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FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? Yes No (Tick as appropriate)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

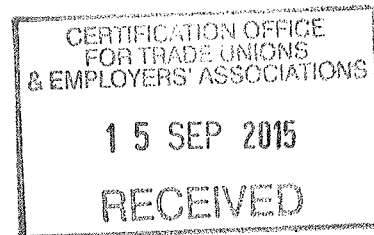
e-mail:

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



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
40				40

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

WEST MIDLANDS EMPLOYERS**REO REVENUE ACCOUNT**

For the year ended 31 March 2015

	2015	2014
	£	£
INCOME		
Levies and APS subscriptions receivable	264,478	287,494
Consultancy & Training Fees	362,095	352,697
Corporate Service Fees	10,064	51,529
IEWM SLA and Other Recharges	19,499	31,275
Bank interest	5,088	5,894
Other income (sponsorship & sale of assets)	<u>5,150</u>	<u>7,510</u>
	666,374	736,399
EXPENDITURE		
Staff costs	336,772	329,136
FRS17 pension adjustment for the year in respect of LGPS	(95,000)	(123,000)
Pension scheme service cost	99,000**	154,000
Consultancy costs	206,274	230,714
Travel and subsistence	6,576	7,357
Establishment expenses	31,150	32,000
ICT & office equipment expenses	6,766	2,136
Professional fees	15,994	10,000
Copying, stationery and postage	5,226	5,367
Publishing and marketing materials	12,482	3,004
Meetings and hospitality	1,232	13,170
CEEP/NARE & Other subscriptions	5,844	3,735
Bad debts	-	4
Communication costs	1,872	2,791
	<u>(634,188)</u>	<u>(670,414)</u>
Surplus on operational activities before exceptional items and finance costs	32,186	65,985
WMC Pension Recharges*	203,972	53,072
WMC Pension Costs*	(203,972)	(53,072)
Subtotal c/fwd	<u>32,186</u>	<u>65,985</u>

*WME administers the collection and payment of Local Authorities' pension contributions to WMPF/SPF for the Supplemental Agreement and the Compensatory Added Years. It is not part of the WME revenue account and as such is shown separately for information only. The 2014 sum was CAY only as the Supplemental Agreement contributions had been made in a previous year.

** This includes PLT staff representing a salary cost of £349k not included in the REO Revenue Account.

WEST MIDLANDS EMPLOYERS**REO REVENUE ACCOUNT - CONTINUED**

For the year ended 31 March 2015

	2015		2014	
	£	£	£	£
Subtotal b/fwd		32,186		65,985
Exceptional items (continued)				
FRS 17 adjustment for WMPF Supplemental agreement contribution	168,000		280,000	
Transitional costs	-		(316,767)	
Levies for WMC Liabilities	-		249,583	
Release of WMC accruals and project funds	-		40,853	
Movement on WMC liability reserve	(56,625)		-	
		111,375		253,669
Other finance costs				
Expected return on LGPS assets				
– WMPF	997,000		712,000	
– SPF	29,000		22,000	
Interest on LGPS liability				
– WMPF	(946,000)		(788,000)	
– SPF	(33,000)		(24,000)	
		47,000		(78,000)
SURPLUS FOR THE YEAR FROM WME ACTIVITIES		190,561		241,654
DEFICIT FOR THE YEAR FROM CLG-WM		-		(219,357)
CONSOLIDATED SURPLUS FOR THE YEAR		190,561		22,297

WEST MIDLANDS EMPLOYERS

REVENUE ACCOUNT

WME PEOPLE & LEADERSHIP SERVICES PROJECT

For the year ended 31 March 2015

	2015		2014
	£	£	£
INCOME			
WMJobs E-Recruitment Portal	429,173		-
Coaching & Mentoring	143,504		-
Leadership Services	112,561		-
Consultancy & Other	<u>50,218</u>		-
	735,456		-
EXPENDITURE			
Management & Corporate Costs	46,928		-
WMJobs E-Recruitment Portal	355,593		-
Coaching & Mentoring	113,642		-
Leadership Services	115,314		-
Consultancy & Other	<u>63,312</u>		-
	694,789		-
SURPLUS FOR THE YEAR		40,667	-
Movements to/from the Project Fund			
Deferred income from Project Fund in year*	14,796		
Prepayments in Project Fund in year*	<u>16,002</u>		
		30,798	-
Total Adjustment to Fund in Year		71,465	-
UNEXPENDED FUNDS AT 31 MARCH 2014		538,715	-
UNEXPENDED FUNDS AT 31 MARCH 2015		<u>610,180</u>	-

**People & Leadership accruals, prepayments, and deferred income are all recorded as movements in and out of the ring fenced Project Fund; this figure is the movement in the year to/from the project fund.*

Notes: *The People & Leadership Services are managed and delivered through WME but they currently operate with a ring fenced project fund provided to enable the development of some key people and leadership shared services; these include the WMJobs.co.uk e-recruitment portal and the WM Coaching and Mentoring Pool, as well as a range of leadership development programmes.*

From 2016 this significant area of service activity will be fully integrated with the wider services provided by the Regional Employers Organisation as West Midlands Employers.

In preparing for this operational change in 2016 these financial statements include an overview of the revenue account for the People & Leadership Services.

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?		<input type="checkbox"/>	<input type="checkbox"/> 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		<input type="checkbox"/> YES	<input type="checkbox"/> 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?		<input type="checkbox"/> YES	<input type="checkbox"/> 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	264,478		264,478
	666,374		666,374
From Investments	-		-
Other Income (including increases by revaluation of assets)	401,896		401,896
Total Income	666,374		666,374
EXPENDITURE (including decreases by revaluation of assets)	(2,241,813)		(2,241,813)
Total Expenditure			
Funds at beginning of year (including reserves)	(4,538,502)		(4,538,502)
Funds at end of year (including reserves)	(6,113,941)		(6,113,941)
ASSETS			
Fixed Assets			-
Investment Assets			-
Other Assets			1,629,903
Total Assets			1,629,903
LIABILITIES			
Total Liabilities			(7,743,844)
NET ASSETS (Total Assets less Total Liabilities)			(6,113,941)

NOTES TO THE ACCOUNTS

(see note 36)

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

See enclosed accounts.

ACCOUNTING POLICIES

(see notes 37 and 38)

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The main accounting policies are as follows:

(a) Going Concern

At the end of 2013-14 WME ceased the CLG-WM service and put in place plans to novate hosted projects to new accountable bodies; this enables the organisation to focus on its primary role as the Regional Employers' Organisation (REO) for the West Midlands.

The 31 councils in membership at the end of 2014-15 remain in membership to March 2016 as none submitted a notice to terminate and Birmingham City Council has confirmed it will subscribe to WME from April 2015 giving a total membership of 32 of the 33 councils in the region; East Staffordshire being the only council not in membership of WME from April 2015.

The WMC special reserves put in place to ensure WME can meet any legacy liabilities that arise as a result of past WMC activity have come into play in the year and a WMC Liability Reserve remains in place for REO severance liabilities and other small unforeseen WMC liabilities.

Therefore it is considered that West Midlands Employers continues to be a going concern.

(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

(c) Operating leases

Rentals charged on operating leases relating to property and office equipment are written off to the Revenue 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) 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.

SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Helen Riley</u>	Chairman's Signature: <u>R. Phillips</u> (or other official whose position should be stated)
Name: Helen Riley, Host CEO	Name: Cllr Roger Phillips
Date: <u>02/09/2015</u>	Date: <u>07/09/2015</u>

CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Note 38)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITOR'S REPORT BEEN COMPLETED (see Note 39)	YES	<input checked="" type="checkbox"/>	NO	
IS A RULE BOOK ENCLOSED? (see Note 40)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Notes 6 and 25 to 34)	YES	<input checked="" type="checkbox"/>	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 2015 set out on pages 6 to 21. 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 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 2015 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**

**CLEMENT KEYS LLP
Chartered Accountants
Statutory Auditors**

17 July 2015

Signature(s) of auditor or auditors:		
Name(s):	Mr Simon Atkins (for and on behalf of Clement Keys LLP)	
Profession(s) or Calling(s):	FCA (ICAEW)	
Address(es):	No. 8 Calthorpe Road Edgbaston Birmingham B15 1QT	
Date:	17 July 2015	
Contact name and telephone number:	Mr 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.