

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 2023				
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 Jill Bowditch/Mrs Karen Stone				
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 send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

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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

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

Balance Sheet as at [31 March 2023]

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	68,605	68,605
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		
	Total Investments		
	Other Assets		
	Sundry debtors	304,892	304,892
	Cash at bank and in hand	5,681,239	5,681,239
	Stocks of goods		
	Others (specify)		
	Payments in Advance	45,226	
	Total of other assets	6,031,357	6,031,357
	Total Assets		6,099,962
1,398,305	Revenue Account/ General Fund	1,436,559	
	Revaluation Reserve		
	Building Fund	308,229	#
	General Contingency	210,000	#
	Pension Reserve	-1,240,000	#
	Liabilities		
	Sundry creditors	330,828	
	Receipts in advance	3,814,346	
	Pension scheme liability	1,240,000	
	Total Liabilities		5,385,174
	Total Assets		6,099,962

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	4,127	288,548
Additions during period			2,972	2,972
Less: Disposals				
Less: Depreciation	-199,512	-16,304	-7,099	-222,915
Total to end of period	68,186	419		68,605
Book Amount at end of period	68,186	419		68,605
Freehold	68,186			68,186
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	68,186	419		68,605

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)	
	Total Unquoted (as Balance Sheet)	
	Market Value of Unquoted Investments	

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

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	363,002	363,002
From Investments	109,653	109,653
Other Income (including increases by revaluation of assets)	11,801,674	11,801,674
Total Income	12,274,328	12,274,328
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	2,513,266	2,513,266
Funds at beginning of year (including reserves)	-9,046,274	-9,046,274
Funds at end of year (including reserves)	714,788	714,788
ASSETS		
Fixed Assets		68,605
Investment Assets		
Other Assets		6,031,357
Total Assets		6,099,962
Liabilities		
Total Liabilities		5,385,174
Net Assets (Total Assets less Total Liabilities)		714,788

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 entering 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:	13 June 2023	Date:	13 June 2023

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		No	
Is the rule book enclosed? (see Note 39)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes		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:

Albert Goodman LLP

Name(s):

Albert Goodman LLP

Profession(s) or Calling(s):

Chartered Accountants

Address(es)

Goodwood House Blackbrook
Park Avenue Taunton
Somerset TA1
2PX

Date:

14 June 2023

Contact name for enquiries and telephone number:

Robert Oram: 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 2023

Opinion

We have audited the AR27 of South West Councils for the year ended 31 March 2023 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 2023;
- 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 2023

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;
- 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 2023

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: 14th June 2023

**SOUTH WEST
COUNCILS**

**STATEMENT
OF
ACCOUNTS**

2022/23

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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 2023

Opinion

We have audited the accounts of South West Councils for the year ended 31 March 2023 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 2023;
- 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 2023

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- 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.

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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 2023

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

14th June 2023

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 were placed with the then Somerset County Council's 'COMFUND' and could be withdrawn or added-to at month-end. They were therefore classed as Liquid Resources under the definition of FRS1 (revised). However, the COMFUND ceased to exist on 28th February 2023, and now all South West Councils' cash balances are amalgamated and invested with the new Somerset Council's cash balances.

BALANCE SHEET

AS AT 31 MARCH 2023

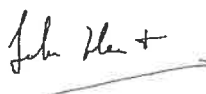
	Notes	2023	2022
Fixed assets	A	68,605	74,005
Current assets			
Sundry debtors	B	304,892	78,101
Payments in advance	C	45,226	23,917
Moneys on deposit	D	-	3,700,000
Cash at bank	E	5,680,039	1,802,947
Cash in hand	E	1,200	1,200
		<u>6,031,357</u>	<u>5,606,165</u>
Current liabilities			
Sundry creditors	F	330,828	180,973
Cash at bank	E	-	-
Receipts in advance	G	3,814,346	3,606,471
		<u>4,145,174</u>	<u>3,787,444</u>
Net current assets		1,886,183	1,818,720
Total assets less current liabilities		<u>1,954,788</u>	<u>1,892,726</u>
Long term liabilities			
Pension liability	H	(1,240,000)	(10,939,000)
Net assets/(liabilities)		<u><u>714,788</u></u>	<u><u>(9,046,274)</u></u>
Represented by			
Building fund		308,229	284,421
Contingency		210,000	210,000
Pensions reserve - contingency		-	-
Pensions reserve - FRS102	H	(1,240,000)	(10,939,000)
Accumulated surplus		1,436,559	1,398,305
		<u><u>714,788</u></u>	<u><u>(9,046,274)</u></u>



B Houlden

Treasurer

DATE 13 June 2023



J Hart

Chair

DATE 13 June 2023

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
INCOME			
Subscriptions			
Local Authorities to SW		307,299	292,487
Affiliates/Associates		<u>55,703</u>	<u>52,224</u>
		363,002	344,711
Other Core Activities			
Course fees incl EPA		485,593	451,502
Consultancy		<u>181,807</u>	<u>185,086</u>
		667,400	636,588
Grant Income			
SW Strategic Migration, HKBN(O)& Ukraine	I	<u>460,901</u>	<u>314,855</u>
		460,901	314,855
Other income			
SW Portal		840	1,260
Misc		322,005	87,930
Trade Union Contribution		2,470	2,470
Room Hire		14,560	24,327
SW Directors of Public Health Network		473	25,567
ROG/CTU		62,764	-
Public Health Workforce Development		<u>571,262</u>	<u>275,766</u>
		974,373	417,319
Interest receivable		109,653	8,759
Other finance income - pension scheme	H	(280,000)	(255,000)
		<u>2,295,328</u>	<u>1,467,233</u>
EXPENDITURE			
Employees	N	1,200,718	1,109,205
Accommodation		99,986	66,789
Office expenses		59,329	55,465
Training course expenses		223,373	177,342
Other expenses		267,362	71,710
SW Directors of Public Health Network		473	25,567
SW ROG/CTU		62,764	-
Public Health Workforce Development		<u>571,262</u>	<u>275,766</u>
		(2,485,267)	(1,781,844)
SURPLUS (DEFICIT) FOR YEAR	J	<u>(189,938)</u>	<u>(314,611)</u>

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

		2023 £	2022 £
Surplus/(deficit) for year	J	(189,938)	(314,611)
Return on assets less interest	H	(757,000)	1,084,000
Other actuarial gains (losses)	H	(52,000)	-
Change in financial & demographic assumptions	H	11,276,000	1,217,000
Experience gain (loss) on defined benefit obligation	H	(516,000)	(81,000)
Total of Comprehensive Income		<u>9,761,062</u>	<u>1,905,389</u>

STATEMENT OF MOVEMENT IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2023

Note	Building Fund £	Contingency for potential SW RIEP liabilities £	Pensions reserve contingency £	Pensions reserve – FRS102 £	Accumulated surplus £	Total
As at 1 April 2022	284,421	210,000	-	(10,939,000)	1,398,305	(9,046,274)
Deficit for the year					(189,938)	(189,938)
Actuarial loss on pension scheme					(1,325,000)	(1,325,000)
Change in financial & demographic assumptions					11,276,000	11,276,000
Use of Pension Contingency to fund annual deficit payments					-	-
Use of Surplus to transfer to Building and Maintenance Fund	23,807				(23,807)	-
Use of Surplus to fund annual deficit payments					-	-
Pension reserve transfer				9,699,000	(9,699,000)	-
As at 1 April 2023	308,229	210,000	-	(1,240,000)	1,436,559	714,788

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023 £	2022 £
Net Cash inflow/(outflow) from operating activities	K	89,650	2,783,150
Investing Activities			
Investment Interest received	M	90,413	12,283
Payments made to acquire tangible fixed assets	A	<u>(2,972)</u>	<u>(2,971)</u>
		87,441	9,312
Increase / (decrease) in cash and cash equivalents		177,092	2,792,463
Cash and cash equivalents at 1 April		5,504,147	2,711,684
Cash and cash equivalents at 31 March		5,681,239	5,504,147
Opening balance		2023	2022
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
Closing balance		2023	2022
Petty cash	E	1,200	1,200
Bank	E	5,680,039	1,802,947
Deposit account	D	<u>0</u>	<u>3,700,000</u>
		5,681,239	5,504,147

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/3/23

A. Fixed Assets

	Land and Buildings	Fixtures and Fittings	Copier/Printers (Finance Lease)	Total
	£	£	£	£
COST:				
As at 1.4.2022	267,698	16,723	4,127	288,548
Additions	0	0	2,972	2,972
Disposals	0	0	0	0
As at 31.3.2023	267,698	16,723	7,099	291,520
DEPRECIATION:				
As at 1.4.2022	194,158	16,258	4,127	214,543
Charge for the Year	5,354	46	2,972	8,372
Disposals	0	0	0	0
As at 31.3.2023	199,512	16,304	7,099	222,915
NET BOOK VALUE:				
As at 31.3.2023	68,186	419	0	68,605
Freehold	68,186			

B. Sundry Debtors

This is where money is owed to South West Councils which relates to 2022/23. The note below shows the debtor balances with the investment interest debtor removed for cash flow purposes, together with the change in debtors which is also shown for cash flow purposes.

2023			2022	
£	£		£	£
78,101		Opening balance	63,637	
3,697		Less investment interest debtor (note L)	7,221	
	74,404	Closing balance		56,416
304,892		Less investment interest debtor (note L)	78,101	
22,936		Change in debtors (note K)	3,697	
	281,956			74,404
	(207,552)			(17,988)

C. Payments in Advance

This is where money was paid in 2022/23 but relates to goods and services not due until 2023/24. The change in payments in advance is shown for cash flow purposes.

2023			2022	
£	£		£	£
23,917		Opening balance	21,585	
45,226		Closing balance	23,917	
	21,309	Change in payments in advance (note K)		2,332

D. Moneys on Deposit

This represented moneys on deposit, which were invested in the name of Somerset County Council (SCC) on behalf of South West Councils. The Fund invested with counterparties as per the criteria set out as part of the SCC Annual Investment Strategy, which in turn was part of the Treasury Management Strategy Statement, an annual document approved by SCC's Full Council. The Fund had the objective to return better than Base Rate over the longer-term. These funds were treated as liquid resources. From 1st March 2023 the Fund ceased to exist, and all South West Councils cash balances were amalgamated and invested with SCC cash balances. The next table shows the transfer of the balance out of the Fund.

2023			2022	
£	£		£	£
3,700,000		Opening balance	2,700,000	
2,350,000		Deposits during the year	1,250,000	
6,050,000		Withdrawals during the year	250,000	
	3,700,000	Change in liquid resources in the year		1,000,000
	0	Closing balance		3,700,000

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

Cash balances, which now include those funds previously separately invested in the SCC Fund, are transferred between the South West Councils bank account and that of SCC as part of the ongoing treasury management service provided by SCC. This ensures investments are maximised. The Cash at Bank figure for 2022/23 is the year-end bank balance together with the cash balance invested by SCC.

2023			2022	
£	£		£	£
1,200		Opening balance – petty cash	1,200	
1,802,947		Opening balance – cash at bank	10,484	
	1,804,147			11,684
1,200		Closing balance – petty cash	1,200	
5,680,039		Closing balance – cash at bank	1,802,947	
	5,681,239			1,804,147
	3,877,092	Change in cash and cash equivalents		1,792,463

F. Sundry Creditors

This is where South West Councils owes money to people and external organisations for goods and services received in 2022/23. The change in creditors is shown for cash flow purposes.

2023			2022	
£	£		£	£
180,973		Opening balance	109,278	
232,195		Closing balance	180,973	
	51,222	Change in creditors (note K)		71,695

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.

2023			2022	
£	£		£	£
284,049		Coaching pool, member development & other training receipts	287,369	
20,834		Supporting the RIEP legacy, including funding for networks and frameworks	25,624	
0		Funding held for SW Directors of Public Health Network	49,516	
1,321,975		Funding held for SW Public Health Workforce Development	1,455,965	
175,000		Funding held for SW Public Health Trainee Nursing Associates Pilot Scheme	0	
10,919		Funding held (mainly from Local Government Employers) for future HR projects	10,919	
351,068		Grant received from DLUHC for HKBN(O) and Ukraine (note I)	143,410	
98,633		Grant received from the Home Office for the South West		
1,492,335		Funding held for the Regional Oversight Group and Critical Thinking Unit	1,500,000	
158,166		Miscellaneous receipts	133,668	
	3,912,979	Total		3,606,471
	306,508	Change in receipts in advance (note K)		2,780,768

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 2022 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 2023. The next valuation will be carried out as at 31 March 2025 and will set contributions for the period 1 April 2026 to 31 March 2029. During the inter-valuation period, the minimum employer contributions due from South West Councils are:

April 2023 to March 2024	18.7%	plus £10,200 pa
April 2024 to March 2025	18.7%	plus £10,600 pa
April 2025 to March 2026	18.7%	plus £11,000 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 2023, are:

Assumptions at	31 March 2023	31 March 2022	31 March 2021
	% pa	% pa	% pa
Salary increases	3.9	4.2	3.8
Pension increases	2.9	3.2	2.8
Discount rate	4.8	2.6	2.0

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 2023	31 March 2022	31 March 2021
	(£000)	(£000)	(£000)
Present value of defined benefit obligation	17,505	27,801	28,633
Fair value of Fund assets (bid value)	16,278	16,894	15,773
Deficit (Surplus)	1,227	10,907	12,860
Present value of unfunded obligation	13	32	33
Net defined benefit liability (asset)	1,240	10,939	12,893

The amounts recognised in the profit and loss statement are:	Year to 31/3/23	Year to 31/3/22
	(£000)	(£000)
Service cost	330	344
Net interest on the defined liability (asset)	280	255
Administration expenses	9	8
Total loss (profit)	619	607

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31/3/23	Year to 31/3/22
	(£000)	(£000)
Opening defined benefit obligation	27,833	28,666
Current service cost	330	344
Interest cost	716	568
Change in financial assumptions	(9,200)	(1,217)
Change in demographic assumptions	(2,076)	0
Experience loss/(gain) on defined benefit obligation	516	81
Estimated benefits paid (net of transfers in)	(650)	(652)
Past service costs, including curtailments	0	0
Contributions by Scheme participants	50	44
Unfunded pension payments	(1)	(1)
Closing defined benefit obligation	17,518	27,833

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31/3/23	Year to 31/3/22
	(£000)	(£000)
Opening fair value of Fund assets	16,894	15,773
Interest on assets	436	313
Return on assets less interest	(757)	1,084
Other actuarial gains/(losses)	(52)	0
Administration expenses	(9)	(8)
Contributions by employer including unfunded	367	341
Contributions by Fund participants	50	44
Estimated benefits paid net of transfers and including unfunded	(651)	(653)
Closing fair value of Fund assets	16,278	16,894

Remeasurement of the net assets (defined liability)	Year to 31/3/23	Year to 31/3/22
	(£000)	(£000)
Return on Fund assets in excess of interest	(757)	1,084
Other actuarial gains/(losses) on assets	(52)	0
Change in financial assumptions)	9,200	1,217
Change in demographic assumptions)	2,076	0
Experience gain/(loss) on defined benefit obligation	(516)	(81)
Remeasurement of the net assets (defined liability)	9,951	2,220

The following shows the projected pension expense for the year to March 2024:

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2023. These projections are based on assumptions as at 31 March 2023.

	Year to 31/3/24
	(£000)
Service cost	129
Net interest on the defined liability (asset)	56
Administration expenses	9
Total	194
 Employer contributions	 149

I. Home Office and DLUHC Grant

During 2022/23, £345,021 grant was received from the Home Office for South West Migration Partnership work, against a spend of £246,388. The balance of £98,633 is included within receipts in advance. South West Councils also received £226,941 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, to be added to the brought forward balance of £143,410 from 21/22. £147,956 was spent in 22/23, the balance of £222,394 not spent at 31/3/23 is held as a receipt in advance. Additional grant was also received from DLUHC for the Homes for Ukraine Scheme (£70,000) and a further £125,230 to focus particularly on ESOL capacity building and delivery. Expenditure in 22/23 was £66,556, the balance of £128,674 therefore held as a receipt in advance.

J. Reconciliation of deficit to operating (cash) deficit

2023			2022	
£	£		£	£
(189,938)		Deficit for the year	(314,611)	
		Pension scheme adjustments:		
	367,000	Less contributions (incl unfunded)		341,000
	9,000	Add admin costs		8,000
	330,000	Add current service cost		344,000
	0	Add past service cost		0
	280,000	Add net interest cost		255,000
	62,062	Operating surplus/(deficit)		(48,611)

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

2023			2022	
£	£		£	£
62,062		Operating surplus/(deficit) for year	(48,611)	
109,653		Less investment interest	8,759	
	(47,591)			(57,370)
	8,372	Depreciation charge (note A)		8,377
	(207,552)	Change in debtors (note B)		(17,988)
	(21,309)	Change in payments in advance (note C)		(2,332)
	51,222	Change in creditors (note F)		71,695
	306,508	Change in receipts in advance (note G)		2,780,768
	89,650			2,783,150

L. Transfer to Building Maintenance Fund

During the year a budget was set aside for interior and exterior maintenance work at Dennett House, with the agreement that unspent sums could be transferred to reserves in the event that the outside work could not be completed by the year end due to weather constraints. £23,807 was transferred to the existing Building and Maintenance Fund for use in 23/24.

M. Investment Interest Reconciliation

2023			2022	
£	£		£	£
109,653		Investment interest	8,759	
3,697		Add investment interest opening debtor	7,221	
22,936		Less investment interest closing debtor	3,697	
	90,414	Investment interest (cash received in year)		12,283

N. Salaries, NI & Pension

The total of £1,200,718 in the Income and Expenditure Account can be broken down and reconciled as follows (with 2022 as comparison):

	Average wte	2023 £	Average wte	2022 £
Employees - shown in I & E A/C		1,200,718		1,109,205
Current service cost		(330,000)		(344,000)
Past service cost		0		0
Admin cost		(9,000)		(8,000)
Employer contributions (incl unfunded pension payments)		367,000		341,000
		<u>1,228,718</u>		<u>1,098,205</u>
Compensation for Loss of Office		1,070		1,180
Travel and Subsistence		6,289		5,350
Training Expenses		5,134		4,372
Staff Advertising		1,157		500
Permanent Staff				
Salaries		768,673		677,045
National Insurance		80,091		66,723
Pension		136,304		123,035
Deficit recovery payments		<u>230,000</u>		<u>220,000</u>
Total Permanent Staff	22.7	1,215,068	17.6	1,086,803
Temporary Staff				
Salaries		0		0
National Insurance		0		0
Pension		<u>0</u>		<u>0</u>
Total Temporary Staff	0.0	0	0.0	0
Overall Total		<u>1,228,718</u>		<u>1,098,205</u>

O. Amounts due under lease arrangements

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

	Finance	Operating
Lease in:	£	£
2023/24	2,972	0
2024/25 – 2025/26	4,953	
Total	7,925	0

P. Contingent Assets and Liabilities

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

Q. Related Party Transactions.

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