

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 2024

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**Consolidated financial statements
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**Report of the Trustees
for the year ended
31 March 2024**

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 2024 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 2024 saw the Solace group continue its path of steady, sustainable growth with revenue rising to over £11 million. Another positive year commercially for the subsidiary company, Solace In Business, contributed to the charity's expansion of provision to the sector and its 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 the success of individual members.

Professional membership of Solace increased by 218, or 13%, during 2023/24 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 2024

Achievements and performance (cont'd)

Engagement with Government resulted in over 150 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 over 30 media articles across the year, as well as 132 press mentions.

Member Engagement

The year ended March 2024 saw a significant increase in events attendance compared to the prior year with 2,209 attending face-to-face activity, an increase of 35% on 2022/23 attendance. Commercial sponsorship income has similarly recovered well since the impact of Covid-19 on our activities 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. During 2023/24 we supported 256 individuals in coaching, organised action learning sets and facilitated appraisals and also ran tailored one-day in-house courses for 294 attendees.

Leadership development

The charity also supported the learning of 1,226 individuals as part of our organisational development activity across 64 organisations (up from 51 organisations in the prior year). Overall, our most significant leadership development programmes during the year included:

- development of a new council Chief Executive programme in conjunction with the Local Government Association, with three modules successfully piloted and evaluated to support the case for funding for the programme during 2024/25.
- Growth of our AMPlify programme aimed at empowering a diversity of senior managers and leaders across our sector to progress in their careers, ensuring they can flourish and that their abilities are recognised and nurtured in their councils.
- Continued delivery of the national graduate development programme, which introduces high quality graduates to a career in local government.
- The eleventh year of our Springboard programme for talented aspiring leaders from across the UK.
- The ninth 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.
- Further cohorts of our Ignite programme for experienced council chief executives.
- Continued expansion of our accredited public management and leadership programmes, including an MSc and apprenticeship programmes delivered in partnership with the University of Birmingham.

Recruitment support

The charity's trading subsidiary, Solace In Business, in the year to March 2024 provided £673,910 to help support the charitable aims of Solace. This includes support from our valued Business Partners, but most significantly the returns from interim recruitment, executive search and consultancy activity which is carried out on a 'profit-for-purpose' basis. During 2023/24 this activity included around 100 permanent recruitments to the most senior roles in the sector as well as having an extensive team of interim contractors and associates working across 78 different local authorities UK-wide.

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 2024

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 £157,496 on 31 March 2024, which includes an £11,900 gain on revaluation. In the year ended 31 March 2024 there was an overall £12,203 net increase in funds after investment management charges (note 13).

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	£ 11,274,168
After deducting expenditure of	11,333,677
The net income / (expenditure) before recognised gains / (losses) was	<u>(59,509)</u>
The net assets of the charitable group at 31 March 2024 were	<u>1,750,758</u>

Available funds

At 31 March 2024 the charity had freely available reserves for its general purposes amounting to
This comprises the balance in unrestricted funds, excluding tangible fixed assets and investments.

£ 1,027,850

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 £929,350 as at 31 March 2024) and a minimum of 3 months operating costs (£753,100 as at 31 March 2024). At £1,050,376 (note 21) the value of unrestricted reserves excluding designated funds as at 31 March 2024 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 2024**

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.

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 and to meet financial obligations as and when they fall due. In the event that its operating cash flows do not cover all financial obligations at a specific point in time, Solace In Business Ltd (a wholly owned subsidiary) is able to access arranged overdraft facilities. Group companies have a good relationship with their bankers.

Future Plans

In April 2024 a meeting of the Solace group board discussed and re-confirmed priorities for the coming year. 2024 sees the 50th anniversary of Solace in one guise or another so during the year we will be reflecting on the role and impact of the charity and its predecessors 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.

During 2024/25 continued focus on the following organisational purpose, goals and priorities agreed in March 2023 as part of a two-year plan will guide our day-to-day activity.□

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 for 2024/25

Over the final year of our current business plan the goals set out above will be pursued by continuing to focus 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 2024

Key priorities for 2024/25 (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

The first Solace AGM was held on 6th March 1974 and we hosted our 2024 Annual Dinner shortly after the anniversary date, which provided us with an opportunity to celebrate the past fifty years and the contribution that Solace and its members have made during that time. The dinner was also an opportunity to celebrate all those who have made significant contributions to the sector more generally.

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 year to further develop our thinking in this area. We have already started working with Government and the Local Government Association and piloted 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.

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. 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 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 in the years ahead.

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.

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 are insightful, targeted and proportionate. Increased levels of engagement with members 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.

Report of the Trustees (continued)
for the year ended
31 March 2024

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 commercial challenges 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 priority and 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 new office accommodation has been a significant step forward and provides 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.

All non-executive directors give of their time freely in that capacity and no director received remuneration during the year (2023: £nil) in connection with their appointment or duties as a director of the charity. Details of directors' expenses are provided in note 11 to the financial statements.

Report of the Trustees (continued)
for the year ended
31 March 2024

Pay policy for senior staff (cont'd)

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>Solicitor/Company Secretary:</i>	R A L McKoy
<i>President:</i>	M V Prosser
<i>SIB Chair:</i>	R E Hyde

Other elected non-executive directors:

J Burns		N S A Hussain-Duke	
G K Doe	(appointed 1 November 2023)	B M K Marjoram	(appointed 1 November 2023)
C Elliott	(appointed 1 November 2023)	C D Naylor	
S H Fitzgerald		D V Plank	
D E Forrester-Brown	(resigned 19 October 2023)	E Rogers	
P R Frainer		J L Roney	
S J Garner	(appointed 1 November 2023)	J R Rowlands	(resigned 16 June 2023)
S K Hall		S L Sanders	(resigned 19 October 2023)
S P Hanson	(appointed 1 November 2023)	D R Thomas	
A M Hill		R G S Weaver	

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 Corporate Resources	S R P Chambers
Director of Engagement	J A Howarth
Director of Learning	T I Birtwell
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 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 2024

Reference and administrative details

Company number	4053417
Charity number	1084419
Registered office	Ground Floor, 2 Red Hall Court Wakefield West Yorkshire WF1 2UN

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 20 September 2024



G L Jones
Trustee

**Independent Auditor's Report to the Members and Trustees of
The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd**

**for the year ended
31 March 2024**

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 2024 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 2024, 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 2024**

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.

**Independent Auditor's Report to the Members and Trustees of
The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd (continued)**

**for the year ended
31 March 2024**

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. 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

 October 2024

The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd

Consolidated Statement of Financial Affairs (including consolidated income and expenditure account)
for the year ended
31 March 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
INCOME							
Donations		2,000	-	2,000	-	-	-
Income from charitable activities	4	2,753,684	529,404	3,283,088	2,212,356	235,514	2,447,870
<i>Income from other activities</i>							
Commercial trading operations	5	7,964,657	-	7,964,657	8,152,422	-	8,152,422
Income from investments	6	24,423	-	24,423	5,913	-	5,913
Total income		10,744,764	529,404	11,274,168	10,370,691	235,514	10,606,205
EXPENDITURE							
<i>Cost of raising funds</i>							
Investment management costs	7	2,350	-	2,350	2,346	-	2,346
Commercial trading operations	5	7,389,470	-	7,389,470	7,366,849	-	7,366,849
<i>Expenditure on charitable activities</i>							
Education & Training	9	2,527,647	483,692	3,011,339	2,178,531	310,239	2,488,770
Membership services	9	930,518	-	930,518	747,615	-	747,615
Loss on disposal of fixed assets		-	-	-	-	-	-
Total expenditure		10,849,985	483,692	11,333,677	10,295,341	310,239	10,605,580
Net income / (expenditure) before transfers		(105,221)	45,712	(59,509)	75,350	(74,725)	625
Gross transfers between funds		-	-	-	-	-	-
Net income / (expenditure) before recognised gains / (losses)		(105,221)	45,712	(59,509)	75,350	(74,725)	625
Other recognised gains / (losses)							
Unrealised gains / (losses) on investments		11,900	-	11,900	(13,278)	-	(13,278)
Net movement in funds for the year		(93,321)	45,712	(47,609)	62,072	(74,725)	(12,653)
Reconciliation of funds							
Total funds b/fwd	20	1,435,325	363,042	1,798,367	1,373,253	437,767	1,811,020
Total funds c/fwd	20	1,342,004	408,754	1,750,758	1,435,325	363,042	1,798,367

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

The notes on pages 15 to 23 form an integral part of these financial statements.

The Society of Local Authority Chief Executives and Senior Managers (Solace Group) Ltd

Consolidated Balance Sheet
as at
31 March 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Tangible assets	12	156,658	105,876	86,920	58,048
Investments	13	157,496	145,293	219,530	207,327
Total Fixed Assets		<u>314,154</u>	<u>251,169</u>	<u>306,450</u>	<u>265,375</u>
Current assets					
Debtors	14	2,106,503	1,834,066	495,866	389,252
Cash at bank and in hand		1,541,497	1,730,820	1,500,610	1,488,400
Total Current Assets		<u>3,648,000</u>	<u>3,564,886</u>	<u>1,996,476</u>	<u>1,877,652</u>
Creditors: falling due within one year	15	2,210,761	2,012,065	1,008,327	897,562
Net current assets		<u>1,437,239</u>	<u>1,552,821</u>	<u>988,149</u>	<u>980,090</u>
Total assets less current liabilities		1,751,393	1,803,990	1,294,599	1,245,465
Provisions for liabilities and charges	16	635	5,623	-	-
Net Assets		<u><u>1,750,758</u></u>	<u><u>1,798,367</u></u>	<u><u>1,294,599</u></u>	<u><u>1,245,465</u></u>
The funds of the charity					
Unrestricted income funds	20	1,342,004	1,435,325	885,845	882,423
Restricted income funds	20	408,754	363,042	408,754	363,042
Total charity funds		<u><u>1,750,758</u></u>	<u><u>1,798,367</u></u>	<u><u>1,294,599</u></u>	<u><u>1,245,465</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 20 September 2024 and signed on their behalf by:



G L Jones
Trustee

The notes on pages 15 to 23 form an integral part of these financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows
as at
31 March 2024

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Cash flows from operating activities				
Net movement in funds for the year	(47,609)	(12,653)	49,134	(38,041)
Adjustments for:				
Depreciation	63,522	59,925	40,173	37,401
Unrealised investment (gains) / losses	(11,900)	13,278	(11,900)	13,278
Re-invested dividend income	(2,653)	(2,371)	(2,653)	(2,371)
Fees netted off investment portfolio	2,350	2,346	2,350	2,346
Interest received	(21,770)	(3,542)	(19,790)	(1,907)
Loss / (gain) on disposal of fixed assets	3,475	-	-	-
Decrease / (increase) in debtors	(272,437)	(468,615)	(106,614)	(52,714)
Increase / (decrease) in creditors	198,696	255,267	110,765	109,122
Increase / (decrease) in provisions	(4,988)	(64,066)	-	-
Cash generated from / (used in) operating activities	(93,314)	(220,431)	61,465	67,114
Cash flows from investing activities				
Interest received	21,770	3,542	19,790	1,907
Fixed asset purchases	(117,779)	(17,527)	(69,045)	(5,438)
Released from managed portfolio	-	-	-	-
Cash provided by / (used in) investing activities	(96,009)	(13,985)	(49,255)	(3,531)
Cash flows from financing activities	-	-	-	-
Increase / (decrease) in cash and cash equivalents in the year	(189,323)	(234,416)	12,210	63,583
Cash and cash equivalents at the beginning of the year	1,730,820	1,965,236	1,488,400	1,424,817
Cash and cash equivalents at the end of the year	1,541,497	1,730,820	1,500,610	1,488,400

Notes to the Consolidated Financial Statements
for the year ended
31 March 2024

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 2025 have - together with current reserves, cash balances and available overdraft facilities - 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 2024

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 10.

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:

- | | |
|---------------------------|--|
| Unrestricted funds | - Funds are expendable at the discretion of the trustees in furtherance of the objects of the charity. |
| Restricted funds | - 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. |
| Designated funds | - 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 2024

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 2024 £	Total 2023 £
Donations	2,000	-	2,000	-
Gift aid distribution from trading subsidiary (note 5)	673,910	-	673,910	761,820
Income from investments	22,443	-	22,443	4,278
Income from charitable activities	2,753,684	529,404	3,283,088	2,447,870
	3,452,037	529,404	3,981,441	3,213,968
Investment management fees	(2,350)	-	(2,350)	(2,346)
Expenditure on charitable activities	(3,458,165)	(483,692)	(3,941,857)	(3,236,385)
Net income	(8,478)	45,712	37,234	(24,763)
Unrealised gains / (losses) on investments	11,900	-	11,900	(13,278)
Total funds brought forward	882,423	363,042	1,245,465	1,283,506
Total funds carried forward	885,845	408,754	1,294,599	1,245,465
Represented by:				
Restricted income funds			408,754	363,042
Unrestricted income funds			885,845	882,423
			1,294,599	1,245,465

	Unrestricted £	Restricted £	Total Funds 2024 £	Total Funds 2023 £
4 Income from charitable activities				
Education and training	2,195,845	515,000	2,710,845	1,906,592
Membership activities	557,839	14,404	572,243	541,278
	2,753,684	529,404	3,283,088	2,447,870

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 13), 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.

	2024 £	2023 £
The summary financial performance of the subsidiary alone is as follows:		
Turnover	7,964,657	8,152,422
Cost of sales and administration costs	(7,394,458)	(7,374,036)
Exceptional costs	-	6,467
Interest receivable	1,980	1,635
Net profit	572,179	786,488
Taxation	4,988	720
Profit for the financial year	577,167	787,208
Gift aid distribution to parent charity	(673,910)	(761,820)
Retained in subsidiary	(96,743)	25,388

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2024

5 Income from commercial trading operations (cont'd)

	2024	2023
	£	£
The assets and liabilities of the subsidiary were:		
Fixed assets	69,758	47,848
Current assets	1,654,696	1,692,787
Current liabilities	(1,205,630)	(1,120,080)
Provisions for liabilities and charges (note 16)	(635)	(5,623)
Total net assets	<u>518,189</u>	<u>614,932</u>

6 Investment income

	2024	2023
	£	£
Dividends	2,653	2,371
Bank and other interest	21,770	3,542
	<u>24,423</u>	<u>5,913</u>

7 Investment management costs

	2024	2023
	£	£
Portfolio management	<u>2,350</u>	<u>2,346</u>

8 Staff costs and numbers

	2024	2023
	£	£
Salaries	2,022,785	1,779,099
Social security costs	182,009	179,232
Pension costs	125,287	114,987
	<u>2,330,081</u>	<u>2,073,318</u>

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

	Number	Number
	2024	2023
Executive directors	1	1
Other staff	50	45
	<u>51</u>	<u>46</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2024

9 Expenditure on charitable activities	Education & Training £	Membership Services £	Total 2024 £
Governance costs (note 10)	38,764	22,140	60,904
Support costs (note 10)	915,287	480,887	1,396,174
Direct delivery	1,776,314	299,323	2,075,637
Central premises	36,244	18,127	54,371
IT support and consumables	76,180	24,339	100,519
Communications	-	-	-
Depreciation	29,314	10,858	40,172
Travel & subsistence	20,132	11,514	31,646
Irrecoverable VAT	93,200	10,302	103,502
Marketing	2,425	2,800	5,225
Bank interest and transaction charges	2,278	844	3,122
International relationships and support	-	10,684	10,684
Other costs	21,201	38,700	59,901
	3,011,339	930,518	3,941,857

Expenditure on charitable activities was £3,941,857 (2023: £3,236,385) of which £3,458,165 was unrestricted (2023: £2,926,146) and £483,692 was restricted (2023: £310,239).

10 Governance and support costs

	Basis of apportionment	Support costs £	Governance £	Total 2024 £	Total 2023 £
Salaries and related costs	Staff roles and time allocation	1,392,607	36,190	1,428,797	1,308,448
Audit fee	Invoice description	-	8,210	8,210	8,514
Other professional and legal fees	Invoice description	460	13,469	13,929	10,211
Board running costs	Invoice description	-	3,035	3,035	561
Sundry expenses	Invoice description	3,107	-	3,107	7,856
		1,396,174	60,904	1,457,078	1,335,590

11 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 £764,909 (2023: £749,146) including pension contributions of £56,363 (2023: £56,414). This includes one trustee, G McDonald (2023: 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:

	Group 2024	Group 2023	Charity 2024	Charity 2023
Between £60,001 and £70,000	-	-	-	-
Between £70,001 and £80,000	1	1	-	-
Between £80,001 and £90,000	3	3	1	1
Between £90,001 and £100,000	2	2	2	2
Between £100,001 and £110,000	1	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 2024

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

During the year ended 31 March 2024 no trustee (2023: 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 one non-executive trustee (2023: three trustees) was reimbursed expenses totalling £7,776 (2023: £11,138) including £7,542 (2023: £10,794) relating to representing the organisation at international partner events.

12 Tangible fixed assets

Group	Improvements to short leasehold to property £	Fixtures and fittings £	IT infrastructure £	Computer equipment £	Total £
Cost					
At 1 April 2023	-	-	244,907	43,096	288,003
Additions	43,560	28,888	39,317	6,014	117,779
Disposals	-	-	(13,030)	(6,931)	(19,961)
At 31 March 2024	<u>43,560</u>	<u>28,888</u>	<u>271,194</u>	<u>42,179</u>	<u>385,821</u>
Depreciation					
At 1 April 2023	-	-	157,407	24,720	182,127
Charge for the year	1,766	3,009	48,790	9,957	63,522
Disposals	-	-	(9,555)	(6,931)	(16,486)
At 31 March 2024	<u>1,766</u>	<u>3,009</u>	<u>196,642</u>	<u>27,746</u>	<u>229,163</u>
Net book value					
At 31 March 2024	<u>41,794</u>	<u>25,879</u>	<u>74,552</u>	<u>14,433</u>	<u>156,658</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>87,500</u>	<u>18,376</u>	<u>105,876</u>
Charity					
	Improvements to short leasehold to property £	Fixtures and fittings £	IT infrastructure £	Computer equipment £	Total £
Cost					
At 1 April 2023	-	-	172,833	11,867	184,700
Additions	43,560	-	19,471	6,014	69,045
Disposals	-	-	-	-	-
At 31 March 2024	<u>43,560</u>	<u>-</u>	<u>192,304</u>	<u>17,881</u>	<u>253,745</u>
Depreciation					
At 1 April 2023	-	-	120,482	6,170	126,652
Charge for the year	1,766	-	34,617	3,790	40,173
Disposals	-	-	-	-	-
At 31 March 2024	<u>1,766</u>	<u>-</u>	<u>155,099</u>	<u>9,960</u>	<u>166,825</u>
Net book value					
At 31 March 2024	<u>41,794</u>	<u>-</u>	<u>37,205</u>	<u>7,921</u>	<u>86,920</u>
At 31 March 2023	<u>-</u>	<u>-</u>	<u>52,351</u>	<u>5,697</u>	<u>58,048</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2024

13 Investments	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Listed investments (managed portfolio)	157,496	145,293	157,496	145,293
Investment in subsidiaries	-	-	62,034	62,034
	<u>157,496</u>	<u>145,293</u>	<u>219,530</u>	<u>207,327</u>

Investment in subsidiaries

Subsidiary company	Solace In Business Ltd, registered in England & Wales (Company No. 3150254)		
Nature of business	Interim placement and executive recruitment		
Number, class and percentage of shares held	19 ordinary	(100%)	
Net assets at 31 March 2024	£518,189		

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

Subsidiary company	SEL Business Services Limited, registered in England & Wales (Co. No. 8704424)		
Nature of business	Dormant		
Number, class and percentage of shares held	20 ordinary	(100%)	
Net assets at 31 March 2024	£20		

Listed investments (managed portfolio)	Total
	£
Market value	
At 1 April 2023	145,293
Additions	2,653
Revaluations	11,900
Management fees	(2,350)
Reclassification / transfer	-
At 31 March 2024	<u>157,496</u>
Net book value	
At 31 March 2024	<u>157,496</u>
At 31 March 2023	<u>145,293</u>

There are no investment assets outside the UK

14 Debtors	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	1,580,421	1,356,033	375,768	242,963
Other debtors	-	318	-	318
Amounts owed by group undertakings	-	-	3,174	-
Prepayments and accrued income	526,082	477,715	116,924	145,971
	<u>2,106,503</u>	<u>1,834,066</u>	<u>495,866</u>	<u>389,252</u>

15 Creditors	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Amounts falling due within 1 year:				
Trade creditors	1,168,729	676,290	404,319	144,288
Other creditors	21,126	19,806	12,260	11,313
Corporation tax	-	-	-	-
Social security and other taxes	216,605	258,065	93,620	92,023
Amounts owed to group undertakings	-	-	-	5,557
Accruals and deferred income	804,301	1,057,904	498,128	644,381
	<u>2,210,761</u>	<u>2,012,065</u>	<u>1,008,327</u>	<u>897,562</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
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16 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:

	Group 2024 £	2023 £
Deferred tax	635	5,623
	<u>635</u>	<u>5,623</u>
Accelerated capital allowances:	Deferred tax £	
At 1 April 2023	5,623	
Movement in year	(4,988)	
At 31 March 2024	<u>635</u>	

17 Financial instruments

Solace In Business Ltd, a wholly owned subsidiary of the charity, has access to an approved overdraft facility of £150,000 available through National Westminster Bank Plc. That facility is covered by a debenture in the bank's standard form, dated 27 August 2024, providing a floating charge over all property and assets of the subsidiary company. There is no guarantee provided by the charity in connection with the indicated facility. At 31 March 2024 the unpaid balance drawn down against this facility was £nil.

18 Operating leases

As at 31 March 2024 commitments under non-cancellable operating leases were as follows:

Group	Land & Buildings 2024 £	Other 2024 £	Land & Buildings 2023 £	Other 2023 £
Due within one year	40,000	4,657	-	-
Due within two to five years	150,000	-	-	-
Due over 5 years	173,333	-	-	-
	<u>363,333</u>	<u>4,657</u>	<u>-</u>	<u>-</u>
Charity	Land & Buildings 2024 £	Other 2024 £	Land & Buildings 2023 £	Other 2023 £
Due within one year	40,000	-	-	-
Due within two to five years	150,000	-	-	-
Due over 5 years	173,333	-	-	-
	<u>363,333</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 2024 amounted to £125,287 (2023: £114,987). This includes accrued contributions of £21,126 (2023: £19,806) included in other creditors (note 15).

Notes to the Consolidated Financial Statements (continued)
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20 Funds	Balance at 1 April 2023 £	Net incoming Resources £	Transfers £	Balance at 31 March 2024 £
Unrestricted				
General	1,120,261	(69,885)	-	1,050,376
Designated	315,064	(23,436)	-	291,628
	<u>1,435,325</u>	<u>(93,321)</u>	<u>-</u>	<u>1,342,004</u>
Restricted				
Managerial leadership	206,205	135,080	58,900	400,185
Coaching & Mentoring	78,600	(18,900)	(58,900)	800
Sector research	43,747	(35,978)	-	7,769
Skills training	34,490	(34,490)	-	-
	<u>363,042</u>	<u>45,712</u>	<u>-</u>	<u>408,754</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 2024 are represented by:	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	156,658	-	-	156,658
Investments	157,496	-	-	157,496
Current assets	2,947,618	291,628	408,754	3,648,000
Creditors: amounts falling due within 1 year	(2,210,761)	-	-	(2,210,761)
Provisions for liabilities and charges	(635)	-	-	(635)
	<u>1,050,376</u>	<u>291,628</u>	<u>408,754</u>	<u>1,750,758</u>

22 Capital commitments

Capital amounts contracted at 31 March 2024 but not provided for in these financial statements amounted to £nil for the group and charitable company (2023: £nil).

23 Related Party Transactions

During the year ended 31 March 2024 the charity received a gift aid distribution of £673,910 (2023: £761,820) from Solace In Business Ltd (note 5).

Throughout the year to March 2024 the charity made a cash facility available to Solace In Business Ltd (a wholly owned subsidiary) to draw down and repay on a flexible basis. Interest was charged at 5% on month-end balances. The maximum amount loaned to Solace In Business Ltd during the year was £185,000 and at 31st March 2024 the unpaid amount outstanding was £nil.

Other related party transactions made by the charity during the year ended 31 March 2024 were:

- B Marjoram, a trustee of the charity, received payment of £2,275 (2023: £nil) from the charity for professional services supplied.