

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 2026

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

No

X

('X' in appropriate box)

General Secretary:

Mrs Bryony Houlden

Contact name for queries regarding the completion of this return:

Mrs Jill Bowditch or Mrs Kelly-Anne Phillips

Telephone Number:

01823 270101

E-mail:

jill.bowditch@swcouncils.gov.uk or kelly-anne.phillips@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

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

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
44				44

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
Local Authority Member	Cllr Catherine Braun	Cllr Chloe Turner	01 July 2025
Local Authority Member	Cllr Richard Cleaver	Cllr David Thomas	01 July 2025
Local Authority Member	Cllr John Hart	Cllr Mike Bell	01 July 2025
Local Authority Member	Cllr Val Keitch	Cllr Paul Arnot	01 July 2025
Local Authority Member	Cllr Linda Taylor	Cllr Philip Bialyk	01 July 2025
Local Authority Member		Cllr Neil Jory	01 July 2025
Local Authority Member		Cllr Vernon Smith	01 July 2025

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.

[illegible]

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
	From Members	Subscriptions, levies, etc	378,923	378,923
	Investment income	Interest and dividends (gross)		
		Bank interest (gross)	230,208	230,208
		Other (specify)		
		Total Investment Income	230,208	230,208
	Other Income	Rents received	21,012	21,012
		Insurance commission		
		Consultancy fees	230,798	230,798
		Publications/Seminars		
		Miscellaneous receipts (specify)		
		Grant Income	1,126,864	1,126,864
		Course Fees	645,326	645,326
		Public Health & Other External Funds	935,172	935,172
		Other incl Pension Scheme/FRS102	252,439	252,439
		Total of other income		3,211,611
		Total income		3,820,741
		Interfund Transfers IN		
	Expenditure			
	Administrative expenses	Remuneration and expenses of staff	1,429,255	1,429,255
		Occupancy costs	103,237	103,237
		Printing, Stationery, Post	5,811	5,811
		Telephones	7,357	7,357
		Legal and Professional fees	16,355	16,355
		Miscellaneous (specify)		
		IT	73,867	73,867
		Furniture	1,604	1,604
		Total of Admin expenses		1,637,485
	Other Charges	Bank charges	263	263
		Depreciation	5,388	5,388
		Sums written off	151	151
		Affiliation fees		
		Donations		
		Conference and meeting fees	13,373	13,373
		Expenses	1,673	1,673
		Miscellaneous (specify)		
		Training Course Expenses	288,047	288,047
		Public Health & Other External Funds	935,172	935,172
		Consultancy/Contributions/Subscriptions	631,472	631,472
		Total of other charges		1,875,538
		Taxation		
		Total expenditure		3,513,023
		Interfund Transfers OUT		38,973
		Surplus/Deficit for year		307,718
		Amount of fund at beginning of year		2,018,975
		Amount of fund at end of year		2,287,720

(see notes 17 to 18)

[illegible][illegible]

(see notes 17 to 18)

[illegible]

(see notes 17 to 18)

[illegible][illegible]

Balance Sheet as at []

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	52,430	52,430
	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	116,983	116,983
	Cash at bank and in hand	5,992,288	5,992,288
	Stocks of goods		
	Others (specify)		
	Payments in Advance	34,643	
	Total of other assets	6,143,915	6,143,915
	Total Assets		6,196,345
2,018,975	Revenue Account/ General Fund	2,287,720	
	Revaluation Reserve		
	Building Fund	308,229	##
	General Contingency	210,000	##
	Pension Reserve	118,116	##
	Pension Reserve (FRS102)	-12,000	##
	Liabilities		##
	Sundry creditors	409,405	
	Receipts in advance	2,862,874	
	Pension scheme liability	12,000	
	Total Liabilities		3,284,280
	Total Assets		6,196,345

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		284,421
Additions during period				
Less: Disposals				
Less: Depreciation	-215,574	-16,418		-231,992
Total to end of period	52,124	305		52,430
Book Amount at end of period	52,124	305		52,430
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets	52,124	305		52,430

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

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		378,923	378,923
From Investments		230,208	230,208
Other Income (including increases by revaluation of assets)		3,211,611 624,344	3,211,611
	Total Income	4,445,086	4,445,086
Expenditure (including decreases by revaluation of assets)			
	Total Expenditure	3,513,023	3,513,023
Funds at beginning of year (including reserves)		2,018,975	2,018,975
Funds at end of year (including reserves)		2,951,038	2,951,038
ASSETS			
	Fixed Assets		52,430
	Investment Assets		
	Other Assets		6,143,915
	Total Assets		6,196,345
Liabilities			
	Total Liabilities		3,245,307
Net Assets (Total Assets less Total Liabilities)			2,951,038

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)

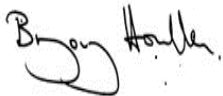
--

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:		
					on should be stated)
Name:	Bryony Houlden		Name:	Bill Revans	
Date:	19 June 2026		Date:	19 June 2026	

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes		No	
Has the list of officers been completed? (see Page 2A)	Yes		No	
Has the return been signed? (see Note 37)	Yes		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)

Signature(s) of auditor or auditors:		
Name(s):	Albert Goodman LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es)	Goowood House Blackbrook Park Avenue Taunton Somerset TA1 2PX	
Date:	24 June 2026	
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 2026

Opinion

We have audited the AR27 of South West Councils for the year ended 31 March 2026 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 2026;
- 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 2026

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 2026

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 2026

SOUTH WEST COUNCILS

STATEMENT OF ACCOUNTS

2025/26

Contents

	Page No
Statement of Responsibilities and Explanatory Foreword	1
Auditor's Report	2 - 4
Statement of Accounting Policies	5 - 6
Balance Sheet	7
Income & Expenditure Account	8
Statement of Total Comprehensive Income	9
Statement of Movement in Reserves	9
Statement of Cash Flows	10
Notes to the Accounts	11 - 19

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 2026

Opinion

We have audited the accounts of South West Councils for the year ended 31 March 2026 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 2026;
- 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 2026

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 2026

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 2026

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.

Income

Income from course fees, consultancy, subscriptions and other income is included in the period in which the organisation is entitled to receipt, it is probable that economic benefits will flow to the entity and the amount can be reliably measured. Where income is received in advance of the provision of services, the income is deferred.

Income from grants and government grants is recognised when the organisation has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred. Where no conditions are attached to grant income, it is recognised within grants. Any surpluses of income are carried forward to the following year as Receipts in Advance or Creditors.

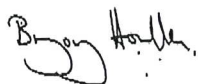
Management of Liquid Resources

South West Councils' cash balances are amalgamated and invested with Somerset Council's cash balances.

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026	2025
Fixed assets	A	52,430	57,817
Current assets			
Sundry debtors	B	116,983	225,254
Payments in advance	C	34,643	30,511
Cash at bank	D	5,991,088	5,452,665
Cash in hand	D	1,200	1,200
		<u>6,143,915</u>	<u>5,709,630</u>
Current liabilities			
Sundry creditors	E	409,405	308,386
Receipts in advance	F	2,862,874	2,842,715
		<u>3,272,280</u>	<u>3,151,101</u>
Net current assets		2,871,635	2,558,529
Total assets less current liabilities		<u>2,924,065</u>	<u>2,616,346</u>
Long term liabilities			
Pension liability	G	(12,000)	(10,000)
Net assets/(liabilities)		<u><u>2,912,065</u></u>	<u><u>2,606,346</u></u>
Represented by			
Building fund		308,229	308,229
Contingency		210,000	210,000
Pensions reserve - contingency		118,116	79,143
Pensions reserve - FRS102	G	(12,000)	(10,000)
Accumulated surplus		2,287,720	2,018,975
		<u><u>2,912,065</u></u>	<u><u>2,606,346</u></u>



B Houlden

Treasurer

DATE 19 June 2026



Bill Revens

Chair

DATE 19 June 2026

INCOME & EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2026

	Note	2026	2025
INCOME			
Subscriptions			
Local Authorities to SW		321,210	305,613
Affiliates/Associates		<u>57,713</u>	<u>58,089</u>
		378,923	363,702
Other Core Activities			
Course fees incl EPA		645,326	505,583
Consultancy		<u>230,798</u>	<u>278,464</u>
		876,124	784,047
Grant Income			
SW Strategic Migration, HKBN(O), ESOL & Ukrai	H & I	<u>1,126,864</u>	<u>692,618</u>
		1,126,864	692,618
Other income			
SW Portal		900	10,545
Misc		249,069	388,533
Trade Union Contribution		2,470	2,470
Room Hire		21,012	18,676
SW Directors of Public Health Network		-	-
ROG/CTU		-	13,130
Public Health Workforce Development		<u>935,172</u>	<u>209,895</u>
		1,208,623	643,250
Interest receivable		230,208	271,299
Other finance income - pension scheme	G	5,000	3,000
		<u>3,825,741</u>	<u>2,757,915</u>
EXPENDITURE			
Employees	M	1,376,255	1,291,895
Accommodation		108,625	84,389
Office expenses		88,638	162,082
Training course expenses		288,047	218,808
Other expenses		663,286	483,244
SW Directors of Public Health Network		-	-
SW ROG/CTU		-	13,130
Public Health Workforce Development		<u>935,172</u>	<u>209,895</u>
		(3,460,023)	(2,463,443)
SURPLUS (DEFICIT) FOR YEAR	J	<u><u>365,718</u></u>	<u><u>294,472</u></u>

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

		2026 £	2025 £	2024 £
Surplus/(deficit) for year	J	365,718	294,472	344,086
Return on assets less interest	G	712,000	(401,000)	1,319,000
Change in impact of asset ceiling	G	2,355,000	(1,721,000)	(482,000)
Other actuarial gains (losses)	G	(2,125,000)	-	-
Change in financial & demographic assumptions	G	168,000	2,046,000	506,000
Experience gain (loss) on defined benefit obligation	G	(1,170,000)	44,000	(58,000)
Total of Comprehensive Income		305,718	262,472	1,629,086

STATEMENT OF MOVEMENT IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

Note	Building Fund £	Contingency for potential SW RIEP liabilities £	Pensions reserve contingency £	Pensions reserve – FRS102 £	Accumulated surplus £	Total
As at 1 April 2025	308,229	210,000	79,143	(10,000)	2,018,975	2,606,346
Surplus for the year					365,718	365,718
Actuarial loss on pension scheme					(228,000)	(228,000)
Change in financial & demographic assumptions					168,000	168,000
Transfer to Pensions Reserve Contingency			38,973		(38,973)	-
Pension reserve transfer				(2,000)	2,000	-
As at 1 April 2026	308,229	210,000	118,116	(12,000)	2,287,720	2,912,065

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

		2026 £	2025 £
Net Cash inflow/(outflow) from operating activities	K	307,217	(113,864)
Investing Activities			
Investment Interest received	M	231,206	274,205
Payments made to acquire tangible fixed assets	A	<u>-</u>	<u>(1,238)</u>
		231,206	272,967
Increase / (decrease) in cash and cash equivalents	D	538,423	159,103
Cash and cash equivalents at 1 April	D	5,453,865	5,294,762
Cash and cash equivalents at 31 March	D	5,992,288	5,453,865
Opening balance		2026	2025
Petty cash	D	1,200	1,200
Bank	D	5,452,665	5,293,562
Deposit account	D	<u>0</u>	<u>0</u>
		5,453,865	5,294,762
Closing balance		2026	2025
Petty cash	D	1,200	1,200
Bank	D	5,991,088	5,452,665
Deposit account	D	<u>0</u>	<u>0</u>
		5,992,288	5,453,865

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31/3/26

A. Fixed Assets

	Land and Buildings	Fixtures and Fittings	Total
	£	£	£
COST:			
As at 1.4.2025	267,698	16,723	284,421
Additions	0	0	0
Disposals	0	0	0
As at 31.3.2026	267,698	16,723	284,421
DEPRECIATION:			
As at 1.4.2025	210,220	16,384	226,604
Charge for the Year	5,354	34	5,388
Disposals	0	0	0
As at 31.3.2026	215,574	16,418	231,992
NET BOOK VALUE:			
As at 31.3.2026	52,124	305	52,429
Freehold	0		

B. Sundry Debtors

This is where money is owed to South West Councils which relates to 2025/26. 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.

2026			2025	
£	£		£	£
225,254		Opening balance	166,156	
21,238		Less investment interest debtor (note L)	24,144	
	204,016			142,012
116,983		Closing balance	225,254	
20,240		Less investment interest debtor (note L)	21,238	
	96,743			204,016
	107,273	Change in debtors (note K)		(62,004)

C. Payments in Advance

This is where money was paid in 2025/26 but relates to goods and services not due until 2026/27. The change in payments in advance is shown for cash flow purposes.

2026			2025	
£	£		£	£
30,511		Opening balance	43,000	
34,643		Closing balance	30,511	
	(4,132)	Change in payments in advance (note K)		12,489

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

Cash balances are transferred between the South West Councils' bank account and that of Somerset Council as part of the ongoing treasury management service provided by Somerset Council. This ensures investments are maximised. The Cash at Bank figure for 2025/26 is the year-end bank balance together with the cash balance invested by Somerset Council.

2026			2025	
£	£		£	£
1,200		Opening balance – petty cash	1,200	
5,452,665		Opening balance – cash at bank	5,293,562	
	5,453,865			5,294,762
1,200		Closing balance – petty cash	1,200	
5,991,088		Closing balance – cash at bank	5,452,665	
	5,992,288			5,453,865
	538,423	Change in cash and cash equivalents		159,103

E. Sundry Creditors

This is where South West Councils owes money to people and external organisations for goods and services received in 2025/26. The change in creditors is shown for cash flow purposes.

2026			2025	
£	£		£	£
308,386		Opening balance	340,950	
409,405		Closing balance	308,386	
	101,019	Change in creditors (note K)		(32,564)

F. Receipts in Advance

This is where income has been received which relates to the following or future years. Some amounts have been reclassified as 'Legacy Funds' from Miscellaneous with 2024/25 values restated below. The total change between the years is shown for cash flow purposes.

2026			2025	
£	£		£	£
130,711		Training & EPA	142,655	
203,796		Legacy Funds	212,609	
24,192		Grant received from MHCLG (note I)	189,771	
5,000		Funding held for SW Public Health Trainee Nursing Associates Pilot Scheme	5,000	
1,302,882		Funding held for the Regional Oversight Group and Critical Thinking Unit	1,302,882	
1,016,687		Funding held for SW Public Health Workforce Development	918,539	
179,606		Miscellaneous receipts	71,259	
	2,862,874	Total		2,842,715
	20,159	Change in receipts in advance (note K)		(39,589)

G. 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 2025 and set contributions for the period 1 April 2026 to 31 March 2029. This has been updated by independent actuaries to the Somerset Pension Fund to take account of the requirements of FRS 102 in order to further assess the Fund as at 31 March 2026. The next valuation will be carried out as at 31 March 2028. The minimum employer contributions due from South West Councils are:

April 2026 to March 2027	17.1%	plus £22,950 pa
April 2027 to March 2028	17.1%	plus £23,800 pa
April 2028 to March 2029	17.1%	plus £24,700 pa

Employees contributed between 5.5% and 9.9% 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 2026, are:

Assumptions at	31 March 2026	31 March 2025	31 March 2024
	% pa	% pa	% pa
Salary increases	3.90	3.90	3.90
Pension increases	2.90	2.90	2.90
RPI Inflation	3.30	3.20	3.25
Discount rate	6.05	5.75	4.90

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 2026	31 March 2025	31 March 2024
	(£000)	(£000)	(£000)
Present value of defined benefit obligation	16,616	15,426	17,371
Fair value of Fund assets (bid value)	18,798	17,653	17,865
Deficit (Surplus)	(2,182)	(2,227)	(494)
Present value of unfunded obligation	12	10	12
Net defined benefit liability (asset)	(2,170)	(2,227)	(482)
Asset not recognised (Note O)	2,182	2,227	482
Net defined benefit	12	10	0

The amounts recognised in the profit and loss statement are:	Year to 31/3/26	Year to 31/3/25
	(£000)	(£000)
Service cost	143	160
Net interest on the defined liability (asset)	(5)	(3)
Administration expenses	11	13
Total loss (profit)	149	170

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to 31/3/26	Year to 31/3/25
	(£000)	(£000)
Opening defined benefit obligation	15,436	17,383
Current service cost	143	160
Interest cost	865	832
Change in financial assumptions	(618)	(2,000)
Change in demographic assumptions	450	(46)
Experience loss/(gain) on defined benefit obligation	1,170	(44)
Estimated benefits paid net of transfers in	(890)	(915)
Past service costs, including curtailments	0	0
Contributions by Scheme participants	73	67
Unfunded pension payments	(1)	(1)
Closing defined benefit obligation	16,628	15,436

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to 31/3/26	Year to 31/3/25
	(£000)	(£000)
Opening fair value of Fund assets	17,653	17,865
Interest on assets	998	859
Return on assets less interest	712	(401)
Other actuarial gains/(losses)	57	0
Administration expenses	(11)	(13)
Contributions by employer including unfunded	207	192
Contributions by Fund participants	73	67
Estimated benefits paid net of transfers and including unfunded	(891)	(916)
Closing fair value of Fund assets	18,798	17,653

Remeasurement of the net assets (defined liability)	Year to 31/3/26	Year to 31/3/25
	(£000)	(£000)
Return on Fund assets in excess of interest	712	(401)
Other actuarial gains/(losses) on assets	57	0
Change in financial assumptions	618	2,000
Change in demographic assumptions	(450)	46
Experience gain/(loss) on defined benefit obligation	(1,170)	44
Change in impact of asset ceiling	2,355	(1,721)
Remeasurement of the net assets (defined liability)	2,122	(32)

The following shows the projected pension expense for the year to March 2027:

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2026. These projections are based on assumptions as at 31 March 2026.

	Year to 31/3/27
	(£000)
Service cost	134
Net interest on the defined liability (asset)	(137)
Administration expenses	11
Total	8
Employer contributions	207

H. Home Office Grant

During 2025/26, £469,900 grant was received from the Home Office for South West Migration Partnership work, against a spend of £467,891. The balance of £2,009 is included within creditors.

I. MHCLG Grant

South West Councils also received £493,394 from the Ministry of Housing, Communities and Local Government (MHCLG) for the provision of Hong Kong British Nationals (Overseas) Welcome Programme, the Homes for Ukraine Scheme and for the provision of ESOL (English for Speakers of Other Languages). Added to this was a carried forward underspend of £14,734. Expenditure in the year totalled £483,936, resulting in an allowable carry forward of £24,192 which is included in Receipts in Advance

J. Reconciliation of surplus to operating (cash) deficit

2026			2025	
£	£		£	£
365,718		Surplus for the year	294,472	
		Pension scheme adjustments:		
	(207,000)	Less contributions (incl unfunded)		(192,000)
	11,000	Add admin costs		13,000
	143,000	Add current service cost		160,000
	0	Add past service cost		0
	(5,000)	Add/(less) net interest		(3,000)
	307,718	Operating surplus/(deficit)		272,472

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

2026			2025	
£	£		£	£
307,718		Operating surplus/(deficit) for year	272,472	
230,208		Less investment interest	271,299	
	77,510			1,173
	5,388	Depreciation charge (note A)		6,630
	107,273	Change in debtors (note B)		(62,004)
	(4,132)	Change in payments in advance (note C)		12,489
	101,019	Change in creditors (note E)		(32,564)
	20,159	Change in receipts in advance (note F)		(39,589)
	307,217			(113,865)

L. Investment Interest Reconciliation

2026			2025	
£	£		£	£
230,208		Investment interest	271,299	
21,238		Add investment interest opening debtor	24,144	
20,240		Less investment interest closing debtor	21,238	
	231,206	Investment interest (cash received in year)		274,205

M. Salaries, NI & Pension

The total of £1,376,255 in the Income and Expenditure Account can be broken down and reconciled as follows (with 2025 as comparison):

	Average wte	2026 £	Average wte	2025 £
Employees - shown in I & E A/C		1,376,255		1,291,895
Current service cost		(143,000)		(160,000)
Past service cost		0		0
Admin cost		(11,000)		(13,000)
Employer contributions (incl unfunded pension payments)		207,000		192,000
		<u>1,429,256</u>		<u>1,310,895</u>
Compensation for Loss of Office		1,384		1,360
Travel and Subsistence		7,778		9,458
Training Expenses		7,701		9,030
Staff Advertising		482		1,004
Permanent Staff				
Salaries		1,071,404		1,007,849
National Insurance		127,973		90,653
Pension		194,730		180,941
Deficit recovery payments		<u>11,000</u>		<u>10,600</u>
Total Permanent Staff	24.6	1,405,107	25.5	1,290,043
Temporary Staff		6,804		0
Overall Total		<u>1,429,256</u>		<u>1,310,895</u>

N. Amounts due under lease arrangements

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

	Finance	Operating
	£	£
Lease in:		
2026/27	0	3,098
2027/28 - 2029/30	0	7,486
Total	0	10,584

O. Contingent Assets and Liabilities

At 31 March 2026 the Local Government Pension Scheme (LGPS) actuary valuation, a net asset of £2,182,000 was reported. The Members have considered the valuation and whilst the organisation may benefit from a reduction in employer contributions in the future, this is not definite and based on a number of external factors. As a result, the Members consider this asset to be a contingent asset and have not recognised this asset in the balance sheet at the year end. The actuarial gain in the Statement of Total Comprehensive Income has been reduced accordingly.

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

P. Related Party Transactions.

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