

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 2018

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

**Consolidated financial statements
for the year ended
31 March 2018**

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**Report of the Trustees
for the year ended
31 March 2018**

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 2018 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 2015).

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.

Purpose and aims

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.

Achievements and performance

Significant activities

During the year to March 2018 the charity continued to focus on its core activities: policy and research; thematic and geographically based networking; individual and team professional development; and, organisation development. These activities focus on improving the leadership and management of local government through working with all elements of the local government sector workforce - from apprentices and graduates through to experienced Chief Executives - as well as working with other sector partners and politicians.

Throughout the year the charity worked closely with Government and other sector bodies, to ensure that the development of local government related policy in Whitehall reflects the skills and experience of local government professionals. Our policy and research priorities for the year were:

- inclusive growth
- improving outcomes of children and young people
- a home for all
- ageing well
- financially sustainable local public services

Membership of the Society continues to grow, with over 200 new members joining during the year to March 2018. Regular networking events across the UK saw over 1000 members attend during the course of the year. Our events programme is designed to extend the knowledge of participants and share best practice, enabling individuals to perform more effectively in their roles; the largest event - our Annual Summit in Trafford, Greater Manchester - was attended by over 350 people.

**Report of the Trustees (continued)
for the year ended
31 March 2018**

Significant activities (continued)

The charity also supported the learning of over 200 individuals through our programme of courses or through individual professional development, including coaching and mentoring. A further 458 individuals were worked with as part of our organisational development activity across nine organisations. Overall, our most significant leadership development programmes this year have been:

- Continuation of the national graduate development programme, which introduces high quality graduates to a career in local government
- The fifth year of our *Springboard* programme for talented aspiring leaders from across the UK
- The second year of our *Transform* programme bring high quality change management skills into the sector
- The third year of *Total Leadership*, an innovative partnership between Solace and the University of Birmingham, bringing the best of academic rigor together with practical hands-on experience to create a career defining learning experience for Executive Leaders
- Another two cohorts of our *Ignite* programme for experienced Council Chief Executives

The interim and permanent recruitment activity of the trading subsidiary, Solace In Business, has delivered significant income which furthers the activity of the charity. Solace In Business also complements the aims and objectives of the charity by being grounded in public service values and through its placement of quality resources in to the local government sector. The social enterprise model enables it to shape the market, for example in areas such a gender equality and wider diversity challenges, in a manner not replicated by competitors.

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: income and margins; sickness absence; membership renewals and additions; conversion rates for tendered activity; associates utilisation; and, customer satisfaction across all areas of activity.

Public Benefit

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 significant activities highlighted above.

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

Tilney Bestinvest continue to manage an investment portfolio on behalf of the charity. The portfolio was valued at £124,034 on 31 March 2018 including a £787 gain on revaluation. In the year ended 31 March 2018 there was an overall £1,614 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".

**Report of the Trustees (continued)
for the year ended
31 March 2018**

Financial Review (continued)

Results for the year

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

	£
Total income for the year was	4,746,354
After deducting expenditure of	4,731,424
The net income / (expenditure) was	<u>14,930</u>
The net assets of the charitable group at 31 March 2018 were	<u>984,766</u>

Available funds

At 31 March 2018 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.

£ 849,753

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 £667,130 as at 31 March 2018) and a minimum of 3 months operating costs (£551,940 as at 31 March 2018). At £674,969 (note 19) the value of unrestricted reserves excluding designated funds as at 31 March 2018 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.

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.

Financial risk management

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

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

Future Plans: 2018-21 Priorities

In April 2017 the charity's Board agreed the organisation would pursue three key priorities over the following three years, and these priorities were recommitted to in 2018.

1. Develop a career spanning high support, high challenge professional body promoting the leadership and management attributes required to drive successful change

Solace believes that public services are commissioned most effectively and efficiently at a local level by an open, transparent and accountable local government – but adequate, considered and coherent management arrangements are a pre-condition for effective, sustainable and efficient local government. Good management is an investment, not a cost. The absence of sufficient management means inefficiency is not tackled, change is dodged, and commissioning is weak.

**Report of the Trustees (continued)
for the year ended
31 March 2018**

Future Plans: 2018-21 Priorities (continued)

Solace will therefore continue our promotion of both the sector and the professionals that make it a success. We will challenge ourselves and our colleagues to be ambitious. We will seek and promote reform within local government itself and across the wider public sector, in order to drive innovation and improvement.

The keystone of the Society's influence, reputation and strength is our members. They are the focus of everything that the organisation does. We put professional leaders and managers at the centre of all that we do and need to ensure that the Society is able to provide its members with the support that they value over the long term.

During the course of the last two years Solace has reviewed its membership offer and sought to introduce support to managers and leaders in local government throughout their careers. We will continue to deliver and develop these programmes, building on the following five key stepping stones during an individuals' career:

Graduate Programme:	Solace runs the national programme on behalf of the LGA in partnership with University of Birmingham (Inlogov) and bespoke programmes for individual councils and regions
Springboard Programme:	For high-flying future leaders
Transform Programme:	For senior professionals focused on the design and management of transformative change programmes, delivered in partnership with Newton Europe
Total Leadership Programme:	For senior executive leaders with aspirations to move into the most senior roles within local government, delivered in partnership with University of Birmingham (Inlogov)
Ignite Programme:	Aimed at experienced Chief Executives wanting to re-engage in their own development and ensure their approach continues to adapt to the evolving challenges of the sector

We have also developed a Level 5 apprenticeship programme which enables Council's to invest in middle management leadership development using their apprenticeship levy.

These programmes are all underpinned by a series of shorter role-focused courses (e.g. New Chief Executives Briefing; Aspiring Public Leaders; New Heads of Service) and a selection of themed courses or workshops (e.g. commercialisation; elections; being an executive assistant; managing in a political world). Solace also provides more personalised support to individuals including coaching and mentoring, career advice, interview and recruitment support and action learning sets.

Overall, our learning and organisational development portfolio is developing strong partnerships and an expanding commercial footprint. This will be an area of strong focus over the next twelve months and, commercially and strategically, will be critical to the long-term future of the group.

A key component of the support that Solace provides the sector is our events programme – a mixture of paid-for and free events. The programme's primary purpose is to provide excellent opportunities for current and future professional leadership of local government to learn, develop and network with each other and with contemporaries from other areas of public life. This means bringing expertise from both within and outside the local government sector to inform and educate attendees.

Our events programme also helps Solace influence the debate about the future of public services and to ensure that policy is informed by the experience and expertise of our members. We invite many of our key stakeholders to speak and engage with Solace members and use our events to promote the dissemination of good ideas.

Solace also runs a number of nations and regions branch events throughout the year. However, our regional approach is at best patchy and is disconnected, in terms of content and organisation, from the core programme. Therefore, we are launching a series of free regional events that seek to create an opportunity where the Solace team engages directly with regional members and non-members to provide an informative and enjoyable learning experience. The intention is to roll this out across England and potentially the whole of the UK, to create an annual event in each region focused on individual personal development which engages Solace members - particularly at Established Leader and Early Career levels - and is a primary channel for membership recruitment and other business development.

Solace has created support for members to improve their own performance and, in our code of ethics, the setting of clearer standards to which members are expected to aspire. This is explicitly about holding professional colleagues to high standards of behaviour, ethics and delivery. But it also reflects the importance of providing a highly supportive environment in which professionals are able to challenge themselves and develop throughout all stages of their career and beyond.

These principles form the backbone of our new approach to membership. This year we are developing a Continuous Professional Development policy for members which will provide support and guidance to help them navigate through their own development and also set clear expectations for them and their employers. The policy will be launched towards the end of 2018.

Report of the Trustees (continued)
for the year ended
31 March 2018

Future Plans: 2018-21 Priorities (continued)

2. *Enable Solace members to make a positive contribution to the policy direction and improvement of local public services utilising their experience and skills to inform key decision makers*

Ultimately local government is about supporting local communities through difficult times and ensuring high quality local services are there when they are needed. The recent economic and fiscal crisis has led to a paradigm shift in public services. This means that fundamental reform of the system is required in order for the State to re-imagine and meet our community's expectations. Solace will therefore seek to work with and influence others to ensure local government is best placed to respond to the needs of local communities and push radical change.

To help enable this Solace has invested in a larger policy team in its London office and brought in additional capacity to this important area of work to ensure that we have high level support for members in their influencing of key decision-makers. Key policy themes and projects for the year are outlined in the organisation's business plan.

3. *Create the organisational culture and infrastructure sufficient to deliver our long term objectives and maximise the operational efficiency of the Solace group to deliver high quality services to our clients and partners*

In order to deliver our other priorities it is vital that Solace itself is fit for purpose. It will often be the way in which we choose to work that will determine the future success of the Society. In particular, the integration of functions across the Solace group has already seen benefits commercially and in terms of the services we are able to offer to members. The breadth of our activities is an important competitive advantage across our differing functions, and the embedding of this behaviour remains our primary internal focus.

We will be:

- Member centred
- Agile in approach to workforce and infrastructure
- Digitally driven
- Data aware
- Financially robust

Solace staff are central to the delivery of this plan and it will only be achieved alongside their own individual, personal development. Particularly, although not exclusively, within the recruitment and LOD elements of the group Solace competes as a small, niche business alongside major UK providers. We do this in order to enrich and shape the market and ensure that the local government sector has access to the appropriate type of support. However, our competitors often benefit from economies of scale that we are currently unable to replicate. This manifests itself in, for example, Solace being unable to compete financially in the recruitment of some roles. It is therefore a priority for the group to invest in our own staff and offer non-financial benefits, such as flexible ways of working, to maximise the overall value of working for the organisation.

With this in mind the Solace staff group has developed a set of values and behaviours which collectively shape the way we work. These are:

<i>Integrity</i>	Acting consistently and equitably, with honesty, openness, truth and fairness
<i>Collaborative</i>	Committed to encouraging and building genuine professional relationships and information sharing; in pursuit of common goals and objectives
<i>Respectful</i>	Building and supporting a positive, constructive working environment; addressing difficult situations with understanding, sensitivity and a determination to overcome issues together
<i>Supportive</i>	Customer-focused; respecting and valuing the individual, their role and their needs
<i>Accountable</i>	Of individuals and teams; built on empowerment and acceptance of personal responsibility and ownership
<i>Reliable</i>	Delivering on promises and commitments, including timeliness and quality
<i>Professional</i>	Diligently striving for improvement and excellence; in delivery, in relationships, in communication, in personal growth and development; leading by example regardless of position

The Solace group has developed into an organisation with a small core staff group and reliance on a number of contractors and associates engaged 'as and when'. This approach helps to ensure we have an agile, flexible resource able to respond to changes in the needs of the business while reducing the risks that go with holding a larger directly employed workforce. This approach has worked well in areas as diverse as executive recruitment, events planning and strategic marketing support. Over time, and as the needs and focus of an organisation changes, such an approach can lead to both increased costs and risks where core activities are undertaken outside the main staff group. We have therefore undertaken a process of reviewing these activities to ensure our organisational approach remains appropriate. This has manifested in some reduced contractor costs in the Solace budget over this and future years.

**Report of the Trustees (continued)
for the year ended
31 March 2018**

Future Plans: 2018-21 Priorities (continued)

The balancing of this approach will also ensure we maximise opportunities to work in partnership with other organisations with similar objectives. This already cuts across a number of portfolios, most prominently with our leadership offer where most of our programmes are delivered in partnership. For example, working with an academic partner in Inlogov has ensured that academic rigour is brought into our offer across a number of programmes, while our partnership with Newton Europe has brought a high degree of commercial skill and focus to the Transform Programme.

Building an agile and flexible approach is central to the future strategy of the Society. As well as retaining flexible support to manage peaks and troughs in workloads, this will also apply to our approach to development of our ICT infrastructure. There has been significant underinvestment in the group ICT infrastructure for some time. We have started a mapping of our existing position with a view to developing a more robust long term assessment of our needs and to identify solutions which suit the organisation going forward.

The organisation has also tended to adopt a bespoke approach to ICT in the past. This has led to the purchase of inflexible legacy systems (e.g. our two CRMs) coupled with multi-layered integration, leading to compounded weakness (e.g. across our website). The 2018-21 budgets set aside specific investment for our website and CRM replacement. The needs of different parts of the Solace group are very broad and therefore a 'one size fits all' approach is not appropriate. We will aim to develop our website over the medium term through a hub and spoke model, investing each year to improve incrementally rather than a single investment every five years. The first step, which includes a site for new members and an events portal, will both be in place by August 2018. This aims to create a robust delivery model with the flexibility which allows different areas of the business to design their elements to suit them. As this work progresses we will not only improve the online shop window of the organisation but also improve the use and security of data that we have available to us.

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 directors on 1 November 2017.

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 executive Group Directors, supported by senior 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.

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

Report of the Trustees (continued) for the year ended 31 March 2018

Pay policy for senior staff

The directors consider the board of directors, who are the charity's trustees, and the 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 (2017: £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.

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.

Reference and administrative details

Company number	4053417
Charity number	1084419
Registered office and principle address	Off Southgate Pontefract West Yorkshire WF8 1NT

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

Elected non-executive directors:	J P Comber
	M J Hynes
	G L Jones
	R H Kenyon
	J E Miller
	A W Muter
Employed executive directors:	A M Price
	G V McDonald
	T J McDougall

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

Group Director	G V McDonald
Head of Policy	P Das Gupta
Head of Leadership & Organisational Development	T I Birtwell
Head of Professional Development & Events	J A Haworth

Key management personnel: Senior managers of Solace In Business Ltd

Group Director	T J McDougall
Director of Finance & Performance	S R P Chambers
Head of Executive Resourcing & Assessment	S J Guest
Head of Interim Management & Operations	J K Mullinger

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

Report of the Trustees (continued) for the year ended 31 March 2018

Our advisers

Auditors	Jolliffe Cork LLP, 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 The Royal Bank of Scotland plc, 35-37 Northgate, Wakefield WF1 3XA

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 28 September 2018

G V McDonald
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 2018**

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 2018 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 (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 2018, 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 and Charities Act 2011.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

**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 2018**

Matters on which we are required to report by exception (continued)

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 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 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.

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, 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 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Perkin FCA (Senior Statutory Auditor)
for and on behalf of
Jolliffe Cork LLP
Chartered Accountants and Statutory Auditor
33 George Street
Wakefield, WF1 1LX

28 September 2018

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 2018**

	Notes	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
INCOME				
Donations		-	-	-
Income from charitable activities	4	1,505,602	1,505,602	1,311,205
<i>Income from other activities</i>				
Commercial trading operations	5	3,237,851	3,237,851	4,260,316
Income from investments	6	2,901	2,901	3,064
Total income		<u>4,746,354</u>	<u>4,746,354</u>	<u>5,574,585</u>
EXPENDITURE				
<i>Cost of raising funds</i>				
Investment management costs	7	1,853	1,853	1,985
Commercial trading operations	5	2,917,134	2,917,134	3,947,763
<i>Expenditure on charitable activities</i>				
Education & Training	9	1,221,187	1,221,187	1,128,955
Membership services	9	591,250	591,250	618,888
Loss on disposal of fixed assets		-	-	305
Total expenditure		<u>4,731,424</u>	<u>4,731,424</u>	<u>5,697,896</u>
Net income / (expenditure)		14,930	14,930	(123,311)
Other recognised gains / (losses)				
Unrealised (losses) / gains on investments		787	787	12,045
Net movement in funds for the year		<u>15,717</u>	<u>15,717</u>	<u>(111,266)</u>
Reconciliation of funds				
Total funds brought forward	19	969,049	969,049	1,080,315
Total funds carried forward	19	<u><u>984,766</u></u>	<u><u>984,766</u></u>	<u><u>969,049</u></u>

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 12 to 22 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 2018

	Notes	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Fixed assets					
Tangible assets	12	10,979	12,692	4,315	3,978
Investments	13	124,034	122,420	186,068	184,454
Total Fixed Assets		<u>135,013</u>	<u>135,112</u>	<u>190,383</u>	<u>188,432</u>
Current assets					
Debtors	14	843,011	1,162,179	441,174	528,991
Cash at bank and in hand		1,438,686	1,067,407	715,725	562,188
Total Current Assets		<u>2,281,697</u>	<u>2,229,586</u>	<u>1,156,899</u>	<u>1,091,179</u>
Creditors: falling due within one year	15	1,431,944	1,395,649	755,757	584,799
Net current assets		<u>849,753</u>	<u>833,937</u>	<u>401,142</u>	<u>506,380</u>
Total assets less current liabilities		984,766	969,049	591,525	694,812
Creditors: falling due after more than one year		-	-	-	-
Net Assets		<u>984,766</u>	<u>969,049</u>	<u>591,525</u>	<u>694,812</u>
The funds of the charity					
Unrestricted income funds	19	984,766	969,049	591,525	694,812
Total charity funds		<u>984,766</u>	<u>969,049</u>	<u>591,525</u>	<u>694,812</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 28 September 2018 and signed on their behalf by:

G L Jones
Trustee

The notes on pages 12 to 22 form an integral part of these financial statements.

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

Statement of Cash Flows and Consolidated Statement of Cash Flows
as at
31 March 2018

	Group 2018 £	Group 2017 £	Charity 2018 £	Charity 2017 £
Cash flows from operating activities				
Net movement in funds for the year	15,717	(111,266)	(103,287)	(170,332)
Adjustments for:				
Depreciation	11,866	18,005	4,195	7,844
Unrealised investment (gains) / losses	(787)	(12,045)	(787)	(12,045)
Re-invested dividend income	(2,680)	(2,625)	(2,680)	(2,625)
Fees netted off investment portfolio	1,853	1,985	1,853	1,985
Interest received	(221)	(439)	(87)	(186)
Loss / (gain) on disposal of fixed assets	-	305	-	305
Decrease / (increase) in debtors	319,168	160,450	87,817	26,858
Increase / (decrease) in creditors	36,295	(183,187)	170,958	(19,700)
Cash generated from / (used in) operating activities	381,211	(128,817)	157,982	(167,896)
Cash flows from investing activities				
Interest received	221	439	87	186
Fixed asset purchases	(10,153)	-	(4,532)	-
Released from managed portfolio	-	-	-	-
Cash provided by / (used in) investing activities	(9,932)	439	(4,445)	186
Cash flows from financing activities	-	-	-	-
Increase / (decrease) in cash and cash equivalents in the year	371,279	(128,378)	153,537	(167,710)
Cash and cash equivalents at the beginning of the year	1,067,407	1,195,785	562,188	729,898
Cash and cash equivalents at the end of the year	1,438,686	1,067,407	715,725	562,188

**Notes to the Consolidated Financial Statements
for the year ended
31 March 2018**

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 2015) - (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).

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.

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) All grants, 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.
- b) 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.
- c) Investment income is recognised on an accruals basis.

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

1 Accounting policies (cont'd)

1.7 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.

1.8 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.

1.9 Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 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.

1.11 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 joint or other board, authority or committee exercising local government or police 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.

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:

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

3 Financial performance of the charity (cont'd)	Total 2018 £	Total 2017 £
Donations received	201,850	253,739
Income from investments	2,767	2,812
Income from charitable activities	1,505,602	1,311,205
	<u>1,710,219</u>	<u>1,567,756</u>
Loss on disposal of fixed assets	-	(305)
Investment management fees	(1,853)	(1,985)
Expenditure on charitable activities	(1,812,440)	(1,747,843)
	<u>(104,074)</u>	<u>(182,377)</u>
Net income		
Unrealised gains / (losses) on investments	787	12,045
Total funds brought forward	694,812	865,144
	<u>591,525</u>	<u>694,812</u>
Total funds carried forward		
	<u>591,525</u>	<u>694,812</u>
Represented by:		
Unrestricted income funds	<u>591,525</u>	<u>694,812</u>

4 Income from charitable activities	Unrestricted £	Restricted £	Total Funds 2018 £	Total Funds 2017 £
Education and training	1,084,776	-	1,084,776	931,307
Membership activities	420,826	-	420,826	379,898
	<u>1,505,602</u>	<u>-</u>	<u>1,505,602</u>	<u>1,311,205</u>

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. A proportion of the subsidiary's profits are donated to the charity under Gift Aid.

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

	2018 £	2017 £
Turnover	3,237,851	4,260,316
Cost of sales and administration costs	(2,914,178)	(3,947,763)
Interest receivable	134	253
	<u>323,807</u>	<u>312,806</u>
Net profit		
Amount gift aided to the charity	(201,850)	(253,739)
Taxation	(2,956)	-
	<u>119,001</u>	<u>59,067</u>
Retained in subsidiary		
	<u>119,001</u>	<u>59,067</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	6,683	8,713
Current assets	1,285,172	1,419,012
Current liabilities	(836,582)	(1,091,453)
	<u>455,273</u>	<u>336,272</u>
Total net assets		
	<u>455,273</u>	<u>336,272</u>

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

6 Investment income	Unrestricted	Restricted	Total	Total
	£	£	2018	2017
			£	£
Dividends	2,680	-	2,680	2,625
Bank interest	221	-	221	439
	<u>2,901</u>	<u>-</u>	<u>2,901</u>	<u>3,064</u>

7 Investment management costs	2018	2017
	£	£
Portfolio management	<u>1,853</u>	<u>1,985</u>

8 Staff costs and numbers	2018	2017
	£	£
Salaries	961,768	1,007,545
Social security costs	76,025	85,887
Pension costs	60,417	53,692
	<u>1,098,210</u>	<u>1,147,124</u>

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

	Number	Number
	2018	2017
Executive directors	2	3
Other staff	25	26
	<u>27</u>	<u>29</u>

9 Expenditure on charitable activities	Education	Membership	Total
	& Training	Services	2018
	£	£	£
Governance costs (note 10)	22,636	19,717	42,353
Support costs (note 10)	298,544	278,366	576,910
Direct delivery	817,557	128,768	946,325
Central premises	22,895	21,776	44,671
IT support and consumables	12,502	24,005	36,507
Communications	4,858	4,542	9,400
Depreciation	1,745	2,450	4,195
Travel & subsistence	14,068	8,985	23,053
Irrecoverable VAT	-	43,629	43,629
Marketing	12,252	5,814	18,066
Bank interest and transaction charges	1,302	1,827	3,129
International relationships and support	-	4,422	4,422
Other costs	12,828	46,949	59,777
	<u>1,221,187</u>	<u>591,250</u>	<u>1,812,437</u>

Unrestricted expenditure on charitable activities amounted to £1,812,437 (2017: £1,747,843).

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

10 Governance and support costs

	Basis of apportionment	Support costs £	Governance £	Total 2018 £	Total 2017 £
Salaries and related costs	Staff roles and time allocation	571,915	31,733	603,648	618,891
Audit fee	Invoice description	-	6,229	6,229	5,955
Other professional and legal fees	Invoice description	753	-	753	17,227
Board running costs	Invoice description	-	4,391	4,391	2,961
Sundry expenses	Invoice description	4,242	-	4,242	-
		576,910	42,353	619,263	645,034

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 £662,828 (2017: £659,780) including pension contributions of £46,183 (2017: £52,780). This includes two trustees, G McDonald, T McDougall (2017: three trustees - G McDonald, T McDougall, D Wood) who received remuneration relating to their contracts 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 2018	Group 2017	Charity 2018	Charity 2017
Between £60,000 and £70,000	-	1	-	-
Between £70,000 and £80,000	3	2	2	1
Between £80,000 and £90,000	1	1	-	1
Between £100,000 and £110,000	-	1	-	1
Between £110,000 and £120,000	1	-	1	-
Between £130,000 and £140,000	1	1	-	-

During the year ended 31 March 2018 no trustee (2017: no trustee) received remuneration or benefits from the charity other than the stated executive directors (2018: G McDonald and T McDougall; 2017: G McDonald, T McDougall, D Wood). During the year 6 non-executive trustees (2017: 5 trustees) were reimbursed expenses totalling £2,495 (2017: £4,738). One trustee during the year (J Comber) received payment from the subsidiary company, Solace In Business Ltd, for professional services supplied to that company.

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

12 Tangible fixed assets

Group	Improvements to short leasehold to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2017	60,105	7,224	89,543	156,872
Additions	-	-	10,153	10,153
Disposals	-	-	-	-
At 31 March 2018	<u>60,105</u>	<u>7,224</u>	<u>99,696</u>	<u>167,025</u>
Depreciation				
At 1 April 2017	60,105	7,224	76,851	144,180
Charge for the year	-	-	11,866	11,866
Disposals	-	-	-	-
At 31 March 2018	<u>60,105</u>	<u>7,224</u>	<u>88,717</u>	<u>156,046</u>
Net book value				
At 31 March 2018	<u>-</u>	<u>-</u>	<u>10,979</u>	<u>10,979</u>
At 31 March 2017	<u>-</u>	<u>-</u>	<u>12,692</u>	<u>12,692</u>
Charity			Computer equipment £	Total £
Cost				
At 1 April 2017			10,603	10,603
Additions			4,532	4,532
Disposals			-	-
At 31 March 2018			<u>15,135</u>	<u>15,135</u>
Depreciation				
At 1 April 2017			6,625	6,625
Charge for the year			4,195	4,195
Disposals			-	-
At 31 March 2018			<u>10,820</u>	<u>10,820</u>
Net book value				
At 31 March 2018			<u>4,315</u>	<u>4,315</u>
At 31 March 2017			<u>3,978</u>	<u>3,978</u>

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

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
13 Investments				
Listed investments (managed portfolio)	124,034	122,420	124,034	122,420
Investment in subsidiaries	-	-	62,034	62,034
	<u>124,034</u>	<u>122,420</u>	<u>186,068</u>	<u>184,454</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 2018	£455,273

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 2018	£20

Listed investments (managed portfolio)

	Total £
Market value	
At 1 April 2017	122,420
Additions	2,680
Revaluations	787
Management fees	(1,853)
Reclassification / transfer	-
At 31 March 2018	<u>124,034</u>
Net book value	
At 31 March 2018	<u>124,034</u>
At 31 March 2017	<u>122,420</u>

There are no investment assets outside the UK

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
14 Debtors				
Trade debtors	477,998	1,102,860	204,653	249,927
Other debtors	-	-	-	-
Amounts owed by group undertakings	-	-	-	-
Prepayments and accrued income	365,013	59,319	236,521	279,064
	<u>843,011</u>	<u>1,162,179</u>	<u>441,174</u>	<u>528,991</u>

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

Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
15 Creditors				
Amounts falling due within 1 year:				
Trade creditors	327,390	560,249	97,775	144,581
Other creditors	142,693	142,688	136,460	137,301
Corporation tax	2,956	-	-	-
Social security and other taxes	169,847	204,615	61,429	46,723
Amounts owed to group undertakings	-	-	9,525	26,865
Accruals and deferred income	789,058	488,097	450,568	229,329
	<u>1,431,944</u>	<u>1,395,649</u>	<u>755,757</u>	<u>584,799</u>

16 Taxation

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.

17 Operating leases

As at 31 March 2018 commitments under non-cancellable operating leases were as follows:

Group	Land & Buildings	Other	Land & Buildings	Other
	2018	2018	2017	2017
	£	£	£	£
Due within one year	29,092	-	45,184	-
Due within two to five years	5,417	-	34,509	-
Due over 5 years	-	-	-	-
	<u>34,509</u>	<u>-</u>	<u>79,693</u>	<u>-</u>

Charity	Land & Buildings	Other	Land & Buildings	Other
	2018	2018	2017	2017
	£	£	£	£
Due within one year	16,092	-	32,184	-
Due within two to five years	-	-	16,092	-
Due over 5 years	-	-	-	-
	<u>16,092</u>	<u>-</u>	<u>48,276</u>	<u>-</u>

18 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 2018 amounted to £60,417 (2017: £53,692). This includes accrued contributions of £10,336 (2017: £8,652) included in other creditors (note 15).

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

**Notes to the Consolidated Financial Statements (continued)
for the year ended
31 March 2018**

19 Funds	Balance at 1 April 2017 £	Net incoming Resources £	Balance at 31 March 2018 £
Unrestricted			
General	691,411	(16,442)	674,969
Designated	277,638	32,159	309,797
	<u>969,049</u>	<u>15,717</u>	<u>984,766</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.

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

20 Analysis of Group net assets between funds

Funds balances at 31 March 2018 are represented by:	Unrestricted £	Designated £	Total £
Tangible fixed assets	10,979	-	10,979
Investments	124,034	-	124,034
Current assets	1,971,900	309,797	2,281,697
Creditors: amounts falling due within 1 year	(1,431,944)	-	(1,431,944)
	<u>674,969</u>	<u>309,797</u>	<u>984,766</u>

21 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £22,500 for the group and charitable company (2017: £nil).

22 Related party transactions

During the year ended 31 March 2018 the charity received a gift aid donation of 201,850 (2017:£253,739) from Solace In Business Ltd (note 5).