

2020/21

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South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2021

Opinion

We have audited the accounts of South West Councils for the year ended 31 March 2021 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 of the state of the Unions' affairs as at year ending 31 March 2021;
- have been prepared in accordance with the requirement of 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

In auditing the financial statements, we have concluded that the Chief Executive's 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 organisation's ability to continue to as a going concern for a period of at least twelve months from the date when the financial statements were authorised for issue.

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

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 2021

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.

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the trade union, training and consultancy sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Trade Union and Labour Relations (Consolidation) Act 1992, data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2021

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

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

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

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

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset

Date: 25/6/2021

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 2021

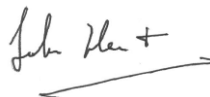
	Notes	2021	2020
Fixed assets	A	79,411	84,822
Current assets			
Sundry debtors	B	63,637	163,067
Payments in advance	C	21,586	32,286
Moneys on deposit	D	2,700,000	2,750,000
Cash at bank	E	10,484	6,043
Cash in hand	E	1,200	1,200
		<u>2,796,907</u>	<u>2,952,596</u>
Current liabilities			
Sundry creditors	F	109,278	97,983
Cash at bank	E	-	-
Receipts in advance	G	825,703	818,686
		<u>934,981</u>	<u>916,670</u>
Net current assets		1,861,926	2,035,926
Total assets less current liabilities		<u>1,941,337</u>	<u>2,120,749</u>
Long term liabilities			
Pension liability	H	(12,893,000)	(10,922,000)
Net assets/(liabilities)		<u>(10,951,663)</u>	<u>(8,801,251)</u>
Represented by			
Building fund		284,421	284,421
Contingency		210,000	210,000
Pensions reserve - contingency		-	-
Pensions reserve - FRS102	H	(12,893,000)	(10,922,000)
Accumulated surplus		1,446,916	1,626,327
		<u>(10,951,663)</u>	<u>(8,801,251)</u>



B Houlden

Treasurer

DATE 25 June 2021



J Hart

Chair

DATE 25 June 2021

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021	2020
INCOME			
Subscriptions			
Local Authorities to SW		278,565	273,207
Affiliates/Associates		<u>49,231</u>	<u>51,247</u>
		327,796	324,454
Other Core Activities			
Course fees incl EPA		293,909	445,397
Consultancy		<u>157,416</u>	<u>198,066</u>
		451,325	643,464
Grant Income			
SW Strategic Migration	I	<u>199,458</u>	<u>220,871</u>
		199,458	220,871
Other income			
SW Portal		840	876
Misc		74,591	56,545
Trade Union Contribution		2,470	2,470
Room Hire		14,790	26,214
SW Directors of Public Health Network		47,311	29,561
SW AGW Public Health Network		-	6,590
Public Health Workforce Development		<u>198,280</u>	<u>249,418</u>
		338,282	371,675
Interest receivable		18,113	29,243
Other finance income - pension scheme	H	(253,000)	(254,000)
		<u>1,081,975</u>	<u>1,335,706</u>
EXPENDITURE			
Employees	M	892,648	904,118
Accommodation		57,118	67,342
Office expenses		67,413	66,878
Training course expenses		107,357	221,014
Other expenses		41,259	107,294
SW Directors of Public Health Network		47,311	29,561
SW AGW Public Health Network		-	6,590
Public Health Workforce Development		<u>198,280</u>	<u>249,418</u>
		(1,411,387)	(1,652,215)
SURPLUS (DEFICIT) FOR YEAR	J	<u>(329,412)</u>	<u>(316,509)</u>

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

		2021 £	2020 £
Surplus/(deficit) for year	J	(329,412)	(316,509)
Return on assets less interest	H	3,191,000	(1,172,000)
Other actuarial gains (losses)	H	-	(196,000)
Change in financial & demographic assumptions	H	(5,370,000)	1,894,000
Experience gain (loss) on defined benefit obligation	H	358,000	(577,000)
Total of Comprehensive Income		<u>(2,150,412)</u>	<u>(367,509)</u>

STATEMENT OF MOVEMENT IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2021

	Building Fund £	Contingency for potential SW RIEP liabilities £	Pensions reserve contingency £	Pensions reserve – FRS102 £	Accumulated surplus £	Total
As at 1 April 2020	284,421	210,000	0	-10,922,000	1,626,327	-8,801,251
Deficit for the year					-329,412	-329,412
Actuarial loss on pension scheme					3,549,000	3,549,000
Change in financial & demographic assumptions					-5,370,000	-5,370,000
Use of Pension Contingency to fund annual deficit payments					0	0
Use of Surplus to fund annual deficit payments					0	0
Pension reserve transfer				-1,971,000	1,971,000	0
As at 1 April 2021	<u>284,421</u>	<u>210,000</u>	<u>0</u>	<u>-12,893,000</u>	<u>1,446,916</u>	<u>-10,951,663</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020
		£		£
Net Cash inflow/(outflow) from operating activities	K	(61,484)		(219,050)
Investing Activities				
Investment Interest received	L	20,025		31,141
Payments made to acquire tangible fixed assets	A	<u>(4,100)</u>		<u>(5,048)</u>
		15,925		26,092.58
Increase / (decrease) in cash and cash equivalents		(45,559)		-192,957.27
Cash and cash equivalents at 1 April		2,757,243		2,950,201
Cash and cash equivalents at 31 March		2,711,684		2,757,243
Opening balance		2021		2020
Petty cash	E	1,200		1,200
Bank	E	6,043		99,001
Deposit account	D	<u>2,750,000</u>		<u>2,850,000</u>
		2,757,243		2,950,201
Closing balance		2021		2020
Petty cash	E	1,200		1,200
Bank	E	10,484		6,043
Deposit account	D	<u>2,700,000</u>		<u>2,750,000</u>
		2,711,684		2,757,243

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/3/21

A. Fixed Assets

	Land and Buildings	Fixtures and Fittings	Copier/Printers (Finance Lease)	Total
	£	£	£	£
COST:				
As at 1.4.2020	267,698	16,723	54,983	339,404
Additions	0	0	4,100	4,100
Disposals	0	0	57,927	57,927
As at 31.3.2021	267,698	16,723	1,156	285,577
DEPRECIATION:				
As at 1.4.2020	183,450	16,149	54,983	254,582
Charge for the Year	5,354	57	4,100	9,511
Disposals	0	0	57,927	57,927
As at 31.3.2021	188,804	16,206	1,156	206,166
NET BOOK VALUE:				
As at 31.3.2021	78,894	517	0	79,411
Freehold	78,894			

B. Sundry Debtors

This is where money is owed to South West Councils which relates to 2020/21. 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.

2021			2020	
£	£		£	£
163,067		Opening balance	212,568	
9,133		Less investment interest debtor (note L)	11,031	
	153,934	Closing balance	163,067	201,537
63,637		Less investment interest debtor (note L)	9,133	
7,221		Change in debtors (note K)		153,934
	56,416			47,603
	97,518			

C. Payments in Advance

This is where money was paid in 2020/21 but relates to goods and services not due until 2021/22. The change in payments in advance is shown for cash flow purposes.

2021			2020	
£	£		£	£
32,285		Opening balance	26,006	
21,585		Closing balance	32,285	
	10,700	Change in payments in advance (note K)		(6,279)

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 2020/21. These funds are treated as liquid resources and an analysis of the movement can be seen below:

2021			2020	
£	£		£	£
2,750,000		Opening balance	2,850,000	
450,000		Deposits during the year	500,000	
500,000		Withdrawals during the year	600,000	
	(50,000)	Change in liquid resources in the year		(100,000)
	2,700,000	Closing balance		2,750,000

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 2020/21 is the year-end bank balance together with the cash balance owed by South West Councils to Somerset County Council.

2021			2020	
£	£		£	£
1,200		Opening balance – petty cash	1,200	
6,043		Opening balance – cash at bank	99,001	
	7,243			100,201
1,200		Closing balance – petty cash	1,200	
10,484		Closing balance – cash at bank	6,043	
	11,684			7,243
	4,441	Change in cash and cash equivalents		(92,958)

F. Sundry Creditors

This is where South West Councils owes money to people and external organisations for goods and services received in 2020/21. The change in creditors is shown for cash flow purposes.

2021			2020	
£	£		£	£
97,983		Opening balance	163,236	
109,278		Closing balance	97,983	
	11,295	Change in creditors (note K)		(65,253)

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.

2021			2020	
£	£		£	£
282,925		Coaching pool, member development & other training receipts	297,410	
36,587		Supporting the RIEP legacy, including funding for networks and frameworks	25,627	
62,869		Funding held for SW Directors of Public Health Network	97,910	
361,952		Funding held for SW Public Health Workforce Development	310,760	
14,007		Funding held for SW Public Health AGW Network	14,007	
0		Funding held for SW Public Health Population Health Fellows (now included within Workforce Development)	17,000	
10,919		Funding held (mainly from Local Government Employers) for future HR projects	10,919	
56,444		Miscellaneous receipts	45,053	
	825,703	Total		818,686
	7,017	Change in receipts in advance (note K)		(34,835)

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 2019 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 2021. The next valuation will be carried out as at 31 March 2022 and will set contributions for the period 1 April 2023 to 31 March 2026. During the inter-valuation period, the minimum employer contributions due from South West Councils are:

April 2021 to March 2022	18.3%	plus £220,000 pa
April 2022 to March 2023	18.3%	plus £230,000 pa

Employees contributed between 4.95% 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 2021, are:

Assumptions at	31 March 2021	31 March 2020	31 March 2019
	% pa	% pa	% pa
Salary increases	3.8	2.9	3.9
Pension increases	2.8	1.9	2.4
Discount rate	2.0	2.35	2.4

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 2021	31 March 2020	31 March 2019
	(£000)	(£000)	(£000)
Present value of defined benefit obligation	28,633	23,788	24,928
Fair value of Fund assets (bid value)	15,773	12,897	14,264
Deficit (Surplus)	12,860	10,891	10,664
Present value of unfunded obligation	33	31	32
Net defined benefit liability (asset)	12,893	10,922	10,696

The amounts recognised in the profit and loss statement are:	Year to 31/3/21	Year to 31/3/20
	(£000)	(£000)
Service cost	208	211
Net interest on the defined liability (asset)	253	254
Administration expenses	7	10
Total loss (profit)	468	475

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31/3/21	Year to 31/3/20
	(£000)	(£000)
Opening defined benefit obligation	23,819	24,960
Current service cost	208	171
Interest cost	549	592
Change in financial assumptions	5,619	(2,133)
Change in demographic assumptions	(249)	239
Experience loss/(gain) on defined benefit obligation	(358)	577
Estimated benefits paid (net of transfers in)	(960)	(659)
Past service costs, including curtailments	0	40
Contributions by Scheme participants	39	33
Unfunded pension payments	(1)	(1)
Closing defined benefit obligation	28,666	23,819

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31/3/21	Year to 31/3/20
	(£000)	(£000)
Opening fair value of Fund assets	12,897	14,264
Interest on assets	296	338
Return on assets less interest	3,191	(1,172)
Other actuarial gains/(losses)	0	(196)
Administration expenses	(7)	(10)
Contributions by employer including unfunded	318	300
Contributions by Fund participants	39	33
Estimated benefits paid net of transfers and including unfunded	(961)	(660)
Closing fair value of Fund assets	15,773	12,897

Remeasurement of the net assets (defined liability)	Year to 31/3/21	Year to 31/3/20
	(£000)	(£000)
Return on Fund assets in excess of interest	3,191	(1,172)
Other actuarial gains/(losses) on assets	0	(196)
Change in financial assumptions)	(5,619)	2,133
Change in demographic assumptions)	249	(239)
Experience gain/(loss) on defined benefit obligation	358	(577)
Remeasurement of the net assets (defined liability)	(1,821)	(51)

The following show the projected pension expense for the year to March 2022: Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021. These projections are based on assumptions as at 31 March 2021.

	Year to 31/3/22
	(£000)
Service cost	307
Net interest on the defined liability (asset)	254
Administration expenses	8
Total	569
Employer contributions	327

I. Home Office Grant

During 2020/21, £220,750 grant was received from the Home Office for South West Migration Partnership work, against a spend of £199,458. The balance is included within sundry creditors.

J. Reconciliation of deficit to operating (cash) deficit

2021			2020	
£	£		£	£
(329,412)		Deficit for the year	(316,509)	
		Pension scheme adjustments:		
	318,000	Less contributions (incl unfunded)		300,000
	7,000	Add admin costs		10,000
	208,000	Add current service cost		171,000
	0	Add past service cost		40,000
	253,000	Add net interest cost		254,000
	(179,412)	Operating deficit		(141,509)

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

2021			2020	
£	£		£	£
(179,412)		Operating deficit for the year	(141,509)	
18,113		Less investment interest	29,243	
	(197,525)			(170,752)
	9,511	Depreciation charge (note A)		10,466
	97,518	Change in debtors (note B)		47,603
	10,700	Change in payments in advance (note C)		(6,279)
	11,295	Change in creditors (note F)		(65,253)
	7,017	Change in receipts in advance (note G)		(34,835)
	(61,484)			(219,050)

L. Investment Interest Reconciliation

2021			2020	
£	£		£	£
18,113		Investment interest	29,243	
9,133		Add investment interest opening debtor	11,031	
7,221		Less investment interest closing debtor	9,133	
	20,025	Investment interest (cash received in year)		31,141

M. Salaries, NI & Pension

The total of £892,648 in the Income and Expenditure Account can be broken down and reconciled as follows (with 2020 as comparison):

	Average wte	2021 £	Average wte	2020 £
Employees		892,648		904,118
Current service cost		(208,000)		(171,000)
Past service cost		0		(40,000)
Admin cost		(7,000)		(10,000)
Employer contributions (incl unfunded pension payments)		318,000		300,000
		<u>995,648</u>		<u>983,118</u>
Compensation for Loss of Office		1,150		1,347
Travel and Subsistence		4,767		29,515
Training Expenses		1,367		1,931
Staff Advertising		203		1,141
Permanent Staff				
Salaries		584,526		578,645
National Insurance		58,528		57,035
Pension		104,332		63,648
Deficit recovery payments		<u>210,000</u>		<u>235,390</u>
Total Permanent Staff	16.5	957,386	16.3	934,718
Temporary Staff				
Salaries		26,004		14,466
National Insurance		1,401		0
Pension		<u>3,370</u>		<u>0</u>
Total Temporary Staff	0.8	30,775	0.0	14,466
Overall Total		<u>995,648</u>		<u>983,118</u>

N. Amounts due under lease arrangements

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

	Finance	Operating
	£	£
Lease Expiring in:		
2021/22	3,012	2,909
2022/23 – 2025/26	11,056	
Total	14,068	2,909

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.

Q. CJRS Income (Coronavirus Job Retention Scheme)

During the year, South West Councils received £5,031 furlough grant under the CJRS scheme.

Checklist for auditor's report

(see notes 41 to 44)

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

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

Please explain in your report overleaf or attached.

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

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

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

Please explain in your report overleaf or attached.

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

In our opinion the financial statements:

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

Auditor's report (continued)

See attached report

Signature(s) of auditor or auditors:



Name(s):

Albert Goodman LLP

Profession(s) or Calling(s):

Chartered Accountants

Address(es)

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date:

25 June 2021

Contact name for enquiries and telephone number:

Michelle Ferris
01823 286096

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

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2021

Opinion

We have audited the AR27 of South West Councils for the year ended 31 March 2021 set out on pages 3 to 15. The AR27 has been prepared under the accounting policies set out therein.

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at year ending 31 March 2021;
- have been prepared in accordance with the requirements of 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

In auditing the AR27, we have concluded that the Chief Executive's 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 organisation's ability to continue to as a going concern for a period of at least twelve months from the date when the financial statements were authorised for issue.

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

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 2021

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.

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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the trade union, training and consultancy sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Trade Union and Labour Relations (Consolidation) Act 1992, data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

South West Councils

Independent Auditors' Report to the Members
For the Year Ended 31 March 2021

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

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

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

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

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset

Date: 25 June 2021