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Company Registration No 02771210

Society of Local Authority Chief Executives and Senior Managers

STATUTORY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 March 2011

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COMPANIES HOUSE

Society of Local Authority Chief Executives and Senior Managers

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R Hyde
K Kerswell
D Myers
K Riley
T Huggins
M Reeves (Appointed October 2010)
S Baker (Appointed October 2010)
A Price (Appointed October 2010)
MC Deane (Appointed October 2010)
K Rossiter (Appointed April 2011)

SECRETARY

J Mullooly (Resigned 31 March 2011)

REGISTERED OFFICE

Hope House
45 Great Peter Street
London
SW1P 3LT

AUDITORS

Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

Society of Local Authority Chief Executives and Senior Managers

DIRECTORS' REPORT

The directors submit their report and the financial statements of the Society of Local Authority Chief Executives and Senior Managers Group for the year ending 31 March 2011

PRINCIPAL ACTIVITIES

The principal activity of the Society during the year was to promote the cause of Local Government and to provide support and professional development of Chief Executives and Senior Managers in Local Government

The principal activity of SOLACE Enterprises Limited was that of resourcing and development consultancy

RESULTS

The trading results for the year and the Group's financial position at the end of the year are shown in the attached financial statements

DIVIDENDS

No dividend was paid or approved for the year ending 31 March 2011.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

This has been a difficult year for all businesses involved with the public sector. Both the Society and the Company have had to take action in response to current and expected income reductions as a result of the severe spending cuts within our primary market local government

For the Society, the main income sources – membership subscriptions, corporate partners programme and income from conferences and events – have remained strong and tight cost controls resulted in profitable trading in these areas

The annual budget for the Society depends on a dividend from SOLACE Enterprises to cover all costs. The Directors took the view that the cost-base must be reduced for future years to remove that dependency and to get the Society in good shape should other income sources be threatened by the down turn in local government spending. This resulted in the removal of three posts from the Society and the termination of the employment of the Director General, incurring one-off costs of £100,000 and delivering a permanent reduction in the cost-base of £355,000 pa

For the Company, the local government market was very flat in the first quarter. However the company was profitable and exceeded its business plan targets. Following the Comprehensive Spending Review in October, local government spending on consultancy and recruitment reduced significantly and the company faced even tougher trading conditions. The Board responded to this with a comprehensive review of all aspects of the business and a substantial restructuring programme

Undertaking the programme resulted in a one off cost in the year of £232,000. As a result, the cost base has been permanently reduced by over £500,000 per annum. The programme resulted in

- The departure of the Managing Director Andrew Coleman
- A reduction in headcount in London and Pontefract.
- Seeking a tenant for the London office.

Society of Local Authority Chief Executives and Senior Managers

DIRECTORS' REPORT

In addition to the above measures, the beginning of 2011/12 has seen David Clark, former Director General of SOLACE join the company. He will be taking responsibility for the Corporate Partner programme, which has been transferred from SOLACE. With a private sector customer base, this business will provide stability in the current climate.

Looking forward, market conditions in 2011/12 are expected to remain very tough and both the Society and Company project break even budgets for the year. The Society will concentrate on its core offerings to membership. The company has a business plan in place, with profit targets, which it is meeting.

The Directors remain of the view that the Group continues to be a going concern and is progressing in 2011/12 in good shape.

KEY PERFORMANCE INDICATORS

The key performance indicators for the Group for 2010/11 again reflected the trading account structure covering the principal areas of the Group's business. Each trading account has been set an income and expenditure target as appropriate and performance against these is monitored by the management team.

RISK AND UNCERTAINTIES

The Society's operation exposes it to a number of financial risks which have been identified as:

- (i) maintaining a high level of Corporate Partnership and sponsorship income which provides the Society's main source of income
- (ii) controlling the level of administration costs given the high proportion of which are employee costs

The Directors closely monitor the operations of the company seeking to limit any adverse effects of these risks on financial performance. Policies are implemented by the finance department with close involvement of the Directors.

The majority of business in SOLACE Enterprises Limited comes from large public sector organisations, who by their very nature are 'low risk'. The principal risks and uncertainties relate to changes in the public sector and government policy. The company deals with this issue by staying close to our clients and keeping in touch with government developments.

Currency Risk

As the Group does little business outside the UK, currency risk is not a significant issue in risk management.

Fair value interest risk

The Group does not hedge its interest rate risk.

Price Risk

The Group uses a range of suppliers for each area of provision to ensure the market prices for purchases are achieved. Where this is not feasible, contracts for the supply of goods and services are reviewed on a regular basis.

Credit Risk

The Group mainly trades with long standing customers. The nature of these relationships assists management in controlling its credit risk.

Liquidity Risk

Management control and monitor the Group's cash flow on a regular basis.

Society of Local Authority Chief Executives and Senior Managers

DIRECTORS' REPORT

DIRECTORS

The following directors have held office during the year

S Baker	(Appointed October 2010)
D Clark	(Stood Down March 2011)
MC Deane	(Appointed October 2010)
P Haines	(Stood Down October 2010)
T Huggins	
R Hyde	
K Kerswell	
D Myers	
G Norton	(Stood Down October 2010)
A Price	(Appointed October 2010)
M Reeves	(Appointed October 2010)
K Riley	
C Tapster	(Stood Down October 2010)
C Wilkins	(Stood Down October 2010)

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all Directors of the group

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



K Rossiter
Managing Director

15 November 2011

Society of Local Authority Chief Executives and Senior Managers

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent,
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOCIETY OF LOCAL AUTHORITY CHIEF EXECUTIVES AND SENIOR MANAGERS

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 25. 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).

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

Paul Tilly MM Audit LLP

PAUL BYRNE BSc, MBA, FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

1 December 2011

Society of Local Authority Chief Executives and Senior Managers
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £ As restated
TURNOVER	1	6,781,656	10,677,699
Cost of sales		(3,783,755)	(6,428,762)
Gross profit		2,997,901	4,248,937
Administrative expenses		(3,511,687)	(4,397,989)
OPERATING DEFICIT	3	(513,786)	(149,052)
Interest receivable and similar income		10,736	16,906
Donations from branches	5	-	982
Interest payable and similar charges	2	(34)	(1,160)
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(503,084)	(132,324)
Tax on deficit on ordinary activities	6	(47,688)	(987)
DEFICIT FOR THE FINANCIAL YEAR		(550,772)	(133,311)

The deficit for the year arises from the group's continuing operations

Society of Local Authority Chief Executives and Senior Managers
CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £ As restated
Deficit for year		(550,772)	(133,311)
Total recognised gains and losses for the year		(550,772)	(133,311)
Prior period adjustment	20	1,406,000	
Total gains and losses recognised since last annual report		855,228	

Society of Local Authority Chief Executives and Senior Managers

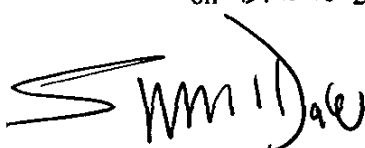
CONSOLIDATED BALANCE SHEET

Company Registration No 02771210

for the year ended 31 March 2011

	Notes	2011 £	2010 £ As restated
FIXED ASSETS			
Tangible assets	7	13,564	30,651
		<u>13,564</u>	<u>30,651</u>
CURRENT ASSETS			
Debtors	9	842,609	1,774,046
Cash at bank and in hand		1,359,580	1,501,066
		<u>2,202,189</u>	<u>3,275,112</u>
CREDITORS Amounts falling due within one year	10	(1,642,099)	(2,181,337)
NET CURRENT ASSETS		<u>560,090</u>	<u>1,093,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>573,654</u>	<u>1,124,426</u>
NET ASSETS		<u>573,654</u>	<u>1,124,426</u>
RESERVES	12	<u>573,654</u>	<u>1,124,426</u>
MEMBERS' FUNDS	14	<u>573,654</u>	<u>1,124,426</u>

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 15 November 2011 and are signed on its behalf by

 Director

Society of Local Authority Chief Executives and Senior Managers

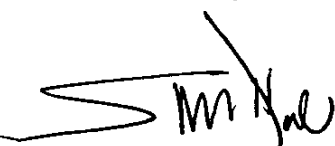
SOCIETY BALANCE SHEET

for the year ended 31 March 2011

Company Registration No 02771210

	Notes	2011 £	2010 £ As restated
FIXED ASSETS			
Tangible assets	7	5,545	12,826
Investments	8	62,034	141,450
		<u>67,579</u>	<u>154,276</u>
CURRENT ASSETS			
Debtors	9	310,628	209,027
Cash at bank and in hand		1,128,316	1,262,594
		<u>1,438,944</u>	<u>1,471,621</u>
CREDITORS Amounts falling due within one year	10	(932,869)	(859,966)
NET CURRENT ASSETS		<u>506,075</u>	<u>611,655</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>573,654</u>	<u>765,931</u>
NET ASSETS		<u>573,654</u>	<u>765,931</u>
RESERVES	12	<u>573,654</u>	<u>765,931</u>
MEMBERS' FUNDS	14	<u>573,654</u>	<u>765,931</u>

The financial statements on pages 7 to 25 were approved by the board of directors and authorised for issue on 15 March 2011 and are signed on its behalf by.

 Director

Society of Local Authority Chief Executives and Senior Managers
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £ As restated
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	13a	(144,447)	229,300
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of fixed assets		(4,231)	(7,426)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		10,736	16,906
Interest paid		(34)	(1,160)
Donations from branches		-	982
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		10,702	238,602
TAXATION		(3,510)	(6,756)
(DECREASE)/INCREASE IN CASH		(141,486)	245,358
Reconciliation of net cash flow to movement in net funds		2011 £	2010 £
(Decrease)/increase in cash in the period		(141,686)	245,358
Movement in the year		(141,486)	245,358
Net funds at 1 April 2010		1,501,066	1,255,708
Net funds at 31 March 2011	13b	1,359,580	1,501,066

Society of Local Authority Chief Executives and Senior Managers

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

BASIS OF PREPARATION

The group has sustained a loss of £550,772 in the current year and a loss of £133,311 in the previous year. The group's consolidated balance sheet shows a surplus of £573,654 after the prior year adjustment which has reversed the pension deficit of £1,406,000. Having considered the group's working capital requirement, the directors have prepared cash flow forecasts for a period of twelve months from the date of the approval of these financial statements. The directors consider that the group will be able to meet its liabilities as they fall due within the group's currently agreed overdraft facility and the cash resources available to it which stood at £1,359,580 at the year end. Consequently the directors believe that it is reasonable to prepare the financial statements on a going concern basis.

CONSOLIDATION

The consolidated profit and loss account and balance sheet include the financial statements of the Society and its subsidiary undertaking up to 31 March 2011. The results of subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

On acquisition of a subsidiary, the subsidiary's assets and liabilities are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities, and the resulting gains and losses, that arise after the group has gained control of the subsidiary are reflected in the post acquisition profit and loss account.

TURNOVER

Turnover represents fees receivable for services provided to customers. Income is recognised to the extent that the company has obtained the right to consideration through its performance.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Society of Local Authority Chief Executives and Senior Managers

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows -

Short leasehold	- Over the term of the lease
Improvements to property	- Over the term of the lease
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- Over three years
Office equipment	- Over three years

BRANCH RESERVES

Branch reserves are held for the continuance of activity at each branch, as authorised by relevant branch officers. The reserves are held separately to allow recognition of the funds held on behalf of each branch.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Group's turnover and profit before taxation were all derived from its principal activity Sales were made in the following geographical markets

	2011 £	2010 £
United Kingdom	6,570,122	10,255,812
United Arab Emirates	211,534	421,887
	<u>6,781,656</u>	<u>10,677,699</u>

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £	2010 £
Bank interest	34	1,160
	<u>34</u>	<u>1,160</u>

3 OPERATING LOSS/DEFICIT

	2011 £	2010 £
Operating (loss)/profit is stated after charging Depreciation.		
Owned assets	21,318	24,894
Auditors' remuneration - audit	17,050	19,500
Donations	-	76,000
Operating leases – land & buildings	49,919	79,277
	<u>88,287</u>	<u>199,671</u>

4 EMPLOYEES - GROUP

	2011 No	2010 No
The average monthly number of persons (including directors) employed by the group during the year was		
Executive director	1	1
Other staff	45	55
	<u>46</u>	<u>56</u>

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

EMPLOYEES – GROUP (<i>continued</i>)	2011 £	2010 £
Staff costs for above persons.		
Wages and salaries	1,812,176	1,961,716
Social security costs	178,539	206,088
Administration staff pension costs	182,842	179,759
Directors' pension costs	29,766	29,450
	<u>2,203,323</u>	<u>2,377,013</u>
 DIRECTORS' EMOLUMENTS - SOCIETY	 2011 £	 2010 £
Directors' remuneration	165,366	165,366
Pension contributions	29,766	29,450
	<u>195,132</u>	<u>194,816</u>
 The highest paid director receives the following emoluments		
Remuneration	165,366	165,366
Pension contributions	29,766	29,450
	<u>195,132</u>	<u>194,816</u>
 Total emoluments	 <u>195,132</u>	 <u>194,816</u>
	2011 No	2010 No
The number of directors accruing retirement benefits under defined benefit pension schemes	1	1

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

5 DONATIONS BY BRANCHES

12 branches, covering the UK, have existed for over 10 years, and had been considered entities outside SOLACE, carrying on mutual trading whereby the income is derived by each branch from members and surpluses are distributable back to members in proportion to their contribution. As such each branch was autonomous and had its own branch constitution

However, with the increasing business partner and sponsorship activity of several of the branches, the Management Board felt that the governance of the branches should move back to SOLACE with the adoption of a 'SOLACE Branch Constitution' and the funds held by each branch being donated to SOLACE and held in specific branch reserves. Each branch would still retain an element of control over their funds and decisions on how the funds are spent.

A majority of the branches were incorporated in the financial year 2006/07, with the remaining 3 being incorporated in financial year 2007/2008

All active branches have conducted their activities through the books of SOLACE in this financial year and are therefore included in these statements.

The surplus/deficit from every branch is transferred to the specific reserve for each branch.

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

6	TAXATION	2011 £	2010 £
	Current tax		
	UK corporation tax	2,180	3,510
	Repayment of tax	-	(16,384)
		<u>2,180</u>	<u>(12,874)</u>
	Total current tax	2,180	(12,874)
		<u>2,180</u>	<u>(12,874)</u>
	Deferred taxation		
	Deferred tax	45,508	13,861
		<u>45,508</u>	<u>13,861</u>
	Total deferred tax	45,508	13,861
		<u>45,508</u>	<u>13,861</u>
	Tax on (loss)/profit on ordinary activities	47,688	987
		<u>47,688</u>	<u>987</u>
	Factors affecting the tax charge for the period		
	The tax charge assessed for the period is lower than the standard rate of corporation tax in the UK (30%) The differences are explained below:		
		2011 £	2010 £
	(Loss) on ordinary activities before tax	(503,084)	(132,324)
		<u>(503,084)</u>	<u>(132,324)</u>
	Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28 % (2010 30%),	(140,863)	(39,697)
	Effects of		
	Depreciation on non-qualifying assets	158	1,002
	Capital Allowances in excess of depreciation	190	90
	Repayment of tax	-	(16,384)
	Permanent disallowables	-	16,977
	Losses Carried Forward	104,435	-
	Expenses not deductible/(income not taxable)	26,361	25,138
	Deferred tax provided at different date	11,899	-
		<u>11,899</u>	<u>-</u>
	Current tax charge for the period	2,180	(12,874)
		<u>2,180</u>	<u>(12,874)</u>

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

7 TANGIBLE FIXED ASSETS

SOCIETY		<i>Office equipment £</i>
Cost		
1 April 2010		49,675
Additions		1,476
		<hr/>
31 March 2011		51,151
		<hr/>
Depreciation		
1 April 2010		36,849
Charged in the year		8,757
		<hr/>
31 March 2011		45,606
		<hr/>
Net book value		
31 March 2011		5,545
		<hr/>
		<hr/>
31 March 2010		12,826
		<hr/>

GROUP	<i>Short leasehold £</i>	<i>Improvements to property £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Computer equipment £</i>	<i>Total £</i>
Cost					
1 April 2010	35,210	56,761	29,328	221,800	343,099
Additions	-	-	1,000	3,231	4,231
Disposals	-	-	-	(32,282)	(32,282)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2011	35,210	56,761	30,328	192,749	315,048
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
1 April 2010	35,210	44,287	27,448	205,503	312,448
Charge for the year	-	8,109	721	12,488	21,318
Disposals	-	-	-	(32,282)	(32,282)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2011	35,210	52,396	28,169	185,709	301,484
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
31 March 2011	-	4,365	2,159	7,040	13,564
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2010	-	12,474	1,880	16,297	30,651
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Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

8 FIXED ASSET INVESTMENTS

*Subsidiary
undertakings*
£

Cost	
At 1 April 2010	141,450
Impairment	(79,416)
	<hr/>
31 March 2011	62,034
	<hr/>

The above investments are unlisted

Additional information relating to subsidiary undertakings is as follows:

Solace Enterprises Limited is a wholly-owned subsidiary whose principal activity is that of local authority training and consultancy (Country of incorporation England and Wales)

Solace International South Africa (Proprietary) Limited is a wholly-owned subsidiary which is dormant (Country of incorporation South Africa)

The company owns 9% of the issued share capital in Centre for Excellence in Public Administration & Development which is dormant (Country of incorporation South Africa)

All shares held are ordinary shares

	2011 £	2010 £
Aggregate capital and reserves		
Solace International South Africa (Proprietary) Limited	300	300
Centre for excellence in Public Administration & Development	167	167
Loss for the year		
Solace International South Africa (Proprietary) Limited	-	-
Centre for excellence in Public Administration & Development	-	-
	<hr/>	<hr/>

9 DEBTORS

	2011 £	Group 2010 £	2011 £	Society 2010 £
Due within one year				
Trade debtors	622,152	1,460,613	211,530	153,788
Amounts owed by group undertakings	3,822	10,057	3,822	10,057
Prepayments and accrued income	200,460	252,108	84,861	45,182
Other tax and social security	10,415	-	10,415	-
	<hr/>	<hr/>	<hr/>	<hr/>
	836,849	1,722,778	310,628	209,027
	<hr/>	<hr/>	<hr/>	<hr/>
Due in more than one year				
Deferred tax asset (note 11)	5,760	51,268	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	842,609	1,774,046	310,628	209,027
	<hr/>	<hr/>	<hr/>	<hr/>

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

10	CREDITORS Amounts falling due within one year	Group		Society	
	2011 £	2010 £	2011 £	2010 £	
	Trade creditors	700,417	1,028,704	291,066	176,168
	Subscriptions received in advance	229,157	198,456	229,157	198,456
	Amounts due to group undertakings	20,741	-	-	31,480
	Corporation tax	2,180	3,510	2,180	3,510
	Other tax and social security	82,012	202,350	-	7,420
	Other creditors	90,580	104	90,580	104
	Accruals and deferred income	517,012	748,213	319,886	442,828
		<u>1,642,099</u>	<u>2,181,337</u>	<u>932,869</u>	<u>859,966</u>

11 DEFERRED TAXATION

GROUP	£	
Balance at 1 April 2010	51,268	
Transfer to profit & loss account	(45,508)	
	<u>5,760</u>	
Balance at 31 March 2011	<u>5,760</u>	
Provision for deferred tax has been made as follows		
	2011 £	2010 £
Excess of depreciation over tax allowances	5,760	6,784
Trading losses	-	44,484
	<u>5,760</u>	<u>51,268</u>

Society of Local Authority Chief Executives and Senior Managers
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12	RESERVES	At 1 April 2010	Surplus for year	At 31 March 2011
	SOCIETY	As restated £	£	£
	Profit and loss account	524,504	(201,359)	323,145
	Branch reserves			
	East Midlands	3,297	455	3,752
	East of England	5,553	878	6,431
	London	2,248	903	3,151
	North West	1,671	733	2,404
	Northern	(2,879)	226	(2,653)
	Northern Ireland	(1,280)	(3,150)	(4,430)
	Scotland	111,229	(6,300)	104,929
	South East	719	6	725
	South West	35,202	1,140	36,342
	Wales	60,928	11,924	72,852
	West Midlands	23,750	2,258	26,008
	Yorks & Humberside	989	9	998
		<u>765,931</u>	<u>(192,277)</u>	<u>573,654</u>

GROUP

2011
£

Balance brought forward – As restated
Loss for the year

1,124,426
(550,772)

Balance carried forward

573,654

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
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13	CASH FLOWS	2011	2010
		£	£
a	Reconciliation of operating deficit to net cash inflow from operating activities		
	Operating deficit	(513,786)	(149,052)
	Depreciation	21,318	24,894
	Loss on sale of fixed asset	-	362
	Decrease in debtors	885,929	639,307
	Decrease in creditors	(537,908)	(286,211)
		<u></u>	<u></u>
	Net cash (outflow)/inflow from operating activities	(144,447)	229,300
		<u></u>	<u></u>
		<i>At</i>	<i>At</i>
		<i>31 March</i>	<i>31 March</i>
		<i>2010</i>	<i>2011</i>
b	Analysis of net funds	£	£
	Cash in hand, at bank	1,501,066	(141,486)
		<u></u>	<u></u>
	Net funds	1,501,066	(141,486)
		<u></u>	<u></u>
14	RECOGNITION OF MOVEMENT IN MEMBERS' FUNDS	2011	2010
		£	£
	SOCIETY		As restated
	(Deficit)/surplus for the financial year	(192,277)	75,243
		<u></u>	<u></u>
	Net movement in members' funds	(192,277)	-
	Opening members' funds	765,931	690,688
		<u></u>	<u></u>
	Closing members' funds	573,654	765,931
		<u></u>	<u></u>

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
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14	RECOGNITION OF MOVEMENT IN MEMBERS' FUNDS (continued)	2011 £	2010 £ As restated
	GROUP		
	Deficit for the financial year	(550,772)	(133,311)
	Net movement in members' funds	(550,772)	(133,311)
	Opening members' funds	1,124,426	1,257,737
	Closing members' funds	573,654	1,124,426

15 PENSION SCHEMES

The Society makes payments on behalf of its employees into personal defined contribution pension plans

16 RELATED PARTY DISCLOSURES

The following balances with group companies were outstanding at the end of financial year

	2011 £	2010 £
Debtors		
SOLACE Foundation	119,016	10,057

The company has taken advantage of the exemption within financial reporting standard number 8 from disclosing details of transactions with other 100% owned group companies

17 TRANSACTIONS WITH DIRECTORS

With the exceptions noted below, non executive directors receive no remuneration for acting as directors of the group

Any services which non-executive directors supply, other than in respect of their services as directors are charged on an arms length basis

Two of the directors received payments during the year as follows

R Benton	Fee £20,833		
K Crossland	Fee £15,625	Expenses	£ 506

These transactions were arms length basis

18 COMPANY LIMITED BY GUARANTEE

The company is 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

Society of Local Authority Chief Executives and Senior Managers
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2011

19 OPERATING LEASE COMMITMENTS

At 31 March 2011 the society had the annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiring		
Between one and five years	56,200	13,000
In more than five years	-	43,200
	<u>56,200</u>	<u>56,200</u>

20 PRIOR PERIOD ADJUSTMENT

Several long standing employees were members of the Norfolk County Council Local Government Pension Scheme. Their membership of this scheme dates back to the establishment of the Society. At that time the basis of their membership and the relationship between the Society and the Pension Scheme was never fully clarified. Several years ago the Society applied the provisions of FRS17 in respect of these employees' membership of the Norfolk County Council Local Government Pension Scheme. Following discussions with Norfolk County Council to clarify the Society's position and the receipt of legal advice the Society has been advised that it is not able to be a sponsoring employer within a local government pension scheme. The relevant employees have now ceased to be members of the Norfolk County Council Local Government Pension Scheme and it has been confirmed to the Society that they have no further financial commitments to the Scheme. As a result of the clarification of the Society's relationship with the Norfolk County Council Local Government Pension Scheme it has been determined that the requirements of FRS17 never applied to the Society.

The 2010 comparatives have been restated to accommodate the correction of the recognition of the defined benefit pension scheme liability which should not be recognised under FRS17 following the clarification of the employer status under the scheme.

The effect of the change is as follows

	As originally stated £	Pension (cost)/credit £	As restated £
Consolidated profit and loss adjustments.			
Administrative expenses	(4,324,989)	(73,000)	(4,397,989)
Interest payable	(100,160)	99,000	(1,160)
	<u>(158,324)</u>	<u>26,000</u>	<u>(132,324)</u>
Deficit on ordinary activities before taxation	(158,324)	26,000	(132,324)
	<u>(159,311)</u>	<u>26,000</u>	<u>(133,311)</u>

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20 PRIOR PERIOD ADJUSTMENT (*continued*)

	As originally stated £	Pension reserve liability £	As restated £
Consolidated balance sheet adjustments			
Pension liability	(1,406,000)	1,406,000	-
Reserves	(281,574)	1,406,000	1,124,426
	<u> </u>	<u> </u>	<u> </u>
	As originally stated £	Pension reserve £	As restated £
STRGL adjustments.			
Actuarial (loss)/gain in respect of Pension scheme	(754,000)	754,000	-
	<u> </u>	<u> </u>	<u> </u>