

## Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

### Employers' Association's details

Name of Employers' Association:

SOUTH EAST EMPLOYERS

Year ended:

31<sup>ST</sup> MARCH 2019

List number:

237E

Head or Main Office:

THE GUILDHALL  
HIGH STREET  
WINCHESTER  
HANTS  
SO23 9GH

Has the address changed during the year to which the return relates?

Yes

No

(Tick as appropriate)

Website address (if available)

WWW.SEEMP.CO.UK

General Secretary:

JENNIFER MCNEILL

Contact name for queries regarding the completion of this return:

SALLY LAWRENCE

Telephone Number:

01962 848103

E-mail:

SLAWRENCE@WINCHESTER.GOV.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: 0330 109 3602.

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, Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8JX.

-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
<b>47</b>				<b>47</b>

## Change of officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
Executive Committee Member	Cllr Trevor Webb	Cllr Robert Saunders	July 2018
Executive Committee Member	Cllr Ian Ward	Cllr Chris Pitt	July 2018
Executive Committee Member	Cllr Bob Blezzard	Cllr Keith House	July 2018
Executive Committee Member	Cllr Paulina Stockell	n/a	July 2018
Executive Committee Member	Cllr Ayesha Azad	n/a	July 2018
Executive Committee Member	Cllr Jeanette Green	n/a	July 2018
Executive Committee Member	Cllr Robin Bradburn	n/a	July 2017

## Officers in post

(see note 10)

**Please insert a complete list of all officers in post at the end of the year to which this form relates.**

Name of Officer	Position held
JENNIFER MCNEILL	REGIONAL DIRECTOR
DARREN KENNEDY	TREASURER

## Revenue account/General Fund

(see notes 11 to 16)

Previous Year		£	£
	<b>Income</b>		
382,759	From Members                      Subscriptions, levies, etc	365,075	
5,275	Investment income Bank interest (gross)	8,524	
			373,599
309,008	Other income		
14,163	Consultancy fees	260,796	
	Other project funding	14,472	
			275,268
711,205	<b>Total income</b>		648,867
	<b>Expenditure</b>		
	Administrative expenses		
412,927	Remuneration and expenses of staff	443,898	
48,615	Occupancy costs	18,165	
6,606	Printing, Stationery, Post	5,800	
6,223	Telephones	2,614	
5,395	Legal and Professional fees	5,549	
5,851	Insurance	2,989	
7,515	Equipment leases & maintenance	7,384	
29,000	Finance/IT contract	19,625	
3,790	Website	12,510	
(40)	Other IT costs	2,988	
	Other charges		
3,550	Affiliation fees	1,500	
3,733	Conference and meeting costs	7,617	
66,690	External consultancy and other training	53,058	
12,539	Other project expenditure	15,414	
80,000	Finance expense defined pension benefit scheme	80,000	
692,394	<b>Total expenditure</b>		679,111
18,811	Surplus/Deficit for year		(30,244)
(10,000)	Actuarial gain/(loss) in respect of defined pension benefit scheme		400,000
(1,643,931)	Amount of fund at beginning of year		(1,635,120)
(1,635,120)	Amount of fund at end of year		(1,265,364)

## Accounts other than the revenue account/general fund

(See notes 11 to 16)

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

<b>Account 3</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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 11 to 16)

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

<b>Account 5</b>		<b>Fund Account</b>	
<b>Name of account:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members Investment income Other income (specify)		
		<b>Total Income</b>	
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
		<b>Total Expenditure</b>	
		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)

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

<b>Account 7</b>		<b>Fund Account</b>	
<b>Name of account:</b>		£	£
<b>Income</b>	From members Investment income Other income (specify)		
	<b>Total Income</b>		
<b>Expenditure</b>	Administrative expenses Other expenditure (specify)		
	<b>Total Expenditure</b>		
	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 31<sup>st</sup> March 2019

(see notes 19 and 20)

Previous Year		£		£
	<b>Fixed Assets</b> (as at page 8)			
	<b>Investments</b> (as per analysis on page 9)			
	Quoted (Market value £)			
	Unquoted			
	<b>Total Investments</b>			
	<b>Other Assets</b>			
111,943	Sundry debtors	153,600		
1,112,385	Reserve Deposits & Bank Accounts	1,184,775		
	<b>Total of other assets</b>	1,338,375		1,338,375
<b>1,224,328</b>		<b>Total assets</b>		<b>1,338,375</b>
1,134,880	General Fund	1,184,636		
(2,770,000)	Defined Benefit Pension Scheme Liability	(2,450,000)		
	<b>Liabilities</b>			
20,493	VAT payable	31,051		
17,701	Sundry Creditors	1,748		
0	Accrued expenses	0		
51,254	Other liabilities – Deferred Grant/Income	120,940		
2,770,000	Defined Benefit Pension Scheme Liability	2,450,000		
<b>2,859,448</b>				<b>2,603,739</b>
<b>1,224,328</b>		<b>Total assets</b>		<b>1,338,375</b>



## Fixed Assets Account

(see note 21)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
Total to end of period				
<b>Book amount at end of period</b>				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
As balance sheet				

## Analysis of investments

(see note 22)

		Other Funds £
<b>Quoted</b>	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	
<b>Unquoted</b>	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)

**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 24 to 33)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>Income</b>			
From Members	365,075		365,075
From Investments	8,524		8,524
Other Income (including increases by revaluation of assets)	275,268		275,268
Actuarial gain in respect of defined pension benefit scheme	400,000		400,000
<b>Total Income</b>	1,048,867		1,048,867
<b>Expenditure</b>			
Defined Benefit Pension Scheme	599,111		599,111
	80,000		80,000
<b>Total Expenditure</b>	679,111		679,111
<b>Funds at beginning of year</b> (including reserves)	(1,635,120)		(1,635,120)
<b>Funds at end of year</b> (including reserves)	(1,265,364)		(1,265,364)
<b>Assets</b>		Other Assets	1,338,375
		<b>Total Assets</b>	1,338,375
<b>Liabilities</b>		<b>Total Liabilities</b>	(2,603,739)
<b>Net assets (Total Assets less Total Liabilities)</b>			(1,265,364)

# Notes to the accounts

(see note 34)

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

## SOUTH EAST EMPLOYERS

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

#### 1. Accounting policies

##### Basis of accounting

The accounts have been prepared on the basis of the historical cost convention and incorporate the results of the principal activity which is that of an employers' association.

The financial statements are prepared in accordance with applicable UK accounting standards and with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992.

The pension liability uses the Consumer Price Index (CPI) as the inflation measure for determining the minimum pension increase to be applied to the statutory index-linked features of retirement benefits. There is no expectation that the pension fund will need to be distributed in full during the next twelve months and therefore there will be no requirement to make good the pension fund liability. The net asset position of the organisation excluding the pension scheme deficit is £1,184,636, with a cash balance held of £1,184,775. On this basis, the executive committee considers it appropriate to prepare the financial statements on the going concern basis.

##### Income

Subscription income is recognised in the year to which the subscriptions relate. Where it relates to a future period the income is deferred.

Course and seminar income represents the amount receivable by the organisation for training services and information provided in the normal course of business, after making due allowance for deferred amounts, exclusive of Value Added Tax. Amounts receivable for courses and seminars are recognised in the period in which the course or seminar is delivered.

##### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**1. Accounting policies (continued)**

**Pension costs and other post-retirement benefits**

The organisation operates a defined benefit pension scheme for certain employees. The assets of the scheme are held separately from those of the organisation. Contributions to the scheme are charged to the Income and Expenditure account so as to spread the cost of pensions over the employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations.

Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using an AA corporate bond rate.

Pension scheme assets are valued at market value at the Balance Sheet date.

The pension scheme deficit is recognised in full on the Balance Sheet.

**2. Operating surplus**

Operating surplus is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditors remuneration	4,100	4,130

**3. Interest payable and similar charges**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net finance expense in respect of defined benefit pension schemes	80,000	80,000

**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**4. Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	141,128	90,233
Other debtors	12,472	21,710
	153,600	111,943

**5. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,748	17,701
Other taxation and social security	31,051	20,493
Other creditors	120,940	51,254
	153,739	89,448

**6. Pension commitments**

The organisation contributes to a Local Government Pension Scheme (LGPS) providing benefits based on final pensionable pay. The LGPS is a funded defined-benefit scheme, with the assets of the scheme held separately from those of the organisation and are administered under an Admission agreement with Hampshire County Council Pension Fund.

The contributions are determined annually by the administrators of the Hampshire County Council Pension Fund based on a triennial actuarial valuation using the projected unit method and determined by a qualified actuary. The last valuation was carried out on 31 March 2016.

**Principal Actuarial Assumptions**

The organisation has applied the following financial assumptions in assessing the defined benefit liabilities:

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	%	%	%	%
Rate of increase in salaries	3.7	3.6	3.5	3.2
Rate of increase in pensions in payment	2.2	2.1	2.0	1.7
Discount rate	2.4	2.6	2.5	3.4
RPI inflation assumption	3.3	3.2	3.1	2.8
CPI inflation assumption	2.2	2.1	2.0	1.7

Effective from 1 April 2011, the organisation switched to use the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) as the inflation measure for determining the minimum pension increase to be applied to the statutory index-linked features of retirement benefits.

**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**6. Pension commitments (continued)**

The fair value of the scheme assets, the present value of the scheme liabilities and the resulting deficit are:

	2019 £	2018 £	2017 £	2016 £
Total market value of assets	7,040,000	6,510,000	6,450,000	5,590,000
Present value of scheme liabilities	(9,490,000)	(9,280,000)	(9,130,000)	(7,860,000)
<b>Net pension liability</b>	<b>(2,450,000)</b>	<b>(2,770,000)</b>	<b>(2,680,000)</b>	<b>(2,270,000)</b>
	<b>Value at 31 March 2019 £</b>			<b>Value at 31 March 2018 £</b>
Equities	4,252,160			4,075,260
Property	535,040			455,700
Bonds	1,964,160			1,607,970
Cash	161,920			169,260
Other	126,720			201,810
<b>Total market value of assets</b>	<b>7,040,000</b>			<b>6,510,000</b>
Present value of scheme liabilities: - funded	(9,490,000)			(9,280,000)
<b>Deficit in the scheme</b>	<b>(2,450,000)</b>			<b>(2,770,000)</b>

An analysis of the defined benefit cost follows:

Analysis of the amount charged to operating surplus:

	2019 £	2018 £
Current service cost	(110,000)	(100,000)
<b>Total operating charge</b>	<b>(110,000)</b>	<b>(100,000)</b>

Analysis of the amount charged to finance costs:

	2019 £	2018 £
Other finance costs: Interest on pension scheme liabilities	(240,000)	(230,000)
Other finance costs: Expected return on assets of the scheme	170,000	160,000
<b>Total finance costs</b>	<b>(70,000)</b>	<b>(70,000)</b>



**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**6. Pension commitments (continued)**

An analysis of the amount recognised in the Statement of Comprehensive Income is shown below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total actuarial gain/(losses)	400,000	(10,000)

An analysis of the movements in deficit during the year is shown below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 April	(2,770,000)	(2,680,000)
Total operating charge	(110,000)	(100,000)
Total other finance costs	(70,000)	(70,000)
Actuarial (loss)/gain	400,000	(10,000)
Contributions	100,000	90,000
At 31 March	(2,450,000)	(2,770,000)

**Asset and Liability Reconciliation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of liabilities</b>		
At 1 April	9,280,000	9,130,000
Current service cost	110,000	100,000
Interest cost	240,000	230,000
Employee contributions	20,000	20,000
Actuarial loss	70,000	50,000
Net benefits paid out	(230,000)	(250,000)
At 31 March	9,490,000	9,280,000

**Reconciliation of assets**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 April	6,510,000	6,450,000
Expected return on assets	170,000	160,000
Actuarial gain on assets	470,000	4,000
Employer contributions	100,000	90,000
Employee contributions	20,000	20,000
Net benefits paid out	(230,000)	(250,000)
At 31 March	7,040,000	6,510,000

**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

**6. Pension commitments (continued)**

Amounts for the current and previous three periods are as follows:

	2019	2018	2017	2016
	£'000	£000	£000	£000
Fair value of scheme assets	7,040	6,510	6,450	5,590
Present value of scheme liabilities	(9,490)	(9,280)	(9,130)	(7,860)
Deficit in scheme	(2,450)	(2,770)	(2,680)	(2,270)

**7. Commitments under operating leases**

At 31 March 2019 the organisation had aggregate annual commitments under non-cancellable operating leases of £63,000 (2018: £81,000).

**8. Contingent liability**

The recent McCloud case is likely to have an impact on pension fund liabilities for organisations that are part of the LGPS scheme. The extent of any additional liability is yet to be assessed.

**9. Related party transactions**

During the year the organisation incurred consultancy charges from Keith Field of £8,391 (2018 - £nil). He is the partner of Jennifer McNeill.

**SOUTH EAST EMPLOYERS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2019**

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**10. Income and expenditure account**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(1,635,120)	(1,643,931)
Surplus/(deficit) for the financial year	(30,244)	18,811
Defined pension benefit scheme	400,000	(10,000)
Balance carried forward	<u>(1,265,364)</u>	<u>(1,635,120)</u>

**11. Control**

The organisation is controlled by the Executive Committee on behalf of the members of the organisation.

**Signatures to the annual return**  
**including the accounts and balance sheet contained in the return.**  
(see notes 37 and 38)

Regional Directors Signature:  Name: JENNIFER MCNEILL Date: 28th August 2019	Treasurer's Signature:  Name: DARREN KENNEDY Date: 29/08/19
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**Checklist**  
(see note 39)  
**(please tick as appropriate)**

Has the return of change of officers been completed? (see Page 2)	Yes	✓	No	
Has the list of officers been completed? (see page 2a)	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 the 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 (continued)

See attached audit report

*Faint, illegible text*

*Faint, illegible text*

Signature(s) of auditor or auditors:	<i>Wilkin Kennedy Audit Services</i>	
Name(s):	<i>WILKINS KENNEDY AUDIT SERVICES</i>	
Profession(s) or Calling(s):	<i>STATUTORY AUDITORS</i>	
Address(es):	<i>SECURE HOUSE LULWORTH CLOSE CHANDLERS FORD SO53 3TL</i>	
Date:	<i>30 AUGUST 2019</i>	
Contact name for enquiries and telephone number:	<i>OLIVER ROWE 02386 247070</i>	

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

## Checklist for auditor's report

(see notes 40 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

*See attached audit report*

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - 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)

Please explain in your report overleaf or attached.

*See attached audit report*

3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- **give a true and fair view of the matters to which they relate to.**
- **have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

## Checklist for auditor's report

(see notes 40 to 44)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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)

Please explain in your report overleaf or attached.

*See attached audit report*

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - 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)

Please explain in your report overleaf or attached.

*See attached audit report*

3. Your auditors or auditor must include in their report the following wording:

**In our opinion the financial statements:**

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

## SOUTH EAST EMPLOYERS

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH EAST EMPLOYERS YEAR ENDED 31 MARCH 2019

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#### **Opinion**

We have audited the financial statements of South East Employers (the 'association') for the year ended 31 March 2019 which comprise Income and Expenditure Account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its deficit 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern:**

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

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

#### **Other Information**

The Executive Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the statement of Executive Committee responsibilities for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the statement of Executive Committee responsibilities has been prepared in accordance with applicable legal requirements.



## SOUTH EAST EMPLOYERS

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH EAST EMPLOYERS YEAR ENDED 31 MARCH 2019

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the statement of Executive Committee responsibilities.

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- a satisfactory system of control over transactions has not been maintained by the association; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Executive Committee**

As explained more fully in the statement of Executive Committee responsibilities, the Executive Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with section 36 of 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 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.



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Date 27 August 2019