

Registered charity number: 1084419  
Company number (registered in England & Wales): 04053417

**The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd**  
**(a company limited by guarantee)**

**Consolidated financial statements**  
**for the year ended**  
**31 March 2023**

**Consolidated financial statements  
for the year ended  
31 March 2023**

---

**Contents**

Report of the trustees	1 - 8
Auditors report	9 - 11
Consolidated Statement of Financial Activities	12
Consolidated Balance Sheet	13
Consolidated Statement of Cash Flows	14
Notes to the financial statements	15 - 23

**Report of the Trustees  
for the year ended  
31 March 2023**

---

The trustees present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

## **Objectives and activities**

### **Objects**

The objects of the charity are: "To promote any charitable purpose in particular the relief of poverty, sickness and distress, the advancement of education, the preservation and protection of health, the provision of public works and services and public amenities and facilities for recreation or other leisure time occupation in the interests of social welfare, particularly through the promotion of efficiency and good practice in local government."

The charity's governing documents permit it to do anything lawful that is deemed necessary to promote its objects, including (inter alia): employing staff; promoting, encouraging or undertaking study or research or disseminating the results of such; producing, printing and publishing anything in written, oral or visual media in furtherance of the objects; providing or procuring the provision of services, training, consultancy, advice, support, counselling and guidance in furtherance of the objects or any of them; promoting and supporting such legislative, social and administrative reform as may assist the charity's objects; and, entering into any arrangements with any governments, authorities or any person, company or association necessary to promote any of the charity's objects.

### **Aims and purpose**

Strategic aims of the charity are focused on:

- providing opportunities for local public service leaders to **learn, develop** and to **network** with each other and with contemporaries from other areas of public life;
- **influencing** debates about the future of public services, to ensure that **policy** is informed by the experience and expertise of our members;
- building the **integrity** and **reputation** of public service management; and
- supporting local public services to **recruit and place** the brightest and best to their leadership roles.

The Solace group's purpose is:

- to enable places to thrive by releasing the power and voice of people working in local public services

## **Achievements and performance**

The year to March 2023 saw the Solace group continue its path of steady, sustainable growth. A positive year commercially for the subsidiary company, Solace In Business, enabled the charity to expand its provision to the sector and support for individual members. The organisation has been transformed in the past few years with a growing capacity to make a recognisable impact on the health of the local government sector and success of its individual members.

Professional membership of Solace increased by 159, or over 10%, during 2022/23 giving more local government employees access to the support that Solace is able to provide. We have also worked positively with our strategic partners, including the Local Government Association, to build our and the sector's capacity, while our strong commercial success has ensured a stable financial foundation on which to build both our current provision and future ambitions.

### **Policy**

Solace continues to act as an important source of local government insight for the national Government. Through Solace's President and our policy leads, during the past year we were able to ensure local government's professional voice was heard clearly as important decisions were being made in Whitehall. We also had ministers, shadow ministers and civil servants attending our policy board, which meets monthly and provides an important sounding board for stakeholders as well as each other.

**Report of the Trustees (continued)  
for the year ended  
31 March 2023**

---

**Achievements and performance (cont'd)**

Engagement with Government resulted in over 200 meetings during the year, as well as over 500 meetings with other stakeholders. Engagement levels were maintained throughout the year and enabled us to influence Government and other key stakeholders on longer term issues, as well as on the immediate response to critical issues as they emerged. Simultaneously, Solace still regularly contributed within sector and national media. This enables us to create a wider influence and ensure that the professional voice of local government is still heard. Solace contributed 35 media articles across the year, as well as 110 press mentions.

**Member Engagement**

The Covid-19 pandemic has had a lasting impact on our events programme with a change in working patterns impacting face-to-face events. Although 2022/23 saw a significant increase in events attendance compared to the prior year with 1,625 attending face-to-face activity, these numbers remain below our historic highs set in the period before the pandemic. Commercial sponsorship income has recovered well and supports the long term viability of our events programme.

The support that Solace provides to individual members in their development has increased significantly in recent years. Last year we supported 232 individuals in coaching, organised action learning sets and facilitated appraisals and also ran tailored one-day in-house courses for 268 attendees.

**Leadership development**

The charity also supported the learning of 1,266 individuals (up from 966 in the previous year) as part of our organisational development activity across 51 organisations. Overall, our most significant leadership development programmes during the year included:

- Launch of the new AMPLify programme aimed at ensuring a diversity of senior managers and leaders across our sector are empowered to progress in their careers, ensuring they can flourish and that their abilities are recognised and nurtured in their councils.
- Continuation of the national graduate development programme, which introduces high quality graduates to a career in local government.
- The tenth year of our Springboard programme for talented aspiring leaders from across the UK.
- The eighth year of Total Leadership, an innovative partnership between Solace and the University of Birmingham bringing the best of academic rigor together with practical hands-on experience to create a career defining learning experience for Executive Leaders.
- Another two cohorts of our Ignite programme for experienced council chief executives.
- Continued expansion of our regional apprenticeship programme in leadership and management despite the challenges of the pandemic, with a three-day Ofsted inspection of our apprenticeship provision in early 2023 resulting in a 'Good' rating across all areas.

**Recruitment support**

Interim and permanent recruitment activity of the trading subsidiary, Solace In Business, in the year to March 2023 provided £600,000 (out of a total Solace In Business donation of £761,820) to help support Solace's charitable aims - the largest donation ever made to the charity from that area of activity.

Solace In Business complements the aims and objectives of the charity by being grounded in public service values and through its placement of quality resources into the local government sector. The social enterprise model enables it to shape the market – for example in areas such as gender equality and wider diversity challenges – in a manner not replicated by competitors. It also plays an important role supporting the local government sector's pipeline of future leaders by shaping elements of our leadership offer and helping ensure our overall activity is focused in areas where the sector requires additional support.

These non-financial benefits remain an important addition to the financial contribution which has enabled Solace to grow the breadth and depth of its support to individual members and also contribute to the wider improvement of the local government sector.

**Key performance indicators**

In addition to detailed management accounts, a range of indicators are used by the trustees and executive management to monitor and direct activities as appropriate. These include monthly reporting and discussion of key operational and impact measures for each area of the group, refreshed annually as part of the business planning and budgeting process dependent on the agreed focus for each area for the relevant period(s). Examples include: income and margins; sickness absence; membership renewals and additions; number of learners supported; number of organisations worked with; conversion rates for tendered activity; associates utilisation; customer satisfaction; and, website and social media performance (viewings, click throughs and interactions).

**Report of the Trustees (continued)**  
**for the year ended**  
**31 March 2023**

**Public Benefit**

The stated purpose of Solace is '*to help unleash the positive power of local government*'. On that foundational premise, the aims and activity of the charity provide benefits to the public through a variety of means, including:

- the promotion of efficiency and good practice in local government to facilitate better provision of public works, services and amenities in the interests of social welfare;
- the promotion of knowledge, skills and competence amongst its members - being individuals wholly or mainly employed as local authority chief executives and senior managers; and
- promoting the cause of local government, including parliamentary lobbying and influence on policy discussions and decision-making.

These benefits have this year been primarily achieved through the achievements, performance and activities highlighted in this Report of the Trustees.

In the furtherance of these aims the directors have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirements under that Act.

**Financial Review**

***Investment policy***

Investment powers are governed by the Articles of Association. Currently there are no investment restrictions in place and the investment objectives are: a balance of capital growth and income from investments; and, an overall medium tolerance of risk. The investment is therefore held in a mixture of medium to high risk investment portfolios. Financial gains from the current investments are automatically reinvested.

***Investment performance***

Evelyn Partners continue to manage an investment portfolio on behalf of the charity. The portfolio was valued at £145,293 on 31 March 2023, which reflects a £13,278 loss on revaluation. In the year ended 31 March 2023 there was an overall £13,253 net decrease in funds after investment management charges (note 14).

Whilst funds are invested in medium to high risk portfolios the investment manager has advised that "the indirect investment approach of the investment trust holdings within the portfolio are of a less risky nature than a single direct equity investment, although technically the same risks apply due to the legal structure of investment trusts".

***Results for the year***

Full details of the financial transactions are contained in the attached financial statements.

	£
Total income for the year was	10,606,205
After deducting expenditure of	10,605,580
The net income / (expenditure) before recognised gains / (losses) was	<u>625</u>
The net assets of the charitable group at 31 March 2023 were	<u><u>1,798,367</u></u>

***Available funds***

At 31 March 2023 the charity had freely available reserves for its general purposes amounting to	<u>£ 1,184,156</u>
This comprises the balance in unrestricted funds, excluding tangible fixed assets and investments.	

***Reserves Policy***

The charity's reserves policy is based on the value of unrestricted reserves excluding designated funds, with a target of covering 6 months operating costs (calculated to be £919,060 as at 31 March 2023) and a minimum of 3 months operating costs (£750,760 as at 31 March 2023). At £1,120,261 (note 21) the value of unrestricted reserves excluding designated funds as at 31 March 2023 compares favourably to the stated target reserves level. In the event that future circumstances require it, currently designated funds may be undesignated in order to address required needs.

***Risks and uncertainties***

Trustees have a duty to identify and review risks to which the charity is exposed and ensure appropriate controls are in place, including the provision of reasonable assurance against fraud and error. The trustees therefore closely monitor the operations of the charity and its trading subsidiary and review on a regular basis the nature of potential risks, their potential impact, likelihood of occurrence and means of mitigating them. As part of this process the trustees consider the adequacy of current internal controls and their ongoing suitability.

**Report of the Trustees (continued)  
for the year ended  
31 March 2023**

---

***Risks and uncertainties (cont'd)***

Government policy changes relating to and/or affecting the public sector are considered to be the principal risks and uncertainties. These are primarily dealt with by staying close to the sector and through active engagement in policy discussions, as already referenced earlier in this report.

Proactive, effective engagement with our members, partners and sector interest groups provides up-to-date intelligence which allows potential issues to be identified in a timely manner. This enables the Solace group to plan and respond accordingly based on sound management and control across all areas of the organisation, including specific operational and cost changes as necessary. Our response to, and impact management of, the Covid-19 pandemic is a recent example of successfully addressing an emergent risk and uncertainty and its impact on the group's workforce, on market conditions and on future funding and requirements of the organisation's principal customer base.

***Financial risk management***

The charity and its subsidiary use financial instruments comprising cash and debtors. Their main purpose is to finance the working capital cycle of the group. Policies for managing financial risks open to the group are:

Price risk	A range of suppliers are used to ensure market prices are not exceeded. Contracts are used for the supply of a range of goods and services and these are reviewed on a regular basis.
Credit risk	Customers are largely public sector organisations who by their nature are considered 'low risk'. Many are long-standing customers. Effective credit management procedures are also in place.
Interest risk	Returns on cash are maximised through utilising a range of interest bearing bank accounts.
Liquidity risk	A range of bank accounts are used which enable access to funds in line with cash flow projections. Group companies have a good relationship with their bankers.

***Future Plans***

In March 2023 meetings of the Solace group board and trading subsidiary board discussed and agreed priorities for the coming period alongside our long term objectives.

In the run up to, and during, Solace's 50th anniversary year we will be reflecting on Solace's role during the last fifty years of local government and also what the future might and should hold for us as an organisation. We will renew our strategic direction and set a course for the organisation that better supports our members and local government as a whole for the next fifty years.

In the meantime, the following organisational purpose, goals and priorities will provide a starting point for that work and guide our day-to-day activity for the next two years.

***Future Plans: 2030 goals***

- Set the standard for the learning and development of professional leaders and managers in UK local government
- Be the influential voice in the UK for professional local government
- Be the go-to service for local government's talent management and leadership solutions

***Key priorities 2023-25***

Over the next two years the goals set out above will be pursued by focusing on the following areas:

- Positively marking the organisation's 50th anniversary by celebrating the impact Solace and its members have had on local government over the past fifty years and reflecting on the sector's, and its leadership profession's, current strengths and challenges
- Engage members in the future direction of Solace and how best we can support the sector and our members into the next fifty years
- Taking action to promote equalities and inclusion and ensure the local government workforce is more representative of those it serves
- Deliver high quality, aspirational support across all our individual services to help unleash the positive power of local government across the UK
- Strengthen Solace's long-term future by maintaining a resilient, commercially viable, learning organisation across all services

**Report of the Trustees (continued)  
for the year ended  
31 March 2023**

---

***Key priorities 2023-25 (cont'd)***

***Positively marking the organisation's 50th anniversary by celebrating the impact Solace and its members have had on local government over the past fifty years and reflecting on the sector's, and its leadership profession's, current strengths and challenges***

2024 will mark fifty years since the establishment of the Society of Local Authority Chief Executives. Following the reorganisation of local government a year earlier, the creation of the Society was announced on January 25th. We will use this date as an opportunity to launch the anniversary year through a range of communications channels.

The first Solace AGM was held on 6th March 1974 and we will host our Annual Dinner on, or as close as possible, to that date, providing us with an opportunity to celebrate the past fifty years and the contribution that Solace and its members have made during that time. In 2022 we started to use the Annual Dinner to thank individuals retiring from senior council positions for their public service. The 50th Anniversary Dinner is an opportunity to develop that theme to a greater extent by celebrating contributions more widely, including those who have made significant contributions to the sector more generally.

While the Annual Dinner will celebrate the past fifty years, our drinks reception at the 2024 LGA Conference will be more contemporary and reflect the success and challenges of local government professionals today. This may include the publication of a 'state of the profession and sector' type report.

The 2024 Solace Summit will be a future-focused event and explore with the usual selection of high quality speakers from inside and outside of our sector - alongside facilitated discussions - how the next fifty years may develop for the future of the sector and profession.

***Engage members in the future direction of Solace and how best we can support the sector and our members into the next fifty years***

The anniversary year creates an opportunity for Solace and its members to reflect and discuss the past, present and future of the profession. But it also takes place at a time when a range of challenges are exposing weaknesses in the overall capacity and quality of the profession. Solace has long campaigned for greater emphasis on the professional development of local government leaders, the protection and enhancement of officers' roles in the wider assurance system of the sector, and the need to attract greater numbers into the sector to ensure a strong and diverse pipeline of talent.

We will therefore use the next two years to further develop our thinking in this area. We have already started discussions with Government and the Local Government Association on developing a more comprehensive programme for Chief Executives using the Improvement Grant for England, building on research undertaken for our Leadership Academy project.

This creates a launchpad for wider engagement on the future of the Society and our role in the professional development of our members across the UK, which could deliver a new approach to be launched during the anniversary year. It will also be important that this work links to other work being done on improvement and assurance across the sector (e.g. following the LGA's recent peer review).

***Taking action to promote equalities and inclusion and ensure the local government workforce is more representative of those it serves***

Our equality, diversity and inclusion project will continue to be a priority during the next two years. Significant progress has been made on a range of specific actions, but we know that significantly more is required including ensuring our approach threads through all Solace external activity and also internally with our employees and associates.

We have established an outcomes framework which will help raise the profile of our activity, measure progress and hold us and the sector to account. We have also started to publish data and are running our first AMplify programme that specifically supports the development of diverse talent within local government. It is important that the momentum created is not lost and we will continue to prioritise this activity throughout the next two years.

***Deliver high quality, aspirational support across all our individual services to help unleash the positive power of local government across the UK***

While both marking the anniversary and reflecting on Solace's future will take some of our focus, it remains crucial that we also prioritise maintaining and improving the high-quality services we provide to individual members, clients and the sector. It is only because we have steadily built the reputation of Solace to deliver effectively that we can influence Government, other sector stakeholders and individuals to achieve our long-term objectives. As well as maintaining our own standards, this includes working with the most challenged of councils to support them in navigating their journey in circumstance where other commercially focused organisations may not be so able, but also by being open and sharing the learning from those and other councils to develop the sector overall.

**Report of the Trustees (continued)  
for the year ended  
31 March 2023**

---

***Deliver high quality, aspirational support across all our individual services to help unleash the positive power of local government across the UK (cont'd)***

We will therefore continue to closely monitor our service provision using the KPI approach that is tried and tested. This includes continuing to evolve the approach to ensure our measures and analysis is insightful, targeted and proportionate. Increased levels of engagement with members over the next two years also provides an opportunity to respond to feedback and adapt our approach in the short as well as longer term, to better suit our customers' needs.

***Strengthen Solace's long-term future by maintaining a resilient, commercially viable, learning organisation across all services***

While our pursuit of quality remains a priority, this is intertwined with the organisation's financial stability. In recent years Solace has been able to strengthen its financial position significantly and create a context which has enabled us to ride the commercial challenges of the pandemic positively. The group's reserves and cashflow positions have also enabled choices and actions such as our investment in a programme manager to lead our diversity and inclusion activity. This approach will continue to ensure we are able to continue to make choices in the future.

But our resilience is not just financial and the Covid-19 pandemic in particular has demonstrated the importance of our workforce. They responded resourcefully and positively to the challenges and enabled us to navigate our way through that challenging period. Recruitment and retention remain the most significant risks to the business and we are responding by investing significantly more in training and development and more regularly and consistently engaging our employees. Our intended new office accommodation will be a significant step forward and provide an important arena for engagement and cross-working to take place.

**Structure, Governance and Management**

***Governing document***

The charity is controlled by its governing document (a deed of trust dated 9 January 1986), and constitutes a company limited by guarantee (incorporated in England & Wales). It is governed by Memorandum and Articles of Association which were last amended and ratified by the company in general meeting on 17 October 2018.

***Organisational structure***

The charity is governed by directors who are also the trustees of the charity, as listed on page 7. The directors are responsible for administering the funds in accordance with the Trust Deed.

The directors meet a minimum of four times a year, to set organisational strategy and business plans and to review operational and financial performance. When carrying out their governance duties for the charity, the directors have regard for the guidance on public benefit published by the Charity Commission.

Day to day responsibility for running the charity is delegated to the Managing Director and senior executive staff, based on appropriate schemes of delegation determined by the directors.

***Recruitment and appointment of new directors***

Directors of the charity are identified from within the membership and appointed at the Annual General Meeting.

***Third party indemnity provision for directors***

The charity has third party indemnity insurance in place covering all directors of the charity.

***Induction and training of new directors***

New directors receive an induction programme which includes information and guidance on the liabilities and responsibilities of company directors and charity trustees, a copy of the Memorandum and Articles of Association and background information relating to budgets, forward plans and details of previous key decisions.

***Disability and equality policy***

All applicants for positions with the charity are given full and fair consideration. Employment, training and general policies are applied equally to all affected individuals.

***Pay policy for senior staff***

The directors consider that the board of directors (who are the charity's trustees) and the executive heads of service comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.



**Report of the Trustees (continued)  
for the year ended  
31 March 2023**

---

***Pay policy for senior staff (cont'd)***

All non-executive directors give of their time freely in that capacity and no director received remuneration during the year (2022: £nil) in connection with their appointment or duties as a director of the charity. Details of directors' expenses are provided in note 12 to the financial statements.

Staff pay is reviewed annually. Recommendations relating to senior staff and executive directors are considered by the non-executive directors on the Board or by a sub-committee of non-executive directors and relevant advisors. Any agreed pay increase would generally be based on consideration of a range of potential influencing factors, such as inflation measures and public sector pay awards. Market rates for comparable roles are also periodically considered, particularly as part of recruitment activities.

**Directors and trustees**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees and officers serving during the year and since the year end were as follows:

**Key management personnel: Trustees and Directors of  
The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd**

***Specified elected roles:***

<i>Chair:</i>	G L Jones	
<i>Finance lead:</i>	A J Steven	<i>(appointed 13 October 2022)</i>
<i>Solicitor/Company Sec:</i>	D E Forrester-Brown	
<i>President:</i>	M V Prosser	<i>(appointed 1 January 2023)</i>
<i>SIB Chair:</i>	R E Hyde	

***Other elected non-executive directors:***

S L Bridglalsingh	<i>(resigned 17 June 2022)</i>	A W Muter	<i>(resigned 13 October 2022)</i>
J Burns		C D Naylor	
A M Donaghy	<i>(resigned 13 October 2022)</i>	D V Plank	
S H Fitzgerald		E Rogers	
P R Frainer		J L Roney	
S K Hall	<i>(appointed 13 October 2022)</i>	J R Rowlands	<i>(resigned 16 June 2023)</i>
A M Hill		S L Sanders	
N S A Hussain-Duke		D R Thomas	
R A L McKoy	<i>(appointed 13 October 2022)</i>	R G S Weaver	<i>(appointed 13 October 2022)</i>

***Employed executive director:***

G V McDonald

**Key management personnel: Senior managers of  
The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd**

Managing Director	G V McDonald
Director of Learning	T I Birtwell
Director of Engagement	J A Howarth
Director of Policy, Partnerships & Public Affairs	A J B Thomson

**Key management personnel: Senior managers of Solace In Business Ltd**

Business Development Director	T J McDougall
Director of Corporate Resources	S R P Chambers
Director of Executive Resourcing & Assessment	S J Guest
Director of Interim Management	J K Mullinger

**Our advisers**

Auditors	SMH Jolliffe Cork Audit Ltd, 33 George Street, Wakefield WF1 1LX
Bankers	Lloyds Bank plc, 27-31 White Hart Street, High Wycombe, HP11 2HL National Westminster Bank Plc, 23 Uplands Crescent, Swansea SA2 0NY

**Report of the Trustees (continued)**  
**for the year ended**  
**31 March 2023**

---

**Reference and administrative details**

Company number	4053417
Charity number	1084419
Registered office	33 George Street Wakefield West Yorkshire WF1 1LX

**Trustees' responsibilities in relation to the financial statements**

The charity trustees (who are also the directors of The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Statement as to disclosure of information to the auditor**

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Signed on behalf of the trustees on 22 September 2023

G L Jones  
Trustee

**for the year ended  
31 March 2023**

---

### **Opinion on financial statements**

We have audited the financial statements of The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd for the year ended 31 March 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and the Parent Charity Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for 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 the charitable company 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 trustees' 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 group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

**for the year ended  
31 March 2023**

---

### **Matters on which we are required to report by exception**

In light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group and parent charitable company's 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 trustees either intend to liquidate the group or the parent charitable company 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:

### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatements 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 group through discussions with the trustees and other informed management which we considered may have a direct material effect on the financial statements or the operations of the group and thereafter, the audit team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group'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 considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**for the year ended  
31 March 2023**

---

**The extent to which the audit was considered capable of detecting irregularities including fraud (cont'd)**

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims and reviewing correspondence with the group's legal advisors.

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 directors and other 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](http://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 charitable company's members and trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Lawton FCA DChA (Senior Statutory Auditor)  
for and on behalf of  
SMH Jolliffe Cork Audit Ltd  
Chartered Accountants and Statutory Auditor  
33 George Street  
Wakefield, WF1 1LX

28 September 2023

**Consolidated Statement of Financial Affairs (including consolidated income and expenditure account)  
for the year ended  
31 March 2023**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>INCOME</b>							
Donations		-	-	-	-	-	-
Income from charitable activities	4	2,212,356	235,514	2,447,870	1,874,167	279,007	2,153,174
<i>Income from other activities</i>							
Commercial trading operations	5	8,152,422	-	8,152,422	6,058,158	-	6,058,158
Government grants	6	-	-	-	528	-	528
Income from investments	7	5,913	-	5,913	2,268	-	2,268
<b>Total income</b>		<b>10,370,691</b>	<b>235,514</b>	<b>10,606,205</b>	<b>7,935,121</b>	<b>279,007</b>	<b>8,214,128</b>
<b>EXPENDITURE</b>							
<i>Cost of raising funds</i>							
Investment management costs	8	2,346	-	2,346	2,422	-	2,422
Commercial trading operations	5	7,366,849	-	7,366,849	5,558,430	-	5,558,430
<i>Expenditure on charitable activities</i>							
Education & Training	10	2,178,531	310,239	2,488,770	1,749,770	182,390	1,932,160
Membership services	10	747,615	-	747,615	622,397	-	622,397
Loss on disposal of fixed assets		-	-	-	-	-	-
<b>Total expenditure</b>		<b>10,295,341</b>	<b>310,239</b>	<b>10,605,580</b>	<b>7,933,019</b>	<b>182,390</b>	<b>8,115,409</b>
<b>Net income / (expenditure) before transfers</b>		<b>75,350</b>	<b>(74,725)</b>	<b>625</b>	<b>2,102</b>	<b>96,617</b>	<b>98,719</b>
Gross transfers between funds		-	-	-	-	-	-
<b>Net income / (expenditure) before recognised gains / (losses)</b>		<b>75,350</b>	<b>(74,725)</b>	<b>625</b>	<b>2,102</b>	<b>96,617</b>	<b>98,719</b>
<b>Other recognised gains / (losses)</b>							
Unrealised gains / (losses) on investments		(13,278)	-	(13,278)	2,840	-	2,840
<b>Net movement in funds for the year</b>		<b>62,072</b>	<b>(74,725)</b>	<b>(12,653)</b>	<b>4,942</b>	<b>96,617</b>	<b>101,559</b>
<b>Reconciliation of funds</b>							
Total funds b/fwd	20	1,373,253	437,767	1,811,020	1,368,311	341,150	1,709,461
<b>Total funds c/fwd</b>	<b>20</b>	<b>1,435,325</b>	<b>363,042</b>	<b>1,798,367</b>	<b>1,373,253</b>	<b>437,767</b>	<b>1,811,020</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

# Consolidated Balance Sheet

as at

31 March 2023

	Notes	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
<b>Fixed assets</b>					
Tangible assets	13	105,876	148,274	58,048	90,011
Investments	14	145,293	158,546	207,327	220,580
<b>Total Fixed Assets</b>		<u>251,169</u>	<u>306,820</u>	<u>265,375</u>	<u>310,591</u>
<b>Current assets</b>					
Debtors	15	1,834,066	1,365,451	389,252	336,538
Cash at bank and in hand		1,730,820	1,965,236	1,488,400	1,424,817
<b>Total Current Assets</b>		<u>3,564,886</u>	<u>3,330,687</u>	<u>1,877,652</u>	<u>1,761,355</u>
<b>Creditors: falling due within one year</b>	16	2,012,065	1,756,798	897,562	788,440
<b>Net current assets</b>		<u>1,552,821</u>	<u>1,573,889</u>	<u>980,090</u>	<u>972,915</u>
<b>Total assets less current liabilities</b>		1,803,990	1,880,709	1,245,465	1,283,506
Provisions for liabilities and charges	17	5,623	69,689	-	-
<b>Net Assets</b>		<u><u>1,798,367</u></u>	<u><u>1,811,020</u></u>	<u><u>1,245,465</u></u>	<u><u>1,283,506</u></u>
<b>The funds of the charity</b>					
Unrestricted income funds	20	1,435,325	1,373,253	882,423	845,739
Restricted income funds	20	363,042	437,767	363,042	437,767
<b>Total charity funds</b>		<u><u>1,798,367</u></u>	<u><u>1,811,020</u></u>	<u><u>1,245,465</u></u>	<u><u>1,283,506</u></u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Trustees on 22 September 2023 and signed on their behalf by:

G L Jones  
Trustee

**Statement of Cash Flows and Consolidated Statement of Cash Flows**

as at

31 March 2023

	<b>Group 2023 £</b>	<b>Group 2022 £</b>	<b>Charity 2023 £</b>	<b>Charity 2022 £</b>
<b>Cash flows from operating activities</b>				
Net movement in funds for the year	(12,653)	101,559	(38,041)	57,762
Adjustments for:				
Depreciation	59,925	57,213	37,401	37,122
Unrealised investment (gains) / losses	13,278	(2,840)	13,278	(2,840)
Re-invested dividend income	(2,371)	(2,140)	(2,371)	(2,140)
Fees netted off investment portfolio	2,346	2,422	2,346	2,422
Interest received	(3,542)	(128)	(1,907)	(14)
Loss / (gain) on disposal of fixed assets	-	-	-	-
Decrease / (increase) in debtors	(468,615)	(241,898)	(52,714)	(120,211)
Increase / (decrease) in creditors	255,267	17,374	109,122	67,468
Increase / (decrease) in provisions	(64,066)	57,738	-	-
<b>Cash generated from / (used in) operating activities</b>	<b>(220,431)</b>	<b>(10,700)</b>	<b>67,114</b>	<b>39,569</b>
<b>Cash flows from investing activities</b>				
Interest received	3,542	128	1,907	14
Fixed asset purchases	(17,527)	(15,929)	(5,438)	(4,196)
Released from managed portfolio	-	-	-	-
<b>Cash provided by / (used in) investing activities</b>	<b>(13,985)</b>	<b>(15,801)</b>	<b>(3,531)</b>	<b>(4,182)</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>(234,416)</b>	<b>(26,501)</b>	<b>63,583</b>	<b>35,387</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,965,236</b>	<b>1,991,737</b>	<b>1,424,817</b>	<b>1,389,430</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,730,820</b>	<b>1,965,236</b>	<b>1,488,400</b>	<b>1,424,817</b>



**Notes to the Consolidated Financial Statements  
for the year ended  
31 March 2023**

---

## **1 Accounting policies**

### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The charity's functional and presentation currency is the pound sterling £. All financial information presented has been rounded to the nearest £, unless otherwise stated.

### **1.2 Basis of consolidation**

The group financial statements consolidate the results of The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd and its subsidiary Solace In Business Ltd.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group net incoming resources include the results of subsidiaries from the date of acquisition and to the date of sale outside the group in case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

The trustees have taken advantage of the exemption afforded by section 408 of the Companies Act 2006 and a separate Statement of Financial Activities and income and expenditure account for the charity has therefore not been presented.

### **1.3 Going concern**

The financial statements have been prepared on a going concern basis. In preparing the accounts the trustees have considered possible risks, events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern and therefore on the appropriate use of the going concern basis.

Regularly monitoring the operational and financial performance of the charity and its subsidiary is part of the routine activities of executive management (monthly) and of the separate company boards (quarterly). This includes detailed management accounts and the analysis of pipeline activity (income and margins), together with performance indicators ranging from opportunity conversion rates to customer satisfaction across all areas of activity. Financial forecasts for the period through to 31 August 2024 have, together with current reserves and cash balances, also been reviewed as part of that regular monitoring activity. Based on such reviews and related enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future and therefore they have continued to adopt the going concern basis in preparing its financial statements.

### **1.4 Fixed assets**

a) Fixed assets are initially recorded at historic cost.

b) Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Improvements to short leasehold property	Over the term of the lease
Fixtures & Fittings	25% on reducing balance
Computer equipment	20% or 33% on cost

### **1.5 Fixed Asset investments**

Investments in subsidiaries are stated at historical cost less provision for diminution in value. Other investments are stated at fair value.

### **1.6 Income recognition**

a) Income from charitable activities (including trading) in the form of services is recognised in the relevant period(s) in which the activity takes place or is earned. Activity income received in advance is deferred until entitlement to the income has arisen at which time it is credited to the Statement of Financial Activities.

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

---

**1.6 Income recognition (cont'd)**

- b) Donations and voluntary income are accounted for when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.
- c) Grant funding received for a specified area of the charity's work or for a specific purpose is accounted for as restricted funds. Grants received without restriction are recognised when the charity 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.
- d) Investment income is recognised on an accruals basis.

**1.7 Gift aid distribution from subsidiary company to parent charity**

Profits over and above those needed to meet the working capital requirements of subsidiary companies are transferred to the parent charity by way of a gift aid distribution. As no legal obligation exists, the distributions in respect of the current and comparative year represent amounts paid as at the balance sheet date.

**1.8 Expenditure**

- a) All expenditure is accounted for on an accruals basis. VAT is recovered on relevant expenditure. Irrecoverable VAT is included within the relevant expense of the charity in the year in which it is incurred.
- b) Activities in furtherance of the charity's objectives include the direct costs of staff and property together with the costs of projects and activities.
- c) The trustees consider that management and administration costs of the charity are not material when taken in the context of amounts spent on charitable activities. All members of staff have been active in fulfilling the objectives of the charity.

**1.9 Support costs**

Support costs relate to functions that assist the work of the charity but do not directly undertake charitable activities. They include back office, finance, personnel, payroll and governance costs (e.g. the preparation and examination of the statutory accounts, the costs of directors meetings and the cost of legal advice on constitutional matters). The bases on which support costs have been allocated are set out in note 11.

**1.10 Operating leases**

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.11 Pensions**

The charity operates a defined contribution pension scheme. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

**1.12 Fund accounting**

The charity has various types of funds for which it is responsible, and which require separate disclosure. These are as follows:

- |                           |  |
|---------------------------|--|
| <b>Unrestricted funds</b> | - Funds are expendable at the discretion of the trustees in furtherance of the objects of the charity.   |
| <b>Restricted funds</b>   | - Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders/donors or by the purpose of the grant. |
| <b>Designated funds</b>   | - The trustees may at their discretion set aside unrestricted funds for specific purposes.   |

**2 Legal status and control**

The charity is a company limited by guarantee. All members have agreed to contribute an amount not exceeding £1 each to the assets of the company in the event of it being wound up.

The charity is controlled by its members. Membership of the charitable company is open to individuals designated as senior officers of local authorities in England, Scotland, Wales, Northern Ireland, the Channel Islands and the Isle of Man. Membership is also open to senior officers of any other board, authority or committee exercising local government or public service functions in any of the indicated geographic areas.

Elected members of local authorities are not eligible to for membership of the charitable company, notwithstanding that they may be otherwise qualified.

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

### 3 Financial performance of the charity

The Consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary company (note 5), which provides Interim placement and executive recruitment services. The summary financial performance of the charity alone is as follows:

	Unrestricted Funds £	Restricted Funds £	Total 2023 £	Total 2022 £
Donations	-	-	-	-
Government grants (note 6)	-	-	-	323
Gift aid distribution from trading subsidiary (note 5)	761,820	-	761,820	456,250
Income from investments	4,278	-	4,278	2,154
Income from charitable activities	2,212,356	235,514	2,447,870	2,153,174
	2,978,454	235,514	3,213,968	2,611,901
Investment management fees	(2,346)	-	(2,346)	(2,422)
Expenditure on charitable activities	(2,926,146)	(310,239)	(3,236,385)	(2,554,557)
Net income	49,962	(74,725)	(24,763)	54,922
Unrealised gains / (losses) on investments	(13,278)	-	(13,278)	2,840
Total funds brought forward	845,739	437,767	1,283,506	1,225,744
Total funds carried forward	882,423	363,042	1,245,465	1,283,506
Represented by:				
Restricted income funds			363,042	437,767
Unrestricted income funds			882,423	845,739
			1,245,465	1,283,506

	Unrestricted £	Restricted £	Total Funds 2023 £	Total Funds 2022 £
<b>4 Income from charitable activities</b>				
Education and training	1,729,092	177,500	1,906,592	1,798,887
Membership activities	483,264	58,014	541,278	354,287
	2,212,356	235,514	2,447,870	2,153,174

Restricted income relating to education and training represents grant funding received in relation to specified activities.

### 5 Income from commercial trading operations

The charity has one wholly owned trading subsidiary, Solace In Business Ltd (note 14), which is incorporated in England and Wales and provides recruitment services to the public sector. Profits over and above those needed to meet the working capital requirements of the subsidiary are transferred to the charity by way of a gift aid distribution. The distribution amounts stated below are the total sums paid across within the relevant financial year.

	2023 £	2022 £
The summary financial performance of the subsidiary alone is as follows:		
Turnover	8,152,422	6,058,158
Government grants (note 6)	-	205
Cost of sales and administration costs	(7,374,036)	(5,506,764)
Exceptional costs	6,467	(63,346)
Interest receivable	1,635	114
Net profit	786,488	488,367
Taxation	720	11,680
Profit for the financial year	787,208	500,047
Gift aid distribution to parent charity	(761,820)	(456,250)
Retained in subsidiary	25,388	43,797

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

**5 Income from commercial trading operations (cont'd)**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The assets and liabilities of the subsidiary were:		
Fixed assets	47,848	58,283
Current assets	1,692,787	1,572,563
Current liabilities	(1,120,080)	(971,613)
Provisions for liabilities and charges (note 17)	(5,623)	(69,689)
Total net assets	<u>614,932</u>	<u>589,544</u>

The financial performance of the subsidiary for the year ended 31 March 2022 included an exceptional cost item amounting to £63,346 in connection with the cessation of two operating leases related to land and buildings. In both instances, prior to 31 March 2022 the company issued break notices in line with the terms of the relevant lease and therefore at that year end date provided for expected costs relating to the cessation of those leases including related dilapidations works. All related costs were fully accounted for during the year ended 31 March 2023 with £6,467 of the provision unused and reversed during that period (note 17).

**6 Government grants**

	<b>Total 2023</b>	<b>Total 2022</b>
	<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme	-	102
Other government grants	-	426
	<u>-</u>	<u>528</u>

Coronavirus Job Retention Scheme grant was received for the purpose of paying staff who were furloughed because of the impact of Covid-19. There are no unfulfilled conditions or contingencies attaching to receipt of that grant.

Other government grants related to Coronavirus Statutory Sick Pay claims.

**7 Investment income**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Dividends	2,371	2,140
Bank and other interest	3,542	128
	<u>5,913</u>	<u>2,268</u>

**8 Investment management costs**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Portfolio management	<u>2,346</u>	<u>2,422</u>

**9 Staff costs and numbers**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Salaries	1,779,099	1,599,888
Social security costs	179,232	145,322
Pension costs	114,987	101,236
	<u>2,073,318</u>	<u>1,846,446</u>

The average monthly number of employees during the year was as follows:

	<b>Number 2023</b>	<b>Number 2022</b>
Executive directors	1	1
Other staff	45	44
	<u>46</u>	<u>45</u>

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

<b>10 Expenditure on charitable activities</b>	<b>Education &amp; Training £</b>	<b>Membership Services £</b>	<b>Total 2023 £</b>
Governance costs (note 11)	29,278	16,898	46,176
Support costs (note 11)	885,743	403,671	1,289,414
Direct delivery	1,363,977	190,584	1,554,561
Central premises	6,615	10,082	16,697
IT support and consumables	78,922	25,555	104,477
Communications	5,001	1,121	6,122
Depreciation	27,292	10,110	37,402
Travel & subsistence	8,305	4,771	13,076
Irrecoverable VAT	57,110	8,131	65,241
Marketing	10,113	13,608	23,721
Bank interest and transaction charges	2,381	882	3,263
International relationships and support	-	23,123	23,123
Other costs	14,033	39,079	53,112
	<b>2,488,770</b>	<b>747,615</b>	<b>3,236,385</b>

Expenditure on charitable activities was £3,236,385 (2022: £2,554,557) of which £2,926,146 was unrestricted (2022: £2,372,167) and £310,239 was restricted (2022: £182,390).

**11 Governance and support costs**

	<b>Basis of apportionment</b>	<b>Support costs £</b>	<b>Governance £</b>	<b>Total 2023 £</b>	<b>Total 2022 £</b>
Salaries and related costs	Staff roles and time allocation	1,281,497	26,951	1,308,448	1,079,975
Audit fee	Invoice description	-	8,514	8,514	7,086
Other professional and legal fees	Invoice description	61	10,150	10,211	61
Board running costs	Invoice description	-	561	561	300
Sundry expenses	Invoice description	7,856	-	7,856	2,234
		<b>1,289,414</b>	<b>46,176</b>	<b>1,335,590</b>	<b>1,089,656</b>

**12 Staff costs, trustee remuneration and expenses, and the cost of key management personnel**

The key management personnel of the group and the parent charity comprise the trustees and senior managers whose names are listed on page 7. Total remuneration and employee benefits for key management personnel amounted to £749,146 (2022: £723,973) including pension contributions of £56,414 (2022: £50,488). This includes one trustee, G McDonald (2022: one trustee - G McDonald) who received remuneration relating to their contract of employment with the charity or its subsidiary.

The number of employees earning more than £60,000 per annum (including related pension contributions) is:

	<b>Group 2023</b>	<b>Group 2022</b>	<b>Charity 2023</b>	<b>Charity 2022</b>
Between £60,001 and £70,000	-	1	-	-
Between £70,001 and £80,000	1	-	-	-
Between £80,001 and £90,000	3	3	1	1
Between £90,001 and £100,000	2	3	2	2
Between £100,001 and £110,000	1	-	-	-
Between £110,001 and £120,000	-	-	-	-
Between £120,001 and £130,000	1	1	1	1

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

**12 Staff costs, trustee remuneration and expenses, and the cost of key management personnel (cont'd)**

During the year ended 31 March 2023 no trustee (2022: no trustee) received remuneration or benefits from the charity for acting as, or in connection with, their appointment as a trustee of the charity. During the year three non-executive trustees (2022: no trustees) were reimbursed expenses totalling £11,138 (2022: £nil) including £10,794 (2022: £nil) relating to representing the organisation at international partner events.

**13 Tangible fixed assets**

<b>Group</b>	<b>Improvements to short leasehold to property £</b>	<b>Fixtures and fittings £</b>	<b>IT infrastructure £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2022	60,105	4,118	228,707	79,874	372,804
Additions	-	-	-	17,527	17,527
Transfers	-	-	28,404	(28,404)	-
Disposals	(60,105)	(4,118)	(12,204)	(25,901)	(102,328)
At 31 March 2023	-	-	244,907	43,096	288,003
<b>Depreciation</b>					
At 1 April 2022	60,105	4,118	90,607	69,700	224,530
Charge for the year	-	-	50,600	9,325	59,925
Transfers	-	-	28,404	(28,404)	-
Disposals	(60,105)	(4,118)	(12,204)	(25,901)	(102,328)
At 31 March 2023	-	-	157,407	24,720	182,127
<b>Net book value</b>					
At 31 March 2023	-	-	87,500	18,376	105,876
At 31 March 2022	-	-	138,100	10,174	148,274
<b>Charity</b>					
			<b>IT infrastructure £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2022			172,833	15,794	188,627
Additions			-	5,438	5,438
Disposals			-	(9,365)	(9,365)
At 31 March 2023			172,833	11,867	184,700
<b>Depreciation</b>					
At 1 April 2022			85,942	12,674	98,616
Charge for the year			34,540	2,861	37,401
Disposals			-	(9,365)	(9,365)
At 31 March 2023			120,482	6,170	126,652
<b>Net book value</b>					
At 31 March 2023			52,351	5,697	58,048
At 31 March 2022			86,891	3,120	90,011

Notes to the Consolidated Financial Statements (continued)  
for the year ended  
31 March 2023

14 Investments	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Listed investments (managed portfolio)	145,293	158,546	145,293	158,546
Investment in subsidiaries	-	-	62,034	62,034
	<u>145,293</u>	<u>158,546</u>	<u>207,327</u>	<u>220,580</u>

#### Investment in subsidiaries

<b>Subsidiary company</b>	Solace In Business Ltd, registered in England & Wales (Company No. 3150254)		
<b>Nature of business</b>	Interim placement and executive recruitment		
<b>Number, class and percentage of shares held</b>	19 ordinary	(100%)	
<b>Net assets at 31 March 2023</b>	£614,932		

The activities and results of this subsidiary company are summarised in note 5.

<b>Subsidiary company</b>	SEL Business Services Limited, registered in England & Wales (Co. No. 8704424)		
<b>Nature of business</b>	Dormant		
<b>Number, class and percentage of shares held</b>	20 ordinary	(100%)	
<b>Net assets at 31 March 2023</b>	£20		

<b>Listed investments (managed portfolio)</b>	<b>Total</b>
	£
<b>Market value</b>	
At 1 April 2022	158,546
Additions	2,371
Revaluations	(13,278)
Management fees	(2,346)
Reclassification / transfer	-
At 31 March 2023	<u>145,293</u>
<b>Net book value</b>	
At 31 March 2023	<u>145,293</u>
At 31 March 2022	<u>158,546</u>

There are no investment assets outside the UK

15 Debtors	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	1,356,033	1,096,658	242,963	203,805
Other debtors	318	6,634	318	523
Prepayments and accrued income	477,715	262,159	145,971	132,210
	<u>1,834,066</u>	<u>1,365,451</u>	<u>389,252</u>	<u>336,538</u>

16 Creditors	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within 1 year:				
Trade creditors	676,290	770,898	144,288	194,445
Other creditors	19,806	17,868	11,313	9,847
Corporation tax	-	-	-	-
Social security and other taxes	258,065	178,357	92,023	82,701
Amounts owed to group undertakings	-	-	5,557	3,235
Accruals and deferred income	1,057,904	789,675	644,381	498,212
	<u>2,012,065</u>	<u>1,756,798</u>	<u>897,562</u>	<u>788,440</u>

**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

## 17 Provisions for liabilities and charges

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The trading subsidiary, Solace In Business Ltd, is not exempt from taxation (see note 5). Taxation for the year comprises current and deferred tax. Current tax is recognised at the amount of tax payable using the rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, as set out below:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Deferred tax (accelerated capital allowances)	5,623	6,343
Exceptional costs relating to cessation of operating leases (note 5)	-	63,346
	<u>5,623</u>	<u>69,689</u>

  

	<b>Deferred tax</b>	<b>Exceptional costs</b>
	<b>£</b>	<b>£</b>
At 1 April 2022	6,343	63,346
Movement in year	(720)	-
Utilised during year		(56,879)
Unused amounts reversed during year		(6,467)
At 31 March 2023	<u>5,623</u>	<u>-</u>

## 18 Operating leases

As at 31 March 2023 commitments under non-cancellable operating leases were as follows:

<b>Group</b>	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Land &amp; Buildings</b>	<b>Other</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	-	-	6,242	-
Due within two to five years	-	-	-	-
Due over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6,242</u>	<u>-</u>

  

<b>Charity</b>	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Land &amp; Buildings</b>	<b>Other</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	-	-	-	-
Due within two to five years	-	-	-	-
Due over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## 19 Pensions schemes

### **Defined contribution pension scheme**

The charitable group operates a defined contribution pension scheme for the benefit of all employees. Contributions to the scheme for the year ended 31 March 2023 amounted to £114,987 (2022: £101,236). This includes accrued contributions of £19,806 (2022: £17,868) included in other creditors (note 16).



**Notes to the Consolidated Financial Statements (continued)**  
**for the year ended**  
**31 March 2023**

20 Funds	Balance at 1 April 2022 £	Net incoming Resources £	Transfers £	Balance at 31 March 2023 £
<b>Unrestricted</b>				
General	1,090,066	30,195	-	1,120,261
Designated	283,187	31,877	-	315,064
	<u>1,373,253</u>	<u>62,072</u>	<u>-</u>	<u>1,435,325</u>
<b>Restricted</b>				
Managerial leadership	210,360	(4,155)	-	206,205
Coaching & Mentoring	108,400	(29,800)	-	78,600
Sector research	44,007	(260)	-	43,747
Skills training	75,000	(40,510)	-	34,490
	<u>437,767</u>	<u>(74,725)</u>	<u>-</u>	<u>363,042</u>

**Designated funds:**

The directors have identified that certain unrestricted funds should be ring-fenced as follows:

- Branch reserves - representing the historic surplus or deficit accumulated through various geographically based activities covering Solace Group members in Scotland, Wales, Northern Ireland and certain English regions.

**Restricted funds:**

- Managerial leadership grant funding received to subsidise the formulation and delivery of tailored programmes which support public sector leaders and strategic managers in the development of their people and organisations to meet current and future sector challenges, demands and opportunities.
- Grant funding to provide subsidised coaching and mentoring for local authority senior managers.
- Grant funding to enable sector research and educational events for local authority senior managers on key areas of public policy such as health and ethnicity, diversity and inclusion.

Sufficient cash resources are held to enable each of the identified funds to be applied without any restrictions.

**21 Analysis of Group net assets between funds**

Funds balances at 31 March 2023 are represented by:	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	105,876	-	-	105,876
Investments	145,293	-	-	145,293
Current assets	2,886,780	315,064	363,042	3,564,886
Creditors: amounts falling due within 1 year	(2,012,065)	-	-	(2,012,065)
Provisions for liabilities and charges	(5,623)	-	-	(5,623)
	<u>1,120,261</u>	<u>315,064</u>	<u>363,042</u>	<u>1,798,367</u>

**22 Capital commitments**

Capital amounts contracted at 31 March 2023 but not provided for in these financial statements amounted to £nil for the group and charitable company (2022: £nil).

**23 Related Party Transactions**

During the year ended 31 March 2023 the charity received a gift aid distribution of £761,820 (2022: £456,250) from Solace In Business Ltd (note 5).

Other related party transactions made by the charity during the year ended 31 March 2023 were:

- N Hussain-Duke, a trustee of the charity, received payment of £780 (2022: £150) from the charity for professional services supplied and payment of £nil (2022: £1,000) from the subsidiary company (Solace In Business Ltd) for professional services supplied to that company.