

DO NOT STAPLE
PRINT ON ONE SIDE ONLY

FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

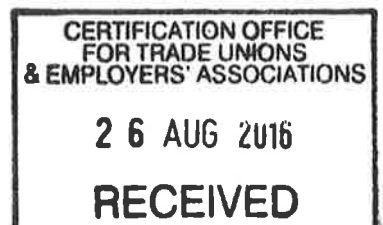
Name of Employers' Association:	<input type="text" value="WEST MIDLANDS EMPLOYERS"/>
Year ended:	<input type="text" value="31 MARCH 2016"/>
List No:	<input type="text" value="CO254E"/>
Head or Main Office:	<input type="text" value="PO Box 16725
(Sandwell Council House)
Oldbury
West Midlands
B69 9FH"/>
Website address (if available)	<input type="text" value="www/wmemployers.org.uk"/>
Has the address changed during the year to which the return relates?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Tick as appropriate)</i>
General Secretary:	<input type="text" value="Helen Riley"/>
Contact name for queries regarding the completion of this return:	<input type="text" value="Sharon Phillips"/>
Telephone Number:	<input type="text" value="0121 569 2070/2071"/>
e-mail:	<input type="text" value="s.phillips@wmemployers.org.uk"/>

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.
Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Employers' Associations based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Employers' Associations based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



**AR27 for 31 March 2016
West Midlands Employers
Ref: CO254E**

List of Officers in Post:

Host Chief Executive: Helen Riley (Staffordshire County Council)

Director: Colin Williams, WME Director

Chairman: Cllr Roger Phillips (Herefordshire Council)

Treasurer: Sharon Phillips, WME Head of Finance

RETURN OF MEMBERS

(see note 9)

NUMBER OF MEMBERS AT THE END OF THE YEAR				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
42				42

OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	INCOME			
264,478	From Members	Subscriptions, levies, etc		258,405
5,088	Investment income	Interest and dividends (gross) Bank interest (gross)		5,506
362,095	Other income	Rents received	453,937	
10,064		Consultancy and training	15,200	
5,150		Corporate service fees	4,185	
19,499		Other (sponsorship and asset sale) IEWM SLA and other recharges	17,098	
				490,420
666,374	TOTAL INCOME			754,331
	EXPENDITURE			
	Administrative expenses			
(340,772)		Remuneration and expenses of staff	(385,963)	
(31,150)		Occupancy costs	(30,165)	
(5,226)		Printing, Stationery, Post	(1,733)	
(6,766)		ICT and Office equip expense	(8,963)	
(15,994)		Legal and Professional fees	(8,465)	
(206,274)		Consultancy	(279,484)	
(1,872)		Communication costs	(1,759)	
				(716,532)
-	Other charges	WME Business improvements	(34,875)	
(6,576)		Travel and subsistence	(6,836)	
-		Sums written off	1,004	
(5,844)		CEEP/NARE & other subscriptions	(7,202)	
(12,482)		Publishing and marketing	(5,989)	
(1,232)		Conference and meeting fees	(6,487)	
				(60,385)
(634,188)	TOTAL EXPENDITURE			(776,917)
(216,000)		Other finance costs		(220,000)
111,375		Exceptional items (WMPF supplemental agreement)		208,000
(1,503,000)		Other recognised gains and losses		1,206,000
(1,575,439)		Surplus/Deficit for year		1,171,414
(4,538,502)		Amount of fund at beginning of year		(6,113,941)
(6,113,941)		Amount of fund at end of year		(4,942,527)

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

WME PEOPLE & LEADERSHIP SERVICES PROJECT

For the year ended 31 March 2016

	£	2016 £	£	2015 £
INCOME				
WMJobs E-Recruitment Portal	478,996	429,173		
Coaching & Mentoring	185,145	143,504		
Leadership Services	81,803	112,561		
Consultancy & Other	<u>81,238</u>	<u>50,218</u>		
	827,182	735,456		
EXPENDITURE				
Management & Corporate Costs	28,877	46,928		
WMJobs E-Recruitment Portal	413,385	355,593		
Capital investment – Jobs board	79,061			
Coaching & Mentoring	145,302	113,642		
Leadership Services	103,923	115,314		
Consultancy & Other	<u>67,695</u>	<u>63,312</u>		
	838,243	694,789		
SURPLUS/DEFICIT FOR THE YEAR		(11,061)		40,667
Movements to/from the Project Fund				
Deferred income from Project Fund in year*	25,840	14,796		
Prepayments in Project Fund in year*	<u>7,330</u>	<u>16,002</u>		
		33,170		30,798
Total Adjustment to Fund in Year		22,109		71,465
UNEXPENDED FUNDS AT 31 MARCH 2015		610,180		538,715
UNEXPENDED FUNDS AT 31 MARCH 2016		<u>632,289</u>		<u>610,180</u>

BALANCE SHEET AS AT 31 March 2016

(see notes 19 and 20)

Previous Year		£		£
	Fixed Assets (as at page 11)			
	Investments (as per analysis on page 13)			
	Quoted (Market value £)			
	Unquoted			
	Total Investments			
	Other Assets			
367,031	Income receivable	309,360		
13,347	Prepayments	10,763		
1,249,525	Cash at bank and in hand	1,123,729		
	Stocks of goods			
	Others (specify)			
1,629,903	Total of other			1,443,853
	assets			
1,629,903				TOTAL ASSETS
				1,443,853
79,177	REO General reserve	94,631		
58,031	REO Designated reserve	59,991		
291,851	WMC Liability reserve	291,851		
(6,543,000)	Pension reserve	(5,389,000)		
	Liabilities			
132,936	Creditor balances	56,167		
794,323	Project income received in advance	780,507		
39,349	VAT	50,154		
234,236	Accrued expenses	110,552		
6,543,000	Pension scheme obligations	5,389,000		
				TOTAL LIABILITIES
1,629,903				TOTAL ASSETS
				1,443,853

FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
COST OR VALUATION				
At start of period		35,535		35,535
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period		(35,535)		(35,535)
BOOK AMOUNT at end of period		-		-
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
AS BALANCE SHEET				

ANALYSIS OF INVESTMENTS

(see note 22)

		Other Funds £
QUOTED	British Government & British Government Guaranteed Securities	
	British Municipal and County Securities	
	Other quoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Quoted Investments	
UNQUOTED	British Government Securities	
	British Municipal and County Securities	
	Mortgages	
	Other unquoted securities (to be specified)	
	TOTAL QUOTED (as Balance Sheet)	
	*Market Value of Unquoted Investments	

* Market value of investments to be stated where these are different from the figures quoted in the balance sheet

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 23 to 25)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
INCORPORATED EMPLOYERS' ASSOCIATIONS			
Are the shares which are controlled by the association registered in the association's name		YES	NO
If NO, please state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
UNINCORPORATED EMPLOYERS ASSOCIATIONS			
Are the shares which are controlled by the association registered in the names of the association's trustees?		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 26 to 35)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	754,331		754,331
From Investments			
Other Income (including increases by revaluation of assets)	208,000		208,000
Total Income	962,331		962,331
EXPENDITURE (including decreases by revaluation of assets)	(776,917)		(776,917)
Total Expenditure Pension liability movements	986,000		986,000
Funds at beginning of year (including reserves)	(6,113,941)		(6,113,941)
Funds at end of year (including reserves)	(4,942,527)		(4,942,527)
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			1,443,853
		Total Assets	1,443,853
LIABILITIES			
		Total Liabilities	(6,386,380)
NET ASSETS (Total Assets less Total Liabilities)			(4,942,527)

NOTES TO THE ACCOUNTS

(see note 36)

All notes to the accounts must be entered on or attached to this part of the return.

3(a) Project Funds held on account

	01/04/15 ££	Income £	Expenditure £	Transfers £	31/03/16 £
People & Leadership Projects	610,180	827,182	(838,243)	33,170	632,289
Gloucester Coaching Fund	7,099	-	(7,099)	-	-
Epaycheck	56,269	39,533	(28,621)	-	-67,181
Public Health England	8,009	-	(3,708)	-	-4,301
Regional Monitoring Funds	112,766	-	(36,030)	-	-76,736
	<u>794,323</u>	<u>866,715</u>	<u>(913,701)</u>		<u>33,170</u> <u>780,507</u>

The project fund balances are held on account to support project activity in 2016-17.

4(a) General Reserve

	£	£
At 31 March 2015		79,177
REO deficit on operational activities before exceptional items and finance costs	(22,586)	
Allocation of designated reserve to support development costs		<u>25,000</u>
		2,414
FRS 102 pension adjustment for the year in respect of SPF (LGPS)		(82,000)
Pension scheme service cost		122,000
Further designation to training and consultancy designated fund		(6,960)
Transfer to new WME business improvements designated fund		(20,000)
		<u>94,631</u>
At 31 March 2016		<u>94,631</u>

4(b) WME Designated Reserves

	Transfer (to)/from general 01/04/15 £	reserve £	Transfers to WMC liability Expenditure £	WME Reserves reserve 31/03/16 £
WME Severance Top Up	2,031	-	-	-2,031
Training and Consultancy	31,000	6,960	-	-37,960
WME Systems Improvements	25,000	(25,000)	-	-
WME Business Improvements	-20,000	-	-	-20,000
	<u>58,031</u>	<u>1,960</u>	<u>-</u>	<u>-59,991</u>

4(c) WMC Liability Reserve £

At 31 March 2015 and 31 March 2016 291,851

The above reserve is split as follows:

WME REO Severance Reserve 291,851

5 Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
Land and buildings	£	£
Not later than one year	12,920	12,920
Later than one and not later than five years		25,840 -
	<u>38,760</u>	<u>12,920</u>

6 Pension scheme – Local Government Pension Scheme

WME via its host employer Staffordshire County Council operates a defined benefit pension scheme in the UK for all qualifying employees.

In June 2012 the organisation ceased to be an employing body when it completed a TUPE transfer of its staff to Staffordshire County Council who now acts as host employer. WME (WMC) therefore now has a liability to the WMPF for past pension liabilities and to the SPF for ongoing pension commitments.

The funding of the scheme is assessed in accordance with advice received from independent actuaries.

6(a) West Midlands Pension Fund

An actuarial valuation as at 1 June 2012 was completed in relation to the WMPF in order that the actuary could provide calculations and valuations to form the basis of a planned buy-out and settlement of the liability as at 1 June 2012.

Subsequent to this valuation, the member authorities were informed of their liabilities in respect of the WMPF and invoices for contributions for the period to 31 March 2015 were raised and issued to them. Contributions have been collected and paid over to the WMPF.

Future contributions from April 2015 onwards are calculated by the actuary. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the fund will be carried out as at 31 March 2016 and will set contributions for the period from April 2017 to 31 March 2020. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial assumptions.

6(a) West Midlands Pension Fund - continued

	At year end 31/03/2016 £'000	At year end 31/03/2015 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(18,143)	(25,453)
Fair value of plan assets	<u>14,105</u>	<u>19,177</u>
Funded status	(4,038)	(6,336)
Net amount recognised as a liability	<u>(4,038)</u>	<u>(6,336)</u>
Components of pension cost		
Interest cost	697	946
Expected return on assets	<u>(529)</u>	<u>(734)</u>
Total pension cost recognised in the revenue account	168	212
Remeasurement of the net assets / (defined liability)	<u>(345)</u>	<u>1,384</u>
Service cost (derecognition of liability on trf to SPF)	(1,921)	-
Admin expenses	<u>(8)</u>	<u>-</u>
	At year end 31/03/2016 £'000	At year end 31/03/2015 £'000
Change in benefit obligations		
Benefit obligations at beginning of year	25,453	21,706
Interest cost	697	946
Change in financial assumptions	(943)	3,214
Settlements	(6,647)	-
Benefits paid	<u>(417)</u>	<u>(413)</u>
Benefit obligation at end of year	<u>18,143</u>	<u>25,453</u>

6(a) West Midland Pension Fund - continued

	At year end 31 March 2016 £'000	At year end 31 March 2015 £'000
Change in plan assets		
Fair value of assets at beginning of year	19,117	16,798
Return on assets less interest	(598)	1,830
Interest on assets	529	734
Employer contribution	208	168
Admin expenses	(8)	-
Settlements	(4,726)	-
Benefits paid	<u>(417)</u>	<u>(413)</u>
Fair value of assets at end of year	<u>14,105</u>	<u>19,117</u>

Expected return on assets

For accounting years beginning on or after 1 January 2015, the expected return and the interest cost has been placed with a single net interest cost, which effectively sets the expected return equal to the discount rate.

Weighted average assumptions used to determine benefit obligations at:

	31/03/2016	31/03/2015
Discount rate	3.50%	3.20%
Rate of pension increase	2.00%	2.00%
CPI inflation assumption	2.00%	2.00%
Further life expectancies from age 65:		
<i>Retiring today</i>		
Males	23.0	23.0
Females	25.7	25.6
<i>Retiring in 20 years</i>		
Males	25.3	25.2
Females	28.0	28.0

Five Year History

	31/03/2016 £'000	31/03/2015 £'000	31/03/2014 £'000	31/03/2013 £'000	31/03/2012 £'000
Benefit obligation at end of year	18,143	25,453	21,706	18,979	16,505
Fair value of plan asset at end of year	<u>14,105</u>	<u>19,117</u>	<u>16,798</u>	<u>12,258</u>	<u>11,240</u>
Surplus/(deficit)	(4,038)	(6,336)	(4,908)	(6,721)	(5,265)

6(b) **Staffordshire Pension Fund**

	At year end 31/03/2016 £'000	At year end 31/03/2015 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(7,089)	(1,058)
Fair value of plan assets	<u>5,738</u>	<u>851</u>
Funded status	<u>(1,351)</u>	<u>(207)</u>
Net amount recognised as a (liability)/asset	<u>(1,351)</u>	<u>(207)</u>
Components of pension cost		
Current service cost	114	99
Interest cost	158	33
Expected return on assets	<u>(106)</u>	<u>(29)</u>
Total pension cost recognised in the revenue account	<u>166</u>	<u>103</u>
Total remeasurements recognised in the revenue account	<u>1,523</u>	<u>(119)</u>
	At year end 31/03/2016 £'000	At year end 31/03/2015 £'000
Change in benefit obligations		
Benefit obligations at beginning of year	1,058	697
Current service cost	114	99
Interest cost	158	33
Member contributions	32	37
Changes in assumptions	(1,300)	192
Other experience	(1)	-
Effect of business combinations and disposals	<u>7,028</u>	<u>-</u>
Benefit obligation at end of year	<u>7,089</u>	<u>1,058</u>

6(b) Staffordshire Pension Fund - continued

Change in plan assets

	At year end 31/03/2016 £'000	At year end 31/03/2015 £'000
Fair value of assets at beginning of year	851	617
Expected return on assets	106	29
Return on assets	222	73
Employer contribution	82	95
Member contributions	32	37
Effect of business combinations and disposals	4,445	-
	<hr/>	<hr/>
Fair value of assets at end of year	5,738	851
	<hr/> <hr/>	<hr/> <hr/>

Weighted average assumptions used to determine benefit obligations at:

	31/03/2016	31/03/2015
Discount rate	3.60%	3.3%
Rate of salary increase	4.20%	4.4%*
Rate of pension increase	2.20%	2.5%

Life expectancy is based on the Fund's VitaCurves with improvements in line with CM2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate of 1.25% p.a. Based on these assumptions the average future life expectancies at age 65 are summarized below:

	31/03/2016 Years	31/03/2015 Years	
<i>Current Pensioners</i>			
Males	22.1	22.1	Females
24.3	24.3		<i>Future Pensioners</i>
Males	24.3	24.3	
Females	26.6	26.6	

Period ended	Prospective Pensioners	Pensioners
31 March 2015	CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long-term rate of 1.25% p.a.	CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long-term rate of 1.25% p.a.

Life

expectancies for the prior year end are based on the Fund's VitaCurves. The allowance for future life expectancies are shown below:

note that the mortality assumptions used at the date the Employer joined the Fund and the accounting period end are identical.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre April 2008 service and 75% of the maximum tax-free cash for post April 2008 service.

7 Related party transactions

WME has entered into a lease agreement with the Borough Council of Sandwell (SMBC) to sub-let offices within the Council Buildings.

8 Contingent asset note

As at the balance sheet date, Staffordshire County Council acts as host employer for West Midlands Employers' staff who belong to the Staffordshire Pension Fund following a TUPE transfer. WME is responsible for all liabilities held by Staffordshire County Council in relation to WME staff.

West Midlands Employers and its 33 councils have signed a Supplemental Pensions Agreement with West Midlands Pension Fund in respect of the settlement of WME's past pension liabilities.

Both liabilities are reflected in these financial statements.

ACCOUNTING POLICIES

(see notes 37 and 38)

1.1 General information

West Midlands Employers ("WME") is the regional employers' organisation (REO) for the West Midlands region and is domiciled in the United Kingdom. The address of the registered office is shown on the general information page.

1.2 Accounting policies

The following accounting policies have been applied in dealing with items which are considered material in relation to the financial statements.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice as it applies from 1 April 2015, the Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Trade Union and Labour Relations (Consolidation) Act 1992.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The organisation adopted FRS 102 in the current year and there have been no material adjustments or amendments to previously adopted accounting policies.

a) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax.

b) Fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided at rates designed to write off the costs, less estimated residual values of the assets over their expected useful lives. The bases adopted are as follows:

Expenditure on office furniture and equipment - straight line over 10 years
Expenditure on computer equipment- straight line over 12 months

Accounting policies (continued)

- c) **Operating leases**
Rentals charged on operating leases are written off to the Income and Expenditure Account over the period of the lease.
- d) **Pension costs and liabilities**
The amount charged to the Revenue Account as part of staff costs in respect of the defined benefit pension scheme comprises current and past service costs. The interest costs and the expected returns on scheme assets are shown as other finance costs within the Revenue Account. Actuarial gains and losses are recognised within the Statement of Total Recognised Gains and Losses.
- Pension assets are measured at fair value and pension liabilities are measured on an actuarial basis using the projected unit basis. Full actuarial valuations are obtained on a triennial basis and updated at each balance sheet date in the intervening years. The defined benefit pension asset or liability is presented separately on the balance sheet.
- In 2011-12 WMC ceased to act as an employing body and executed a TUPE transfer of staff to Staffordshire County Council. WME (and WMC) therefore now has a liability to the West Midlands Pension Fund "WMPF" for past pension liabilities (being administered under a Supplemental Agreement) and to the Staffordshire Pension Fund "SPF" for ongoing pension commitments.
- e) **Debtors**
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.
- f) **Cash and cash equivalents**
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.
- g) **Financial instruments**
The Association enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- h) **Creditors**
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.
- i) **Special projects**
In seeking to meet its objectives, WME manages various projects. The income and expenditure relating to these projects is not reflected within these accounts other than the financial contributions made by or to WME from these projects.
- j) **Judgements in applying accounting policies and key sources of estimation uncertainty**
- WME makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the organisations accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The following are the organisation's key sources of estimation uncertainty:

Recoverability of trade debtors. Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Depreciation and residual values. Management have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature:



Name: Helen Riley

Date:

02/08/16

Chairman's Signature:



Name: Cllr Roger Phillips

Date:

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	✓	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	✓	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	✓	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	✓	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	✓	NO	

AUDITOR'S REPORT

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:

- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
- (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
- (c) whether the accounts to which the report relates agree with the accounting records?
(See section 36(3) of the 1992 Act, set out in note 43)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
- (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.

(See note 45)

AUDITOR'S REPORT (continued)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS

We have audited the financial statements of West Midlands Employers for the year ended 31 March 2016 set out on pages 6 to 20. 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the WME Full Member Body and the auditors

As explained more fully in the Statement of WME Full Member Body responsibilities set out on page 1, the Full Member Body is 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether accounting policies are appropriate to West Midlands Employers' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Full Member Body; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Management Board to identify material inconsistencies with the audited financial statements, and identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of West Midlands Employers' affairs as at 31 March 2016 and of its surplus 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 Trade Union and Labour Relations (Consolidation) Act 1992.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS - continued

Matters on which we are required to report by exception

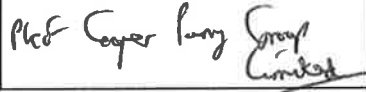
We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper 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
- a satisfactory system of control over transactions has not been maintained throughout the year; or
- we have not received all the information and explanations we require for our audit.

No. 8 Calthorpe Road
Edgbaston
Birmingham
B15 1QT

PKF Cooper Parry Group Limited
Statutory Auditors

13 July 2016

Signature(s) of auditor or auditors:		
Name(s):	SIMON ATKINS	
Profession(s) or Calling(s):	ICAEW - FCA	
Address(es):	NO. 8 CALTHORPE RD. EDGBASTON BIRMINGHAM B15 1QT	
Date:	13/7/16	
Contact name and telephone number:	SIMON ATKINS 0121 456 4456	

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.