

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 2025

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**Consolidated financial statements
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**Report of the Trustees
for the year ended
31 March 2025**

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 2025 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

Solace has enjoyed another successful year of progress, with a priority focus on 50th anniversary celebrations. Our anniversary events, marketing and publications provided the backbone and rhythm to support the other business plan priorities, with a series of regional activities as well as national. Whilst timing of the UK general election in July disrupted our planned timetable, the profile of KPI targets and income generation was reshaped in the light of that and anniversary events were adapted and rearranged as appropriate to give a solid end to the year and sound platform on which to develop and grow through the next financial year.

This anniversary year was also used to engage our membership body, and staff, proactively in the future direction of the profession and how Solace as an organisation can best support it. A consultation document was circulated to all members in October 2024, with related conversations culminating in an awayday in February 2025 for members of the sector policy board and subsidiary company board as well as the main Solace board. Along with management team sessions, this has informed development of a strategic business plan 2025-30. Staff have responded positively to the proposed strategic direction, including through focus groups.

Policy

The Solace 'Play' report - the second in a trilogy commemorating our 50th anniversary and providing a comprehensive examination of the current state of local government in England and key policy asks – was published soon after the general election and sent to all relevant members of the new Government in addition to publicising through our usual channels. At the Solace Summit in October we published our 'Fast-forward' report which brought together contributions from across our members discussing the future of local government.

Report of the Trustees (continued)
for the year ended
31 March 2025

Achievements and performance (cont'd)

Policy (cont'd)

Engagement with Government resulted in 147 meetings during the year. Along with 468 meetings with other stakeholders, this enables us to create a wider influence and ensure that the professional voice of local government is heard across all levels of government and with stakeholders who partner and collaborate with the sector. Solace has seen its work and activity published in some 41 articles in external publications across the year, as well as 115 press mentions.

Appointment of a new Solace President from 1st January 2025, along with several new members of the policy board during the year, has seen a refresh of policy activity. The President has outlined four priorities for his two-year tenure - places, people, equity, purpose - and these themes will run through the new strategic business plan and our events programmes, including the Solace Summit in October 2025. A report on each theme will be published during 2025 & 2026, with work commenced on the 'Place' report in the final quarter of 2024-25 for publication shortly before the July 2025 LGA conference.

Member engagement

At 31 March 2025 there were over 1,900 Solace members across all categories, with 84% of local authorities across the UK covered by Solace membership. This continues the steady growth of recent years but was behind our growth target. Following publication of the English Devolution White Paper in December 2024, it is likely that devolution and local government reorganisation will impact on membership; individuals are assessing future uncertainty in the shape and existence of their local authority against the benefit of ongoing Solace membership and network of support. Currently 33% of our members are from authorities in two-tier areas, while we have over 80 members from combined authorities.

In light of the uncertain and volatile policy and financial environment for the sector, during the year our strategy for membership recruitment has evolved. The focus is now on retaining individuals who initially receive membership as part of a learning programme. This will take time to work through and impact our retention and overall membership numbers as individuals' complete programmes, but it does provide a clearer focus for our activity. We are also working with colleagues from combined authorities to ensure our offer remains relevant as increasing numbers of strategic authorities are created. Membership will come into greater focus next year as a key change project in the strategic business plan 2025-30.

Over the year almost 1,400 delegates attended Solace-led online events and circa 1,450 delegates attending face-to-face events. Importantly, 95% of attendees were satisfied or very satisfied with Solace events through the year.

Leadership development

The charity also supported the development of 1,444 individuals as part of our learning and leadership offer across a range of programmes and sector organisations. The successful piloting of a new council chief executive programme was significant for Solace and the sector and will inform future development and expansion of our whole leadership pipeline as a key strand of the strategic business plan 2025-30. Other significant leadership programme activity during the year to March 2025 included:

- AMPlify, a development programme designed to nurture and uplift diverse talent, was awarded the Best Talent Programme Award according to the industry recognised body Public Services People Management (PPMA)
- 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
- further cohorts of our Ignite programme for experienced council chief executives
- rolled out the twelfth year of our Springboard programme for talented aspiring leaders from across the UK
- 326 apprentices were supported across all programmes, with a 64% qualification achievement rate in the academic year ending August 2024 (which tracks to an ESFA 'good' rating) significantly above the target rate of 56%
- 98% of Solace learning and development programme attendees were satisfied or very satisfied
- programme development activity ranging from a new programme at strategic director level or equivalent to exploring the potential for formal accreditation for some of our programmes alongside a CPD points system for events and short courses to encourage continuous professional development
- continuing to specifically support sector leaders on the challenges of working in a political environment, particularly in the light of changes to the standards regime and the importance of wider ethical considerations

Recruitment support

The charity's trading subsidiary, Solace In Business Ltd, in the year to March 2025 provided £510,270 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.

Report of the Trustees (continued)
for the year ended
31 March 2025

Achievements and performance (cont'd)

Recruitment support (cont'd)

A positive start to the year helped insulate the recruitment business from market slowdown promoted by the July general election. Business development opportunities through the autumn brought activity levels back more strongly but both the interim and permanent recruitment markets were then significantly disrupted in the final quarter - a traditionally strong quarter for the company - by sector uncertainty following publication of the English Devolution White Paper in December.

In response to local government devolution and reorganisation proposals, Solace In Business has developed a strong and comprehensive offer for Councils and for Solace members. Our offer was circulated to all members, placed on the LGA's 'LGR Hub' and will continue to be marketed and adapted as the situation develops. Further development of our consultancy offer is also a key change activity in the strategic business plan 2025-30, helping to spread the achievement of commercial return - and any uncertainty for the charity's reliance on related returns and donations - across a breadth of services, while leveraging the local government insight and expertise Solace has at its disposal.

During the year to March 2025 Solace In Business assisted 78 different organisations UK-wide accessing interim and consultancy support. We were again ranked in the top 10 providers of interim management services (across all sectors, not just local government) by the Institute of Interim Management (IIM), noting the commitment to fair pay, transparent contracts and meaningful placements.

Our business partner programme also remains an important contributor to the charity. It has performed strongly this year and is exceeding expectations in terms of income and the number of partners involved. There also remains an important symbiotic relationship between our event sponsorship, regional work and the business partner programme, where we aim to continue growth in the coming year.

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).

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.

Report of the Trustees (continued)
for the year ended
31 March 2025

Financial Review (cont'd)

Investment performance

Evelyn Partners continue to manage an investment portfolio on behalf of the charity. The portfolio was valued at £166,156 on 31 March 2025, which includes an £7,877 gain on revaluation. In the year ended 31 March 2025 there was an overall £8,660 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	10,823,737
After deducting expenditure of	10,638,499
The net income / (expenditure) before recognised gains / (losses) was	<u>185,238</u>
The net assets of the charitable group at 31 March 2025 were	<u>1,943,873</u>

Available funds

At 31 March 2025 the charity had freely available reserves for its general purposes amounting to	<u>£ 1,189,234</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 £941,930 as at 31 March 2025) and a minimum of 3 months operating costs (£776,910 as at 31 March 2025). At £1,165,091 (note 21) the value of unrestricted reserves excluding designated funds as at 31 March 2025 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.

During 2024-25 work commenced on the adoption of a refreshed risk management approach to enhance the current annual identification of key risks as part of business planning. The refreshed approach will be aligned to implementation of the strategic business plan 2025-30 following initial mapping of identified risks as part of the strategic business planning development process, with trustee monitoring and review integrated in the regular risk management activity cycle.

Initial risk mapping of the new strategic plan shows that, as in previous years but possibly more amplified going forward, a volatile political environment for local authorities and the wider public sector is a principal area of risk and uncertainty. This is compounded by reorganisation for some in the sector and by threats from the wider financial environment for the public sector, both of which have potential to particularly impact the market in which Solace operates. These uncertainties are primarily dealt with by staying close to the sector and through active engagement in policy discussions with central government and key sector stakeholders, as already referenced earlier in this report.

From a financial risk perspective, identifying new income streams as well as growing existing income streams is key, together with achieving the right balance between commercial and sector (charitable) support within activity and partnerships. Solace will continue to ensure its charitable mission is central whilst also continuing to seek appropriate new income opportunities to support long term financial sustainability.

From a communications and marketing perspective key risks are not being able to effectively engage with core members and clients and becoming less relevant to what the sector requires so that our brand becomes stale. Plans to strengthen our corporate structure and capacity (operational and digital) will seek to mitigate these.

Proactive, effective engagement with 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.

Report of the Trustees (continued)
for the year ended
31 March 2025

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

Strategic planning in a change-rich, volatile and uncertain environment

2024 marked the 50th anniversary of Solace. The world in 1974 was very different to that we face a half century later. It was therefore timely over 2024-25 to assess and look afresh at how Solace is operating, building on its strength and growing in areas which members have described as important for the future sustainability of the sector.

Solace's unique selling point is that it is of the sector and for the sector. Every pound we earn goes to supporting our members and the wider sector. Solace is the only body representing all professional leaders in local government, advocating on behalf of the local government workforce. Member surveys and qualitative evidence highlight that Solace is a trusted brand, but trust is long earned and quickly lost.

To maintain relevance and ensure that the sector is supported through one of the most politically, economically and socially volatile periods the UK has faced for some time, it is essential that we reshape not just what we prioritise but also how we operate and deliver our priorities. The support and guidance sought by members has increased, for example with traditional governance norms being tested, and this trend is expected to continue for the foreseeable future.

The Solace group is also mindful of the constrained resources in which public services are operating. In developing future plans and designing future operations, Solace will seek to invest to build capacity that is focused on: growing our support offer to professionals in the sector; maximising returns so that every pound earned supports our members and the sector; and, ensuring that we can operate sustainably as a membership body with our charitable mission at the heart.

Solace mission and future objectives 2025-30

Solace's mission is to **champion local government and local government careers**. Solace champions by providing both support and challenge to the people employed in councils to help them be the best they can. Solace helps councils to focus on their people because when employees thrive so do their councils, communities and place.

This mission is framed by the four priorities set by our President: place, people, equity, purpose.

Solace has a pivotal thought leadership role to play in how the sector leads local **places**. Solace will reimagine and reinvest in the role of senior and middle management officer leadership - our **people**. We will nurture and celebrate what our colleagues do, harness and retain future talent and support the next generation of local authority officer leaders which reflect and represent our communities and the hidden wealth in our places.

We will make progress on furthering equality, diversity and inclusion at all levels in local government, and on shifting power towards **equity**, listening to unheard voices, acting with humility and honesty about the challenges we face into the future.

Local government chief executives and senior managers - the people Solace represents, supports and invests in - have the privilege of **purpose**, undertaking a professional role that means they make a difference to everyday lives. Our work will advocate for the importance of purpose to a good life, to enable a sustainable future and provide a powerful offer for future leaders in our sector.

Report of the Trustees (continued)
for the year ended
31 March 2025

Future Plans (cont'd)

2025-30 key objectives for delivery

Four key objectives have been identified to underpin achievement and delivery of our mission to champion local government and local government careers, each of which is indicated below along with related key activity.

Key performance indicators for each objective were finalised as part of strategic business plan and progress is monitored by the board of Solace and, where relevant, the subsidiary company Solace In Business Ltd.

Objective 1: Building our professional network

Our first objective is to strengthen the connections Solace has across local government. A larger Solace network will foster collaboration, knowledge-sharing and lead to better outcomes for Councils and those they support. We will undertake the following strategic activity to achieve this objective:

- Deliver a successful, comprehensive virtual and face-to-face national events programme.
- Provide a strong and effective marketing and communications activity plan to encourage greater membership take-up and improve renewal rates.
- Strengthen and further develop regional branches ensuring a more consistent approach to delivery and to encourage greater member take-up.
- Deliver an impactful and effective engagement programme with current and future private sector partners including through our business partner programme and other events and roundtables.
- Provide and deliver effective engagement mechanisms with and to the sector including frequent updates to our regular communications products and channels (e.g. the weekly Policy Briefing), monthly member webinars and collaborative work with stakeholders.
- Make best use of data and market intelligence, including demographic analysis of our members, to deliver high quality and informed services.

Objective 2: Raising our voice and impact

We will advocate for the value and importance of local government and its leaders and be the 'go to' professional voice in shaping the future of local government in how we improve our places, support our people, further equity and act with purpose. We will achieve this by doing the following activities:

- Utilise the role of our President and the Chair of each board to raise our collective voice including through the bi-annual President report.
- Provide a clear and consistent message, speaking as one Solace voice through delivery of high-quality communications.
- Drive forward the President's priorities with a focus on regularly engaging with senior civil servants and government ministers on key strategic policies.
- Deliver insightful thought leadership and effective lobbying on behalf of the sector through a range of media (e.g. articles, letters, briefings, bespoke roundtables/workshops).
- Provide and deliver effective engagement and collaboration with strategic partners (e.g. MHCLG), other membership bodies (e.g. LGA), third parties (e.g. think tanks) and business partners on common causes, where relevant.

Objective 3: Tackling the barriers to better local government

We will help local government perform at its absolute best through improved capacity and skills, championing high standards of responsibility, promoting equality, diversity, inclusion and ensuring leaders better represent the communities they serve. We will undertake the following strategic activity to demonstrate progress in achieving this objective:

- Develop and deliver a leadership and management framework for professional leaders and development programme for middle managers.
- Maintain and enhance Solace's role as a sector wide champion for equalities, diversity and inclusion.
- Deliver quality assured programmes of professional development across all stages of careers to develop a strong pipeline of talent for now and the future.
- Provide high quality, bespoke recruitment and assessment and interim services to the public sector nationwide.
- Champion and develop professional standards and ethics in local government including through leadership of a commission into professional standards and ethics.
- Raise the profile of local government as a career choice through work with strategic partners, including the Local Government Association and MHCLG.

**Report of the Trustees (continued)
for the year ended
31 March 2025**

Future Plans (cont'd)

2025-30 key objectives for delivery (cont'd)

Objective 4: Committing to being a responsible organisation that sets the highest standards of governance and support

We act with high standards of professionalism ensuring that we deliver for the benefit of the sector and the wider public good. Specific activities which help us achieve this will include:

- Embedding high quality learning and development and recruitment practice that builds a diverse and professional workforce and associate base.
- Review of financial systems to ensure they are robust, sustainable, fit for purpose and aligned to our long-term mission.
- Refreshed governance arrangements, including process for recruitment and renewal to the Board(s).
- Adopt a refreshed approach to risk management.
- Review current digital capacity (hardware and people) and processes (effective use of systems) and identify next steps improvement actions to ensure Solace is operationally fit for future purpose.
- Develop an effective internal communications strategy and programmes across the organisation, including mechanisms to celebrate and recognise employee success.

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 8. 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 (2024: £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 2025

Structure, Governance and Management (cont'd)

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>	K R O'Dwyer	<i>(appointed 1 November 2024)</i>
<i>Chair:</i>	G L Jones	<i>(resigned 18 October 2024)</i>
<i>Finance lead:</i>	A J Steven	
<i>Solicitor:</i>	R A L McKoy	
<i>President:</i>	R J Tuddenham	<i>(appointed 1 January 2025)</i>
<i>President:</i>	M V Prosser	<i>(resigned 31 December 2024)</i>
<i>SIB Chair:</i>	R E Hyde	

Other elected non-executive directors:

J Burns	N S A Hussain-Duke	
G K Doe	B M K Marjoram	
C Elliott	C D Naylor	
S H Fitzgerald	D V Plank	<i>(resigned 18 October 2024)</i>
P R Frainer	E Rogers	
S J Garner	J L Roney	
S K Hall	D R Thomas	<i>(resigned 18 October 2024)</i>
S P Hanson	R G S Weaver	
A M Hill		

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 2025**

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 19th September 2025



K R O'Dwyer
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 2025**

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 2025 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 2025, 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 2025**

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 2025**

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.

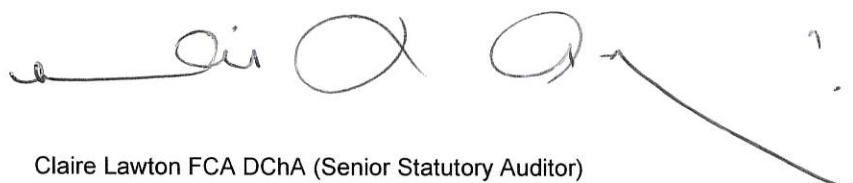
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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
Accountants and Statutory Auditors
33 George Street
Wakefield, WF1 1LX

26 September 2025

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 2025

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
INCOME							
Donations		-	-	-	2,000	-	2,000
Income from charitable activities	4	2,690,267	599,604	3,289,871	2,753,684	529,404	3,283,088
<i>Income from other activities</i>							
Commercial trading operations	5	7,505,020	-	7,505,020	7,964,657	-	7,964,657
Income from investments	6	28,846	-	28,846	24,423	-	24,423
Total income		10,224,133	599,604	10,823,737	10,744,764	529,404	11,274,168
EXPENDITURE							
<i>Cost of raising funds</i>							
Investment management costs	7	2,552	-	2,552	2,350	-	2,350
Commercial trading operations	5	6,982,628	-	6,982,628	7,389,470	-	7,389,470
<i>Expenditure on charitable activities</i>							
Education & Training	9	2,271,764	537,514	2,809,278	2,527,647	483,692	3,011,339
Membership services	9	844,041	-	844,041	930,518	-	930,518
Total expenditure		10,100,985	537,514	10,638,499	10,849,985	483,692	11,333,677
Net income / (expenditure) before transfers		123,148	62,090	185,238	(105,221)	45,712	(59,509)
Gross transfers between funds		-	-	-	-	-	-
Net income / (expenditure) before recognised gains / (losses)		123,148	62,090	185,238	(105,221)	45,712	(59,509)
Other recognised gains / (losses)							
Unrealised gains / (losses) on investments		7,877	-	7,877	11,900	-	11,900
Net movement in funds for the year		131,025	62,090	193,115	(93,321)	45,712	(47,609)
Reconciliation of funds							
Total funds b/fwd	20	1,342,004	408,754	1,750,758	1,435,325	363,042	1,798,367
Total funds c/fwd	20	1,473,029	470,844	1,943,873	1,342,004	408,754	1,750,758

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 16 to 24 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 2025

	Notes	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Fixed assets					
Tangible assets	12	117,639	156,658	69,559	86,920
Investments	13	166,156	157,496	228,190	219,530
Total Fixed Assets		<u>283,795</u>	<u>314,154</u>	<u>297,749</u>	<u>306,450</u>
Current assets					
Debtors	14	1,344,437	2,106,503	393,386	495,866
Cash at bank and in hand		2,232,699	1,541,497	1,894,201	1,500,610
Total Current Assets		<u>3,577,136</u>	<u>3,648,000</u>	<u>2,287,587</u>	<u>1,996,476</u>
Creditors: falling due within one year	15	1,917,058	2,210,761	1,111,245	1,008,327
Net current assets		<u>1,660,078</u>	<u>1,437,239</u>	<u>1,176,342</u>	<u>988,149</u>
Total assets less current liabilities		1,943,873	1,751,393	1,474,091	1,294,599
Provisions for liabilities and charges	16	-	635	-	-
Net Assets		<u><u>1,943,873</u></u>	<u><u>1,750,758</u></u>	<u><u>1,474,091</u></u>	<u><u>1,294,599</u></u>
The funds of the charity					
Unrestricted income funds	20	1,473,029	1,342,004	1,003,247	885,845
Restricted income funds	20	470,844	408,754	470,844	408,754
Total charity funds		<u><u>1,943,873</u></u>	<u><u>1,750,758</u></u>	<u><u>1,474,091</u></u>	<u><u>1,294,599</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 19th September 2025 and signed on their behalf by:



K R O'Dwyer
Trustee

The notes on pages 16 to 24 form an integral part of these financial statements.

Statement of Cash Flows and Consolidated Statement of Cash Flows

as at

31 March 2025

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Cash flows from operating activities				
Net movement in funds for the year	193,115	(47,609)	179,492	49,134
Adjustments for:				
Depreciation	50,659	63,522	23,189	40,173
Unrealised investment (gains) / losses	(7,877)	(11,900)	(7,877)	(11,900)
Re-invested dividend income	(3,335)	(2,653)	(3,335)	(2,653)
Fees netted off investment portfolio	2,552	2,350	2,552	2,350
Interest received	(25,511)	(21,770)	(24,005)	(19,790)
Loss / (gain) on disposal of fixed assets	-	3,475	-	-
Decrease / (increase) in debtors	762,066	(272,437)	102,480	(106,614)
Increase / (decrease) in creditors	(293,703)	198,696	102,918	110,765
Increase / (decrease) in provisions	(635)	(4,988)	-	-
Cash generated from / (used in) operating activities	677,331	(93,314)	375,414	61,465
Cash flows from investing activities				
Interest received	25,511	21,770	24,005	19,790
Fixed asset purchases	(11,640)	(117,779)	(5,828)	(69,045)
Released from managed portfolio	-	-	-	-
Cash provided by / (used in) investing activities	13,871	(96,009)	18,177	(49,255)
Cash flows from financing activities	-	-	-	-
Increase / (decrease) in cash and cash equivalents in the year	691,202	(189,323)	393,591	12,210
Cash and cash equivalents at the beginning of the year	1,541,497	1,730,820	1,500,610	1,488,400
Cash and cash equivalents at the end of the year	2,232,699	1,541,497	1,894,201	1,500,610

**Notes to the Consolidated Financial Statements
for the year ended
31 March 2025**

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 2026 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 2025

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 2025

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 2025 £	Total 2024 £
Donations	-	-	-	2,000
Gift aid distribution from trading subsidiary (note 5)	510,270	-	510,270	673,910
Income from investments	27,340	-	27,340	22,443
Income from charitable activities	2,690,267	599,604	3,289,871	3,283,088
	3,227,877	599,604	3,827,481	3,981,441
Investment management fees	(2,552)	-	(2,552)	(2,350)
Expenditure on charitable activities	(3,115,800)	(537,514)	(3,653,314)	(3,941,857)
Net income	109,525	62,090	171,615	37,234
Unrealised gains / (losses) on investments	7,877	-	7,877	11,900
Total funds brought forward	885,845	408,754	1,294,599	1,245,465
Total funds carried forward	1,003,247	470,844	1,474,091	1,294,599
Represented by:				
Restricted income funds			470,844	408,754
Unrestricted income funds			1,003,247	885,845
			1,474,091	1,294,599

4 Income from charitable activities

	Unrestricted £	Restricted £	Total Funds 2025 £	Total Funds 2024 £
Education and training	2,123,767	585,000	2,708,767	2,710,845
Membership activities	566,500	14,604	581,104	572,243
	2,690,267	599,604	3,289,871	3,283,088

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.

The summary financial performance of the subsidiary alone is as follows:

	2025 £	2024 £
Income	7,505,020	7,964,657
Cost of sales and administration costs	(6,983,263)	(7,394,458)
Exceptional costs	-	-
Interest receivable	1,506	1,980
Net profit	523,263	572,179
Taxation	635	4,988
Profit for the financial year	523,898	577,167
Gift aid distribution to parent charity	(510,270)	(673,910)
Retained in subsidiary	13,628	(96,743)

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2025

5 Income from commercial trading operations (cont'd)	2025	2024
	£	£
The assets and liabilities of the subsidiary were:		
Fixed assets	48,100	69,758
Current assets	1,310,941	1,654,696
Current liabilities	(827,224)	(1,205,630)
Provisions for liabilities and charges (note 16)	-	(635)
Total net assets	<u>531,817</u>	<u>518,189</u>
 6 Investment income	 2025	 2024
	£	£
Dividends	3,335	2,653
Bank and other interest	25,511	21,770
	<u>28,846</u>	<u>24,423</u>
 7 Investment management costs	 2025	 2024
	£	£
Portfolio management	<u>2,552</u>	<u>2,350</u>
 8 Staff costs and numbers	 2025	 2024
	£	£
Salaries	2,050,726	2,022,785
Social security costs	186,239	182,009
Pension costs	128,748	125,287
	<u>2,365,713</u>	<u>2,330,081</u>
The average monthly number of employees during the year was as follows:	Number	Number
	2025	2024
Executive directors	1	1
Other staff	49	50
	<u>50</u>	<u>51</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2025

9 Expenditure on charitable activities	Education & Training £	Membership Services £	Total 2025 £
Governance costs (note 10)	33,756	16,721	50,477
Support costs (note 10)	965,944	463,948	1,429,892
Direct delivery	1,595,648	261,507	1,857,155
Central premises	30,836	14,644	45,480
IT support and consumables	79,170	29,302	108,472
Communications	-	-	-
Depreciation	16,921	6,268	23,189
Travel & subsistence	11,185	9,780	20,965
Irrecoverable VAT	57,322	5,686	63,008
Marketing	1,780	1,683	3,463
Bank interest and transaction charges	2,347	869	3,216
International relationships and support	-	5,111	5,111
Other costs	14,369	28,522	42,891
	2,809,278	844,041	3,653,319

Expenditure on charitable activities was £3,653,319 (2024: £3,941,857) of which £3,115,805 was unrestricted (2024: £3,458,165) and £537,514 was restricted (2024: £483,692).

10 Governance and support costs

	Basis of apportionment	Support costs £	Governance £	Total 2025 £	Total 2024 £
Salaries and related costs	Staff roles and time allocation	1,425,987	37,084	1,463,071	1,428,797
Audit fee	Invoice description	-	9,165	9,165	8,210
Other professional and legal fees	Invoice description	115	124	239	13,929
Board running costs	Invoice description	-	4,104	4,104	3,035
Sundry expenses	Invoice description	3,790	-	3,790	3,107
		1,429,892	50,477	1,480,369	1,457,078

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 8. Total remuneration and employee benefits for key management personnel amounted to £783,658 (2024: £764,909) including pension contributions of £56,346 (2024: £56,363). This includes one trustee, G McDonald (2024: 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 2025	Group 2024	Charity 2025	Charity 2024
Between £60,001 and £70,000	-	-	-	-
Between £70,001 and £80,000	1	1	-	-
Between £80,001 and £90,000	1	3	-	1
Between £90,001 and £100,000	2	2	1	2
Between £100,001 and £110,000	3	1	3	-
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 2025

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

During the year ended 31 March 2025 no trustee (2024: 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 (2024: one trustee) were reimbursed expenses totalling £4,137 (2024: £7,776) including £3,504 (2024: £7,542) 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 2024	43,560	28,888	271,194	42,179	385,821
Additions	-	-	5,828	5,812	11,640
Disposals	-	-	-	(6,769)	(6,769)
At 31 March 2025	<u>43,560</u>	<u>28,888</u>	<u>277,022</u>	<u>41,222</u>	<u>390,692</u>
Depreciation					
At 1 April 2024	1,766	3,009	196,642	27,746	229,163
Charge for the year	4,356	6,470	30,098	9,735	50,659
Disposals	-	-	-	(6,769)	(6,769)
At 31 March 2025	<u>6,122</u>	<u>9,479</u>	<u>226,740</u>	<u>30,712</u>	<u>273,053</u>
Net book value					
At 31 March 2025	<u>37,438</u>	<u>19,409</u>	<u>50,282</u>	<u>10,510</u>	<u>117,639</u>
At 31 March 2024	<u>41,794</u>	<u>25,879</u>	<u>74,552</u>	<u>14,433</u>	<u>156,658</u>
Charity					
	Improvements to short leasehold to property £	Fixtures and fittings £	IT infrastructure £	Computer equipment £	Total £
Cost					
At 1 April 2024	43,560	-	192,304	17,881	253,745
Additions	-	-	5,828	-	5,828
Disposals	-	-	-	(1,622)	(1,622)
At 31 March 2025	<u>43,560</u>	<u>-</u>	<u>198,132</u>	<u>16,259</u>	<u>257,951</u>
Depreciation					
At 1 April 2024	1,766	-	155,099	9,960	166,825
Charge for the year	4,356	-	14,954	3,879	23,189
Disposals	-	-	-	(1,622)	(1,622)
At 31 March 2025	<u>6,122</u>	<u>-</u>	<u>170,053</u>	<u>12,217</u>	<u>188,392</u>
Net book value					
At 31 March 2025	<u>37,438</u>	<u>-</u>	<u>28,079</u>	<u>4,042</u>	<u>69,559</u>
At 31 March 2024	<u>41,794</u>	<u>-</u>	<u>37,205</u>	<u>7,921</u>	<u>86,920</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
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13 Investments	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Listed investments (managed portfolio)	166,156	157,496	166,156	157,496
Investment in subsidiaries	-	-	62,034	62,034
	<u>166,156</u>	<u>157,496</u>	<u>228,190</u>	<u>219,530</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 2025	£531,817

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 2025	£20

Listed investments (managed portfolio)	Total
	£
Market value	
At 1 April 2024	157,496
Additions	3,335
Revaluations	7,877
Management fees	(2,552)
Reclassification / transfer	-
At 31 March 2025	<u>166,156</u>
Net book value	
At 31 March 2025	<u>166,156</u>
At 31 March 2024	<u>157,496</u>

There are no investment assets outside the UK

14 Debtors	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	999,539	1,580,421	248,829	375,768
Other debtors	-	-	-	-
Amounts owed by group undertakings	-	-	21,391	3,174
Prepayments and accrued income	344,898	526,082	123,166	116,924
	<u>1,344,437</u>	<u>2,106,503</u>	<u>393,386</u>	<u>495,866</u>

15 Creditors	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Amounts falling due within 1 year:				
Trade creditors	714,446	1,168,729	308,472	404,319
Other creditors	24,286	21,126	18,186	12,260
Corporation tax	-	-	-	-
Social security and other taxes	224,727	216,605	111,625	93,620
Amounts owed to group undertakings	-	-	-	-
Accruals and deferred income	953,599	804,301	672,962	498,128
	<u>1,917,058</u>	<u>2,210,761</u>	<u>1,111,245</u>	<u>1,008,327</u>

Notes to the Consolidated Financial Statements (continued)
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31 March 2025

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 2025 £	2024 £
Deferred tax	-	635
	-	635
	Deferred tax	
	£	
At 1 April 2024	635	
Movement in year	(635)	
At 31 March 2025	-	

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 2025 the unpaid balance drawn down against this facility was £nil.

18 Operating leases

As at 31 March 2025 commitments under non-cancellable operating leases were as follows:

Group	Land & Buildings 2025 £	Other 2025 £	Land & Buildings 2024 £	Other 2024 £
Due within one year	40,000	4,657	40,000	4,657
Due within two to five years	150,000	-	150,000	-
Due over 5 years	133,333	-	173,333	-
	323,333	4,657	363,333	4,657
Charity	Land & Buildings 2025 £	Other 2025 £	Land & Buildings 2024 £	Other 2024 £
Due within one year	40,000	-	40,000	-
Due within two to five years	150,000	-	150,000	-
Due over 5 years	133,333	-	173,333	-
	323,333	-	363,333	-

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 2025 amounted to £128,748 (2024: £125,287). This includes accrued contributions of £21,877 (2024: £21,126) included in other creditors (note 15).

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2025

20 Funds	Balance at 1 April 2024 £	Net incoming Resources £	Transfers £	Balance at 31 March 2025 £
Unrestricted				
General	1,050,376	114,715	-	1,165,091
Designated	291,628	16,310	-	307,938
	<u>1,342,004</u>	<u>131,025</u>	<u>-</u>	<u>1,473,029</u>
Restricted				
Managerial leadership	400,185	70,659	-	470,844
Coaching & Mentoring	800	(800)	-	-
Sector research	7,769	(7,769)	-	-
Skills training	-	-	-	-
	<u>408,754</u>	<u>62,090</u>	<u>-</u>	<u>470,844</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 2025 are represented by:	Unrestricted £	Designated £	Restricted £	Total £
Tangible fixed assets	117,639	-	-	117,639
Investments	166,156	-	-	166,156
Current assets	2,798,354	307,938	470,844	3,577,136
Creditors: amounts falling due within 1 year	(1,917,058)	-	-	(1,917,058)
Provisions for liabilities and charges	-	-	-	-
	<u>1,165,091</u>	<u>307,938</u>	<u>470,844</u>	<u>1,943,873</u>

22 Capital commitments

Capital amounts contracted at 31 March 2025 but not provided for in these financial statements amounted to £nil for the group and charitable company (2024: £nil).

23 Related Party Transactions

During the year ended 31 March 2025 the charity received a gift aid distribution of £510,270 (2024: £673,910) from Solace In Business Ltd (note 5).

Throughout the year to March 2025 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 £175,000 and at 31st March 2025 the unpaid amount outstanding was £nil.

Other related party transactions made by the charity during the year ended 31 March 2025 were:

- B Marjoram, a trustee of the charity, received payment of £1,625 (2024: £2,275) from the charity for professional services supplied.