

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	South West Councils				
Year ended:	31 March 2022				
List No:					
Head or Main Office:	Dennett House				
	11 Middle Street				
	Taunton				
	Somerset				
Postcode	TA1 1SH				
Website address (if available)	www.swcouncils.gov.uk				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Mrs Bryony Houlden				
Contact name for queries regarding the completion of this return:	Mrs Karen Stone / Mrs Jill Bowditch				
Telephone Number:	01823 270101				
E-mail:	jill.bowditch@swcouncils.gov.uk				

Please follow the guidance notes in the completion of this return

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

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

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

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 Dr John Cordwell	Cllr Richard Clewer	May 2021
Member	Cllr Stephen Jordan	Cllr Ken James	May 2021
Member	Cllr Peter Smith	Cllr Linda Taylor	May 2021

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 Richard Clewer	Member
Cllr Spencer Flower	Member
Cllr David Fothergill	Member
Cllr John Hart	Member (Chair)
Cllr Mark Hawthorne	Member
Cllr Helen Holland	Member
Cllr Ken James	Member
Cllr Val Keitch	Member
Cllr LindaTaylor	Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year		£	£
	Income		
	From Members	344,711	344,711
	Subscriptions, levies, etc		
	Investment income		
	Interest and dividends (gross)		
	Bank interest (gross)	8,759	8,759
	Other (specify)		
	Total Investment Income	8,759	8,759
	Other Income		
	Rents received	24,327	24,327
	Insurance commission		
	Consultancy fees	185,086	185,086
	Publications/Seminars		
	Miscellaneous receipts (specify)		
	Grant Income	314,855	314,855
	Course Fees	451,502	451,502
	Public Health Funds	301,333	301,333
	Other incl Pension Scheme/FRS102	102,660	102,660
	Total of other income		1,379,763
	Total income		1,733,233
	Interfund Transfers IN		
	Expenditure		
	Administrative expenses		
	Remuneration and expenses of staff	1,109,205	1,109,205
	Occupancy costs	61,383	61,383
	Printing, Stationery, Post	564	564
	Telephones	5,248	5,248
	Legal and Professional fees	7,299	7,299
	Miscellaneous (specify)		
	IT	45,338	45,338
	Furniture	1,344	1,344
	Total of Admin expenses		1,230,381
	Other Charges		
	Bank charges	134	134
	Depreciation	8,377	8,377
	Sums written off	200	200
	Affiliation fees		
	Donations		
	Conference and meeting fees	1,058	1,058
	Expenses	1,893	1,893
	Miscellaneous (specify)		
	Training Course Expenses	177,342	177,342
	Public Health Funds	301,333	301,333
	Consultancy/Contributions/Subscriptions	61,126	61,126
	Pension Scheme/FRS102		
	Total of other charges		551,463
	Taxation		
	Total expenditure		1,781,844
	Interfund Transfers OUT		
	Surplus/Deficit for year		-48,611
	Amount of fund at beginning of year		1,446,916
	Amount of fund at end of year		1,398,305

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 2022]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	74,005	74,005
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		3,700,000
	Total Investments	3,700,000	3,700,000
	Other Assets		
	Sundry debtors	78,101	78,101
	Cash at bank and in hand	1,804,147	1,804,147
	Stocks of goods		
	Others (specify)		
	Payments in Advance	23,917	
	Total of other assets	1,906,165	1,906,165
	Total Assets		5,680,170
1,446,916	Revenue Account/ General Fund	1,398,305	
	Revaluation Reserve		
	Building Fund	284,421	#
	General Contingency	210,000	#
	Pension Reserve	-10,939,000	#
	Liabilities		
	Sundry creditors	180,972	
	Receipts in advance	3,606,471	
	Pension scheme liability	10,939,000	
	Total Liabilities		14,726,443
	Total Assets		5,680,170

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	1,156	285,577
Additions during period			2,971	2,971
Less: Disposals				
Less: Depreciation	-194,158	-16,258	-4,127	-214,543
Total to end of period	73,540	465		74,005
Book Amount at end of period	73,540	465		74,005
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	73,540	465		74,005

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)	
		3,700,000
	Total Unquoted (as Balance Sheet)	3,700,000
	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	344,711	344,711
From Investments	8,759	8,759
Other Income (including increases by revaluation of assets)	1,379,763	1,379,763
Total Income	1,733,233	1,733,233
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	1,781,844	1,781,844
Funds at beginning of year (including reserves)	-8,997,663	-8,997,663
Funds at end of year (including reserves)	-9,046,274	-9,046,274
ASSETS		
Fixed Assets		74,005
Investment Assets		3,700,000
Other Assets		1,906,165
Total Assets		5,680,170
Liabilities		
Total Liabilities		14,726,444
Net Assets (Total Assets less Total Liabilities)		-9,046,274

Notes to the accounts

(see note 34)

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



Accounting policies

(see notes 35 & 36)

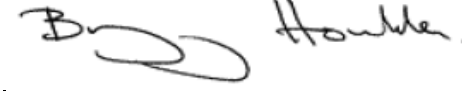
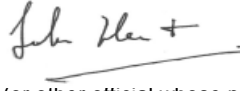


Signatures to the annual return

(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: 
Name: Bryony Houlden	Name: John Hart
Date: 24 June 2022	Date: 24 June 2022

(or other official whose position should be stated)

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	

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:

24 June 2022

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 2022

Opinion

We have audited the AR27 of South West Councils for the year ended 31 March 2022 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 2022;
- 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 2022

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;
- 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 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 2022

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; and
- enquiring of management as to actual and potential litigation and claims.

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: 24 June 2022

**SOUTH WEST
COUNCILS**

**STATEMENT
OF
ACCOUNTS**

2021/22

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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 supported by the Statement of Accounting Policies, which follows this foreword, together with various explanatory notes. 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 2022

Opinion

We have audited the accounts of South West Councils for the year ended 31 March 2022 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 2022;
- 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 2022

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;
- 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 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; 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 2022

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; and
- enquiring of management as to actual and potential litigation and claims.

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

24th June 2022

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 or Creditors.

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 2022

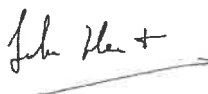
	Notes	2022	2021
Fixed assets	A	74,005	79,411
Current assets			
Sundry debtors	B	78,101	63,637
Payments in advance	C	23,917	21,586
Moneys on deposit	D	3,700,000	2,700,000
Cash at bank	E	1,802,947	10,484
Cash in hand	E	1,200	1,200
		<u>5,606,165</u>	<u>2,796,907</u>
Current liabilities			
Sundry creditors	F	180,973	109,278
Cash at bank	E	-	-
Receipts in advance	G	3,606,471	825,703
		<u>3,787,444</u>	<u>934,981</u>
Net current assets		1,818,720	1,861,926
Total assets less current liabilities		<u>1,892,726</u>	<u>1,941,337</u>
Long term liabilities			
Pension liability	H	(10,939,000)	(12,893,000)
Net assets/(liabilities)		<u>(9,046,274)</u>	<u>(10,951,663)</u>
Represented by			
Building fund		284,421	284,421
Contingency		210,000	210,000
Pensions reserve - contingency		-	-
Pensions reserve - FRS102	H	(10,939,000)	(12,893,000)
Accumulated surplus		1,398,305	1,446,916
		<u>(9,046,274)</u>	<u>(10,951,663)</u>



B Houlden

Treasurer

DATE 24 June 2022



J Hart

Chair

DATE 24 June 2022

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022	2021
INCOME			
Subscriptions			
Local Authorities to SW		292,487	278,565
Affiliates/Associates		<u>52,224</u>	<u>49,231</u>
		344,711	327,796
Other Core Activities			
Course fees incl EPA		451,502	293,909
Consultancy		<u>185,086</u>	<u>157,416</u>
		636,588	451,325
Grant Income			
SW Strategic Migration & HKBN (Overseas)	I	<u>314,855</u>	<u>199,458</u>
		314,855	199,458
Other income			
SW Portal		1,260	840
Misc		87,930	74,591
Trade Union Contribution		2,470	2,470
Room Hire		24,327	14,790
SW Directors of Public Health Network		25,567	47,311
SW AGW Public Health Network		-	-
Public Health Workforce Development		<u>275,766</u>	<u>198,280</u>
		417,319	338,282
Interest receivable		8,759	18,113
Other finance income - pension scheme	H	(255,000)	(253,000)
		<u>1,467,233</u>	<u>1,081,975</u>
EXPENDITURE			
Employees	M	1,109,205	892,648
Accommodation		66,789	57,118
Office expenses		55,465	67,413
Training course expenses		177,342	107,357
Other expenses		71,710	41,259
SW Directors of Public Health Network		25,567	47,311
SW AGW Public Health Network		-	-
Public Health Workforce Development		<u>275,766</u>	<u>198,280</u>
		(1,781,844)	(1,411,387)
SURPLUS (DEFICIT) FOR YEAR	J	<u>(314,611)</u>	<u>(329,412)</u>

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

		2022 £	2021 £
Surplus/(deficit) for year	J	(314,611)	(329,412)
Return on assets less interest	H	1,084,000	3,191,000
Other actuarial gains (losses)	H	-	-
Change in financial & demographic assumptions	H	1,217,000	(5,370,000)
Experience gain (loss) on defined benefit obligation	H	(81,000)	358,000
Total of Comprehensive Income		<u>1,905,389</u>	<u>(2,150,412)</u>

STATEMENT OF MOVEMENT IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2022

	Building Fund £	Contingency for potential SW RIEP liabilities £	Pensions reserve contingency £	Pensions reserve – FRS102 £	Accumulated surplus £	Total
As at 1 April 2021	284,421	210,000	-	(12,893,000)	1,446,916	(10,951,663)
Deficit for the year					(314,611)	(314,611)
Actuarial loss on pension scheme					1,003,000	1,003,000
Change in financial & demographic assumptions					1,217,000	1,217,000
Use of Pension Contingency to fund annual deficit payments					-	-
Use of Surplus to fund annual deficit payments					-	-
Pension reserve transfer				1,954,000	(1,954,000)	-
As at 1 April 2022	284,421	210,000	-	(10,939,000)	1,398,305	(9,046,274)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

		2022	2021
		£	£
Net Cash inflow/(outflow) from operating activities	K	2,783,150	(61,484)
Investing Activities			
Investment Interest received	L	12,283	20,025
Payments made to acquire tangible fixed assets	A	<u>(2,971)</u>	<u>(4,100)</u>
		9,312	15,925
Increase / (decrease) in cash and cash equivalents		2,792,463	(45,559)
Cash and cash equivalents at 1 April		2,711,684	2,757,243
Cash and cash equivalents at 31 March		5,504,147	2,711,684
Opening balance		2022	2021
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
Closing balance		2022	2021
Petty cash	E	1,200	1,200
Bank	E	1,802,947	10,484
Deposit account	D	<u>3,700,000</u>	<u>2,700,000</u>
		5,504,147	2,711,684

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/3/22

A. Fixed Assets

	Land and Buildings	Fixtures and Fittings	Copier/Printers (Finance Lease)	Total
	£	£	£	£
COST:				
As at 1.4.2021	267,698	16,723	1,156	285,577
Additions	0	0	2,971	2,971
Disposals	0	0	0	0
As at 31.3.2022	267,698	16,723	4,127	288,548
DEPRECIATION:				
As at 1.4.2021	188,804	16,206	1,156	206,166
Charge for the Year	5,354	52	2,971	8,377
Disposals	0	0	0	0
As at 31.3.2022	194,158	16,258	4,127	214,543
NET BOOK VALUE:				
As at 31.3.2022	73,540	465	0	74,005
Freehold	73,540			

B. Sundry Debtors

This is where money is owed to South West Councils which relates to 2021/22. 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.

2022			2021	
£	£		£	£
63,637		Opening balance	163,067	
7,221		Less investment interest debtor (note L)	9,133	
	56,416	Closing balance		153,934
78,101		Less investment interest debtor (note L)	63,637	
3,697			7,221	
	74,404			56,416
	(17,988)	Change in debtors (note K)		97,518

C. Payments in Advance

This is where money was paid in 2021/22 but relates to goods and services not due until 2022/23. The change in payments in advance is shown for cash flow purposes.

2022			2021	
£	£		£	£
21,585		Opening balance	32,285	
23,917		Closing balance	21,585	
	2,332	Change in payments in advance (note K)		10,700

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

2022			2021	
£	£		£	£
2,000,000		Opening balance	2,750,000	
1,250,000		Deposits during the year	450,000	
250,000		Withdrawals during the year	500,000	
	1,000,000	Change in liquid resources in the year		(50,000)
	3,700,000	Closing balance		2,700,000

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 2021/22 is the year-end bank balance together with the cash balance owed by South West Councils to Somerset County Council.

2022			2021	
£	£		£	£
1,200		Opening balance – petty cash	1,200	
10,484		Opening balance – cash at bank	6,043	
	11,684			7,243
1,200		Closing balance – petty cash	1,200	
1,802,947		Closing balance – cash at bank	10,484	
	1,804,147			11,684
	1,792,463	Change in cash and cash equivalents		4,441

F. Sundry Creditors

This is where South West Councils owes money to people and external organisations for goods and services received in 2021/22. The change in creditors is shown for cash flow purposes.

2022			2021	
£	£		£	£
109,278		Opening balance	97,983	
180,973		Closing balance	109,278	
	71,695	Change in creditors (note K)		11,295

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.

2022			2021	
£	£		£	£
287,369		Coaching pool, member development & other training receipts	282,925	
25,624		Supporting the RIEP legacy, including funding for networks and frameworks	36,587	
49,516		Funding held for SW Directors of Public Health Network	62,869	
1,455,965		Funding held for SW Public Health Workforce Development	361,952	
0		Funding held for SW Public Health AGW Network (now included within Workforce Development)	14,007	
10,919		Funding held (mainly from Local Government Employers) for future HR projects	10,919	
143,410		Grant received from DLUHC for HKBN(O) (note I)	0	
1,500,000		Funding held for the Regional Oversight Group and Critical Thinking Unit	0	
133,668		Miscellaneous receipts	56,444	
	3,606,471	Total		825,703
	2,780,768	Change in receipts in advance (note K)		7,017

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 2022. 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 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 2022, are:

Assumptions at	31 March 2022	31 March 2021	31 March 2020
	% pa	% pa	% pa
Salary increases	4.2	3.8	2.9
Pension increases	3.2	2.8	1.9
Discount rate	2.6	2.0	2.35

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 2022	31 March 2021	31 March 2020
	(£000)	(£000)	(£000)
Present value of defined benefit obligation	27,801	28,633	23,788
Fair value of Fund assets (bid value)	16,894	15,773	12,897
Deficit (Surplus)	10,907	12,860	10,891
Present value of unfunded obligation	32	33	31
Net defined benefit liability (asset)	10,939	12,893	10,922

The amounts recognised in the profit and loss statement are:	Year to 31/3/22	Year to 31/3/21
	(£000)	(£000)
Service cost	344	208
Net interest on the defined liability (asset)	255	253
Administration expenses	8	7
Total loss (profit)	607	468

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31/3/22	Year to 31/3/21
	(£000)	(£000)
Opening defined benefit obligation	28,666	23,819
Current service cost	344	208
Interest cost	568	549
Change in financial assumptions	(1,217)	5,619
Change in demographic assumptions	0	(249)
Experience loss/(gain) on defined benefit obligation	81	(358)
Estimated benefits paid (net of transfers in)	(652)	(960)
Past service costs, including curtailments	0	0
Contributions by Scheme participants	44	39
Unfunded pension payments	(1)	(1)
Closing defined benefit obligation	27,833	28,666

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31/3/22	Year to 31/3/21
	(£000)	(£000)
Opening fair value of Fund assets	15,773	12,897
Interest on assets	313	296
Return on assets less interest	1,084	3,191
Other actuarial gains/(losses)	0	0
Administration expenses	(8)	(7)
Contributions by employer including unfunded	341	318
Contributions by Fund participants	44	39
Estimated benefits paid net of transfers and including unfunded	(653)	(961)
Closing fair value of Fund assets	16,894	15,773

Remeasurement of the net assets (defined liability)	Year to 31/3/22	Year to 31/3/21
	(£000)	(£000)
Return on Fund assets in excess of interest	1,084	3,191
Other actuarial gains/(losses) on assets	0	0
Change in financial assumptions)	1,217	(5,619)
Change in demographic assumptions)	0	249
Experience gain/(loss) on defined benefit obligation	(81)	358
Remeasurement of the net assets (defined liability)	2,220	(1,821)

The following show the projected pension expense for the year to March 2023: Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2022. These projections are based on assumptions as at 31 March 2022.

	Year to 31/3/23
	(£000)
Service cost	315
Net interest on the defined liability (asset)	280
Administration expenses	8
Total	603
Employer contributions	350

I. Home Office Grant

During 2021/22, £255,750 grant was received from the Home Office for South West Migration Partnership work, against a spend of £251,797. The balance of £3,953 is included within sundry creditors. South West Councils also received £206,468 from the Department of Levelling Up, Housing and Communities (DLUHC) for the provision of Hong Kong British Nationals (Overseas) Welcome Programme – Welcome Hub in the South West. £63,058 was spent in 21/22 and as this grant agreement spanned two financial years, the balance of £143,410 not spent at 31/3/22 is held as a receipt in advance.

J. Reconciliation of deficit to operating (cash) deficit

2022			2021	
£	£		£	£
(314,611)		Deficit for the year	(329,412)	
		Pension scheme adjustments:		
	341,000	Less contributions (incl unfunded)		318,000
	8,000	Add admin costs		7,000
	344,000	Add current service cost		208,000
	0	Add past service cost		0
	255,000	Add net interest cost		253,000
	(48,611)	Operating deficit		(179,412)

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

2022			2021	
£	£		£	£
(48,611)		Operating deficit for the year	(179,412)	
8,759		Less investment interest	18,113	
	(57,370)			(197,525)
	8,377	Depreciation charge (note A)		9,511
	(17,988)	Change in debtors (note B)		97,518
	(2,332)	Change in payments in advance (note C)		10,700
	71,695	Change in creditors (note F)		11,295
	2,780,768	Change in receipts in advance (note G)		7,017
	2,783,150			(61,484)

N. Amounts due under lease arrangements

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

	Finance	Operating
Lease Expiring in:	£	£
2022/23	3,012	0
2023/24 – 2025/26	8,044	
Total	11,056	0

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.

