

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:	WEST MIDLANDS EMPLOYERS
Year ended:	31 MARCH 2017
List No:	CO254E
Head or Main Office:	POX BOX 16725 (Sandwell Council House) Oldbury West Midlands B69 9FH
Website address (if available)	www.wmemployers.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Helen Riley
Contact name for queries regarding the completion of this return:	Sharon Phillips
Telephone Number:	0121 569 2070
e-mail:	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



WEST MIDLANDS EMPLOYERS

West Midlands Employers – Full Membership at 31 March 2017

Chief Executive Nominee	Local Authority
Stella Manzie (interim)	Birmingham City Council
Kevin Dicks	Bromsgrove District Council
Tony McGovern	Cannock Chase District Council
Martin Reeves	Coventry City Council
Sarah Norman	Dudley MBC
Alistair Neil	Herefordshire Council
Diane Tilley	Lichfield District Council
Jack Hegarty	Malvern Hills District Council
John Sellgren	Newcastle-under-Lyme Borough Council
Jerry Hutchinson	North Warwickshire Borough Council
Alan Franks	Nuneaton and Bedworth Borough Council
Kevin Dicks	Redditch Borough Council
Adam Norburn	Rugby Borough Council
Jan Britton	Sandwell MBC
Clive Wright	Shropshire Council
Nick Page	Solihull MBC
Tim Clegg	Stafford Borough Council
Tim Clegg	South Staffordshire Council
Kenneth S Williamson	Stafford Borough Council
John Henderson	Staffordshire County Council
Simon Baker	Staffordshire Moorlands District Council
David Heywood	South Staffordshire District Council
David Sidaway	Stoke-on-Trent City Council
David Buckland/Dave Webb	Stratford-on-Avon District Council
Tony Goodwin	Tamworth Borough Council
Richard Partington	Telford and Wrekin Council
Paul Sheehan	Walsall MBC
Chris Elliott	Warwick District Council
Monica Foggarty/David Carter	Warwickshire County Council
Keith Ireland	Wolverhampton City Council
David Blake	Worcester City Council
Clare Marchant	Worcestershire County Council
Jack Hegarty	Wychavon District Council
Ian Miller	Wyre Forest District Council

*Nominations to WME Management Board from the sub-regions.

Sub Region	Nominee
Birmingham	Cllr I Ward, Birmingham City Council
Black Country	Cllr M Jaspal, Wolverhampton City Council (Vice Chair)
Coventry & Warwickshire	Cllr K Meeson, Solihull MBC
Herefordshire, Shropshire & Telford	Cllr R Phillips, Herefordshire Council (Chair)
Staffordshire & Stoke	Cllr P Atkins, OBE, Staffordshire County Council
Worcestershire	Cllr P Middlebrough, Wychavon District Council
District Councils	Cllr C Saint, Stratford-upon-Avon

WEST MIDLANDS EMPLOYERS

Officers

Helen Riley, Host CEO, Staffordshire County Council
Colin Williams, Director, WME

Bankers

Co-operative Bank Plc
P O Box 101
1 Balloon Street
Manchester
M50 4EP

Actuary – West Midlands Pension Fund

Barnett Waddingham
Silver Spring House
2 Topaz Way
Bromsgrove
B61 0GD

Actuary – Staffordshire Pension Fund

Mr Douglas Green FFA
Hymans Robertson LLP
45 Church Street
Birmingham
B3 2RT

Auditors

PKF Cooper Parry Group Limited
Statutory Auditors
Park View
One Central Boulevard
Blythe Valley Business Park
Solihull B90 8BG

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

REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year		£	£
	INCOME		
280,688	From Members Subscriptions, levies, etc		258,373
5,506	Investment income Interest and dividends (gross) Bank interest (gross)		3,958
518,724	Other income Consultancy fees Jobs board E recruitment fees Coaching and mentoring Leadership, OD and other	549,180	
118,518		240,174	
309,335		408,250	
88,258		76,078	
260,485		342,777	
			1,616,459
1,581,514	TOTAL INCOME		1,878,790
	EXPENDITURE		
	Administrative expenses		
(385,963)	Remuneration and expenses of staff	(245,596)	
(30,165)	Occupancy costs	(30,218)	
(1,733)	Printing, Stationery, Post	(1,238)	
(8,963)	ICT and office equipment	(18,341)	
(8,465)	Legal and Professional fees	(12,126)	
(1,141,542)	Consultancy and direct costs	(1,508,782)	
(1,759)	Communication costs	(4,141)	
			(1,820,442)
(6,836)	Other charges Travel and subsistence Sums written off CEEP/NARE and other subscriptions Publishing and marketing Conference and meeting fees	(13,010)	
1,004		-	
(7,202)		(5,621)	
(5,989)		(7,545)	
(6,487)		(5,826)	
			(32,002)
	Taxation		
(1,604,100)	TOTAL EXPENDITURE		(1,852,444)
(220,000)	Other finance costs		(187,000)
208,000	Exceptional items (WMPF supplemental agreement)		215,000
1,206,000	Other recognised gains and losses		(19,000)
-	Designated costs		(172,028)
1,171,414	Surplus/Deficit for year		(136,682)
(5,481,652)	Amount of fund at beginning of year (as restated)		(4,310,238)
(4,310,238)	Amount of fund at end of year		(4,446,920)

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 2		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 3		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 4		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 5		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

ACCOUNT 6		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

ACCOUNT 7		Fund Account	
Name of account:		£	£
Income	From members Investment income Other income (specify)		
	Total Income		
Expenditure	Administrative expenses Other expenditure (specify)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		

BALANCE SHEET AS AT 31st March 2017

(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			
309,360	Income receivable	330,802		
10,763	Prepayments and other debtors	59,732		
1,123,729	Cash at bank	1,024,010		
	Others (specify)			
1,443,852	Total of other			1,414,544
	assets			
1,443,852				TOTAL ASSETS
				1,414,544
94,631		39,384		
692,280	General fund	612,845		
291,851	Designated fund	291,851		
(5,389,000)	WMC liability reserve	(5,291,000)		
	Pension reserve			
	Liabilities			
56,166	Creditor balances	74,791		
148,218	Project income received in advance	114,764		
50,154	VAT	52,414		
110,552	Accrued expenses	228,495		
5,389,000	Pension scheme liabilities	5,291,000		
	Provisions			
	Other liabilities			
				TOTAL LIABILITIES
1,443,852				TOTAL ASSETS
				1,414,544

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:		(35,535)		(35,535)
Total to end of period				
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	258,373		258,373
From Investments	3,958		3,958
Other Income (including increases by revaluation of assets)	1,616,459		1,616,459
Total Income	1,878,790		1,878,790
EXPENDITURE (including decreases by revaluation of assets) pension and designated movements	(2,015,472)		(2,015,472)
Total Expenditure	(2,015,472)		(2,015,472)
Funds at beginning of year (including reserves)	(4,310,238)		(4,310,238)
Funds at end of year (including reserves)	(4,446,920)		(4,446,920)
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			1,414,544
		Total Assets	1,414,544
LIABILITIES			
		Total Liabilities	(5,861,464)
NET ASSETS (Total Assets less Total Liabilities)			4,446,920

NOTES TO THE ACCOUNTS

(see note 36)

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

2a	Surplus/(Deficit) per service centre	2017	
		£	
	Employers Services (REO)	144,578	
	Consultancy Services	(84,379)	
	Jobs Board Services	(10,321)	
	e-Recruitment Platform	54,728	
	Coaching & Mentoring Pool	(31,655)	
	Leadership & OD Prods/Services	(35,605)	
		37,346	
		37,346	
2b	Overhead costs	2017	2016
		£	£
	Staff costs	234,596	345,963
	Travel and subsistence	13,010	6,836
	Establishment expenses	30,218	30,165
	ICT & office equipment expenses	18,341	8,963
	Professional fees; audit, legal, etc	12,126	8,465
	Copying, stationery and postage	1,238	1,733
	Publishing and marketing materials	7,545	5,989
	Meetings and hospitality	5,826	6,487
	CEEP/NARE & Other subscriptions	5,621	7,202
	Bad debts	-	(1,004)
	Communication costs	4,141	1,759
		332,662	422,558
		332,662	422,558
	In 2017 overheads are apportioned across 6 cost centres.		
2c	Shareholder reward	2017	2016
		£	£
	Shareholder reward	26,143	-
		26,143	-
		26,143	-
	The Rules of the REO now provide for 70% of operating surplus to be converted to a shareholder reward to be repaid to subscribing members or reinvested on their behalf.		
	The WME Members have agreed that the 2016-17 reward will be reinvested in the development of a region-wide development programme aligned to the needs of the sector. WME will hold a designated reserve for this purpose.		

3	Tangible fixed assets	Office equipment £	Total £
	Cost		
	At 31 March 2016 and 31 March 2017	35,535	35,535
	Depreciation		
	At 31 March 2016 and 31 March 2017	35,535	35,535
	Net book value		
	31 March 2017	-	-
	31 March 2016	-	-

4	Project Funds held on account	01/04/16 (as restated) £	Income £	Expenditure £	Transfers £	31/03/17 Total £
	Epaycheck	67,181	80,805	(67,180)	-	80,806
	Public Health England	4,301	-	(2,100)	-	2,201
	Regional Monitoring Funds	76,736	-	(44,979)	-	31,757
		<u>148,218</u>	<u>80,805</u>	<u>(114,259)</u>	<u>-</u>	<u>114,764</u>

The project fund balances are held on account to support project activity in 2017-18.

The People & Leadership funds included within these funds in the prior year have been transferred to WME reserves as part of the merger of services.

5(a)	General Reserve	£
	At 31 March 2016	94,631
	Net income before pension adjustments and exceptional items (page 7)	37,346
	Transfer to designated funds (note 5b)	(92,593)
	At 31 March 2017	<u>39,384</u>

5(b)	WME Designated Reserves	01/04/16 £	Transfer (to)/from general reserve £	Expenditure £	Transfers to WME liability reserve £	31/03/17 £
	Shareholder Reward	-	26,143	-	-	26,143
	WME Business Improvement	20,000	-	-	-	20,000
	Operational Deficit	37,960	-	-	-	37,960
	WME Severance Top Up	2,031	66,450	-	172,803	241,284
	Service Development funds	632,289	-	-	(172,803)	287,458
		<u>692,280</u>	<u>92,593</u>	<u>(172,028)</u>	<u>-</u>	<u>612,845</u>

5(c)	WMC Liability Reserve	£
	At 31 March 2016 and 31 March 2017	291,851

6 Financial commitments

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

	2017 £	2016 £
Land and buildings		
Not later than one year	12,920	12,920
Later than one and not later than five years	12,920	25,840
	25,840	38,760

7 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.

7a 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 2016 were raised and issued to them. Contributions have been collected and paid over to the WMPF.

Future contributions from April 2016 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 2017 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.

	At year end £'000	At year end 31/03/16 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(22,117)	(18,143)
Fair value of plan assets	16,773	14,105
Funded status	(5,344)	(4,038)
Net amount recognised as a liability	(5,344)	(4,038)

Components of pension cost

Interest cost	626	697
Expected return on assets	(488)	(529)
Total pension cost recognised in the revenue account	<u>138</u>	<u>168</u>

7a West Midlands Pension Fund (continued)

	At year end 31/03/17 £'000	At year end 31/03/16 £'000
Remeasurement of the net assets/(defined liability)	<u>1,376</u>	<u>(345)</u>
Service cost (derecognition of liability of trf to SPF)	-	(1,921)
Admin expenses	<u>(7)</u>	<u>(8)</u>
	At year end 31/03/17 £'000	At year end 31/03/16 £'000
Change in benefit obligations		
Benefit obligations at beginning of year	18,143	25,453
Interest cost	626	697
Change in financial and demographic assumptions	3,900	(943)
Settlements	-	(6,647)
Benefits paid	<u>(552)</u>	<u>(417)</u>
Benefit obligation at end of year	<u>22,117</u>	<u>18,143</u>
	At year end 31/03/17 £'000	At year end 31/03/16 £'000
Changes in plan assets		
Fair value of assets at beginning of year	14,105	19,117
Return of assets less interest	2,524	(598)
Interest on assets	488	529
Employer contribution	215	208
Admin expenses	<u>(7)</u>	<u>(8)</u>
Settlements	-	(4,726)
Benefits paid	<u>(552)</u>	<u>(417)</u>
Fair value of assets at end of year	<u>16,773</u>	<u>14,105</u>

Expected return on assets

For accounting years beginning on or after 1 January 2016, the expected return and the interest cos

Weighted average assumptions used to determine benefit obligations at:

	31/03/17	31/03/16
Discount rate	2.70%	3.50%
Rate of pension increase	2.60%	2.00%
CPI inflation assumption	2.60%	2.00%

Further life expectancies from age 65:

Retiring today

Males	21.8	23.0
Females	24.4	25.7

Retiring in 20 years

Males	23.9	25.3
Females	26.5	28.00

Five Year History	31/03/17	31/03/16 £'000	31/03/14 £'000	31/03/13 £'000	31/03/12 £'000
Benefit obligation at end of year	22,117	18,143	25,453	21,706	18,979
Fair value of plan asset at end of year	16,773	14,105	19,117	16,798	12,258
Surplus/(deficit)	(5,344)	(4,038)	(6,336)	(4,908)	(6,721)

7(b) Staffordshire Pension Fund

At year end 31/03/17 £'000	At year end 31/03/16 £'000
----------------------------------	----------------------------------

Amounts recognised in the balance sheet

Present value of funded obligations	(7,223)	(7,089)
Fair value of plan assets	7,176	5,738
Funded status	(47)	(1,351)
Net amount recognised as a (liability)/asset	(47)	(1,351)

Components of pension cost

Current service cost	88	114
Interest cost	256	158
Expected return on assets	(207)	(106)
Total pension cost recognised in the revenue account	137	166
Total remeasurements recognised in the revenue account	1,357	1,523

	At year end 31/03/17 £'000	At year end 31/03/16 £'000
Changes in benefit obligations		
Benefit obligations at beginning of year	7,089	1,058
Current service cost	88	114
Interest cost	256	158
Member contributions	31	32
Changes in assumptions	1,176	(1,300)
Other experience	(1,361)	(1)
Effect of business combinations and disposals	-	7,028
Benefits paid	(56)	-
	<u>7,223</u>	<u>7,089</u>

7(b) Staffordshire Pension Fund (continued)

	At year end 31/03/17 £'000	At year end 31/03/16 £'000
Changes in plan assets		
Fair value of assets at beginning of year	5,738	851
Expected return on assets	207	106
Interest income on assets	1,172	222
Employer contribution	84	82
Member contributions	31	32
Effect of business combinations and disposals	-	4,445
Benefits Paid	(56)	-
	<u>7,176</u>	<u>5,738</u>

Weighted average assumptions used to determine benefit obligations at:

	31/03/17	31/03/16
Discount rate	2.70%	3.60%
Rate of salary increase	2.80%	4.20%
Rate of pension increase	2.40%	2.20%

Life expectancy is based on the Fund's VitaCurves with improvements in line with CM2013 model assuming the current rate of improvement has peaked 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:

	At year end 31/03/17 £'000	At year end 31/03/16 £'000
<i>Current Pensioners</i>		
Males	21.1	22.1
Females	24.4	24.3
<i>Future Pensioners</i>		
Males	24.1	24.3
Females	26.4	26.6

7(b) Staffordshire Pension Fund (continued)

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

Period ended	Prospective Pensioners	Pensioners
31 March 2016	<i>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.</i>	<i>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.</i>

Note that the mortality assumptions have been changed since the previous accounting period. For details of life expectancies based on the previous period's assumption, please refer to the Employer's 2016 report.

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.

8 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.

9 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 Accounting Policies

General information

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

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

1 Accounting Policies (continued)

c) Pension costs and liabilities

The amount charged to the Income and Expenditure account as part of staff costs in respect of the defined benefit pension scheme comprises current and past service costs. All costs and gains and losses in respect of the pension scheme are shown within the Income and Expenditure account.

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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

1 Accounting Policies (continued)

i) 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 analyse historical bad debts, making a judgement 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 Income and Expenditure 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.

(Both are signatories of the WME Financial Statements)

Director's
Signature: 

Name: Colin Williams

Date: 23/8/17

Chairman's
Signature: 

Name: Cllr Roger Phillips

Date: 15th August 2017

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.

General Introduction

At April 2016 WME implemented a new cost accounting approach based around 6 key service centres covering Employer Services; Jobs Board; TalentLink e-Recruitment; Coaching & Mentoring Pool; Leadership and OD services, and Consultancy services. A separate corporate cost centre initially captures overheads which are then apportioned across the 6 service centres. The 2016-17 financial statements reflect the integrated WME service offer and the new cost centre accounting approach, the audited accounts have restated the previous year to enable comparators.

For further information email finance@wmemployers.org.uk

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)

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 2017 set out on pages 7 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) 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 2017 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.

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.

**Park View
One Central Boulevard
Blythe Business Park
Solihull B90 8BG**

**PKF Cooper Parry Group Limited
Statutory Auditors**

13 July 2017

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	Simon Atkins FCA	PKF Cooper Lang Group Ltd
Profession(s) or Calling(s):	ICAEW FCA	
Address(es):	Park View Once Central Boulevard Blythe Valley Business B90 8BG	
Date:	02/08/2017	
Contact name and telephone number:	Simon Atkins 01332 411163	

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

EVERY EMPLOYERS' ASSOCIATION IS REQUIRED BY LAW TO COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

THERE IS NO LEGAL REQUIREMENT FOR THIS RETURN TO BE "APPROVED" BY THE GOVERNING BODY OF THE ASSOCIATION BEFORE SUBMISSION TO THE CERTIFICATION OFFICE

GUIDANCE ON COMPLETION

GENERAL

1. Unless the Employers' Association has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, **and at any event before 1 June.**
2. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
3. The accounts and balance sheet in the annual return of an association working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of all the branches.
4. Any negative values should be clearly indicated by placing the entry in brackets.