

Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

Employers' Association's details

| | | | |
|--|--|-----------------------------|-----------------------|
| Name of Employers' Association: | North Western Local Authorities' Employers' Organisation | | |
| Year ended: | 21 March 2019 | | |
| List number: | CO/257E | | |
| Head or Main Office: | Suite 2.4, 2 nd Floor Building 8, Exchange Quay Salford Quays, Manchester M5 3EJ | | |
| Has the address changed during the year to which the return relates? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | (Tick as appropriate) |
| Website address (if available) | www.nwemployers.org.uk | | |
| Chief Executive: | Gillian Bishop | | |
| Contact name for queries regarding the completion of this return: | Gillian Bishop, Chief Executive | | |
| Telephone Number: | 0161 214 7123 | | |
| E-mail: | gillianb@nwemployers.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: 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 |
| 43 | | | | 43 |

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 |
|---------------|--|---------------------------|----------------|
| Chair | Councillor Alan Dean | Councillor Alan Dean | 26 July 2018 |
| Deputy Chair | Councillor Brian Rigby | Councillor Trevor Holt | 26 July 2018 |
| Vice-Chair | Councillor Ateeque Rehman | Councillor Kate Butler | 26 July 2018 |
| Vice-Chair | Councillor Kate Lewis | Councillor John Bowman | 26 July 2018 |

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 |
|----------------------------|----------------------|
| Councillor Alan Dean | Chair |
| Councillor Trevor Holt | Deputy Chair |
| Councillor Kate Butler | Vice-Chair |
| Councillor John Bowman | Vice-Chair |
| Councillor Alan Vincent* | Member |
| Councillor Janet Willis | Member |
| Councillor Chris Goodwin* | Member |
| Councillor Derek Brook | Member |
| Councillor Jonathan Brook* | Member |
| Councillor Paul Findlow | Member |
| Councillor Russ Bowden | Member |
| Councillor Mike Wharton | Member |
| Councillor Tony Norbury | Member |

Revenue account/General Fund

(see notes 11 to 16)

| Previous Year | | £ | £ |
|---------------|---|-----------|-------------|
| | Income | | |
| 682,189 | From Members Subscriptions, levies, etc | 676,472 | |
| 881 | Investment income Interest and dividends (gross) Bank interest (gross) Other (specify) | 3,141 | |
| 1,421,699 | Other income Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify) | 1,538,774 | |
| 2,104,769 | Total income | | 2,218,387 |
| | Expenditure | | |
| | Administrative expenses | | |
| 726,834 | Remuneration and expenses of staff | 719,322 | |
| 78,075 | Occupancy costs | 69,053 | |
| 14,165 | Printing, Stationery, Post | 1,903 | |
| | Telephones | 11,952 | |
| 10,040 | Legal and Professional fees | 8,062 | |
| | Miscellaneous (specify) | | |
| 6,388 | Website Cost | 2,748 | |
| 14,557 | Travel & Subsistence | 10,536 | |
| 21,308 | Car Leasing | 15,216 | |
| 1,074,765 | Training & Consultancy | 1,244,716 | |
| 886 | Other charges Bank charges | 954 | |
| 19,212 | Depreciation | 18,353 | |
| 0 | Sums written off | 11,320 | |
| 3,550 | Affiliation fees | 1,500 | |
| 0 | Donations | 0 | |
| 0 | Conference and meeting fees | 0 | |
| 5,957 | Expenses | 7,692 | |
| | Miscellaneous (specify) | | |
| 2,093 | Information Service | 3,431 | |
| 2,473 | Sundry Expenses | 1,014 | |
| 38,989 | Office Equipment | 34,132 | |
| 9,086 | Regional Employers | 6,761 | |
| 2,028,378 | | | 2,168,665 |
| 14,000 | Pension scheme movement | | 611,000 |
| | Total expenditure | | 2,779,665 |
| 62,391 | Surplus/Deficit for year | | (561,278) |
| (2,457,002) | Amount of fund at beginning of year | | (2,394,611) |
| (2,394,611) | Amount of fund at end of year | | (2,955,889) |

Accounts other than the revenue account/general fund

(See notes 11 to 16)

| 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 11 to 16)

| 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 31 March 2019

(see notes 19 and 20)

| Previous Year | | £ | £ |
|---------------|--|---------------------|------------------|
| 68,090 | Fixed Assets (as at page 8) | 49,737 | |
| | Investments (as per analysis on page 9) | | |
| | Quoted (Market value £) | | |
| | Unquoted | | |
| 68,090 | Total Investments | | 49,737 |
| | Other Assets | | |
| 644,059 | Sundry debtors | 521,784 | |
| 1,236,104 | Cash at bank and in hand | 1,322,907 | |
| | Stocks of goods | | |
| | Others (specify) | | |
| 1,880,163 | Total of other assets | | 1,844,691 |
| | | Total assets | 1,894,428 |
| 971,389 | General Fund (Account) | | 1,021,111 |
| (3,366,000) | Pension Fund (Account) | | (3,977,000) |
| | Fund (Account) | | |
| | Revaluation Reserve | | |
| | Liabilities | | |
| 0 | Loans | 0 | |
| | Bank overdraft | | |
| 51,590 | Tax payable | 65,853 | |
| 124,567 | Sundry creditors | 232,484 | |
| 27,205 | Accrued expenses | 29,184 | |
| 3,366,000 | Provisions | 3,977,000 | |
| 773,493 | Other liabilities (Deferred Grant / Income) | 545,796 | |

| | | | |
|-----------|--|--------------------------|-----------|
| 4,342,864 | | Total liabilities | 4,850,317 |
| 1,948,253 | | Total assets | 1,894,428 |

Fixed Assets Account

(see note 21)

| | Land & Buildings | Fixtures & Fittings | Motor Vehicles & Equipment | Total |
|--|---------------------|------------------------|----------------------------------|-------|
| | £ | £ | £ | £ |
| Cost or valuation | | | | |
| At start of period | | 68,090 | | |
| | | | | |
| Additions during period | | 0 | | |
| | | | | |
| Less: Disposals during period | | 0 | | |
| | | | | |
| Less: DEPRECIATION: | | (18,353) | | |
| | | | | |
| Total to end of period | | 49,737 | | |
| | | | | |
| Book amount at end of period | | 49,737 | | |
| | | | | |
| Freehold | | <input type="text"/> | <input type="text"/> | |
| | | | | |
| Leasehold (50 or more years unexpired) | | <input type="text"/> | <input type="text"/> | |
| | | | | |
| Leasehold (less than 50 years unexpired) | | <input type="text"/> | <input type="text"/> | |
| | | | | |
| As balance sheet | | 49,737 | | |

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)

| | | | |
|--|--|------------------------------|-----------------------------|
| Does the association, or any constituent part of the association, have a controlling interest in any limited company? | | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 £ |
|---|--|--------------------------|---------------------|
| Income | | | |
| From Members | 676,472 | | |
| From Investments | 3,141 | | |
| Other Income (including increases by revaluation of assets) | 1,538,774 | | |
| Total Income | 2,218,387 | | |
| Expenditure (including decreases by revaluation of assets) | 2,168,665 | | |
| Total Expenditure | 2,779,665 | | |
| Funds at beginning of year (including reserves) | (2,394,611) | | |
| Funds at end of year (including reserves) | (2,955,889) | | |
| Assets | | | |
| Fixed Assets | | | 49,737 |
| Investment Assets | | | 0 |
| Other Assets | | | 1,844,691 |
| | | Total Assets | 1,894,428 |
| Liabilities | | Total Liabilities | 4,850,317 |
| Net assets (Total Assets less Total Liabilities) | | | 2,955,889 |

Notes to the accounts

(see note 34)

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

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

2. Details of expenditure

| | 2019 | | 2018 | |
|---|---------|-----------|---------|-----------|
| | £ | £ | £ | £ |
| Employment and related costs | | | | |
| Salaries | 512,346 | | 469,565 | |
| Superannuation and pension costs | 113,033 | | 108,038 | |
| National insurance | 56,014 | | 60,259 | |
| Redundancy costs | 36,966 | | - | |
| Temporary staff | - | | 87,877 | |
| | | 718,359 | | 725,739 |
| Payroll administration | | 963 | | 1,095 |
| | | 719,322 | | 726,834 |
| Premises | | | | |
| Rent and rates | 33,710 | | 43,834 | |
| Repairs and renewals | 5,661 | | 3,818 | |
| Service charge | 15,347 | | 17,243 | |
| Electricity costs | 837 | | 965 | |
| Dilapidations | 3,000 | | 3,000 | |
| Cleaning | 3,449 | | 3,261 | |
| | | 62,004 | | 72,121 |
| Establishment | | | | |
| Postage | 849 | | 35 | |
| Communication | 11,952 | | 11,725 | |
| Travelling and subsistence | 10,536 | | 14,557 | |
| Car leasing and car allowance | 15,216 | | 21,308 | |
| Audit, accountancy and tax services | 6,300 | | 7,440 | |
| Other legal and professional fees | 1,762 | | 2,600 | |
| Information service | 3,431 | | 2,093 | |
| Insurance | 7,049 | | 5,954 | |
| Printing, stationery and reprographics | 1,054 | | 2,405 | |
| Office equipment | 34,132 | | 38,989 | |
| Sundry expenses | 1,014 | | 2,473 | |
| Staff training | 7,692 | | 5,957 | |
| Bank charges and interest | 954 | | 886 | |
| C.E.E.P. | 1,500 | | 3,550 | |
| Regional employers | 6,761 | | 9,086 | |
| Website costs | 2,748 | | 6,388 | |
| Irrecoverable debts | 11,320 | | - | |
| Depreciation | 18,353 | | 19,212 | |
| | | 142,623 | | 154,658 |
| Training and consultancy and external projects | | | | |
| Training and consultancy | 304,650 | | 380,014 | |
| Grant-funded external projects | 940,066 | | 694,751 | |
| | | 1,244,716 | | 1,074,765 |
| Total expenditure | | 2,168,665 | | 2,028,378 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

| | | |
|--|----------------|----------------|
| 3. Staff costs | 2019 | 2018 |
| | £ | £ |
| Employment costs within external projects | | |
| Wages and salaries | 184,877 | 218,929 |
| Employers' NI, including Class 1A | 19,340 | 23,110 |
| Superannuation and pension costs | 21,722 | 20,413 |
| | <u>225,939</u> | <u>262,452</u> |
| Other employment costs | | |
| Wages and salaries | 512,346 | 469,565 |
| Employers' NI, including Class 1A | 56,014 | 60,259 |
| Superannuation and pension costs | 113,033 | 108,038 |
| Redundancy costs | 36,966 | - |
| Temporary staff costs | - | 87,877 |
| | <u>718,359</u> | <u>725,739</u> |
| Totals | | |
| Wages and salaries | 697,223 | 688,494 |
| Employers' NI, including Class 1A | 75,354 | 83,369 |
| Superannuation and pension costs | 134,755 | 128,451 |
| Redundancy costs | 39,666 | - |
| Temporary staff costs | - | 87,877 |
| | <u>944,298</u> | <u>988,191</u> |

The average number of employees during the year, excluding temporary staff, was 17 (2018: 19).

4. Lease commitments

At the reporting end date, the organisation had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £233,973 (2018: £291,261).

5. Accumulated funds

The organisation aims to maintain a level of accumulated funds in general reserve which will protect it and its members from any contingences and/or commitments, whether foreseen or unforeseen. Any surplus income is carried forward for use against expenditure in future years in accordance with the non-profit-making structure of the organisation. Should the organisation cease to trade, any surplus would be returned to members.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Tangible fixed assets

| | Furniture, fittings and equipment £ |
|-------------------------------------|--|
| Cost | |
| At 1 April 2018 | 116,636 |
| Additions | - |
| | 116,636 |
| At 31 March 2019 | 116,636 |
| Accumulated Depreciation | |
| At 1 April 2018 | 48,546 |
| Charge for the year | 18,353 |
| | 66,899 |
| At 31 March 2019 | 66,899 |
| Net Book Value | |
| At 31 March 2019 | 49,737 |
| | 49,737 |
| At 31 March 2018 | 68,090 |

7. Debtors

| | 2019 £ | 2018 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 508,255 | 614,689 |
| Prepayments | 13,529 | 29,370 |
| | 521,784 | 644,059 |
| | 521,784 | 644,059 |

8. Creditors

| | 2019 £ | 2018 £ |
|-----------------|-------------------|-------------------|
| Trade creditors | 232,484 | 124,576 |
| VAT creditor | 65,853 | 51,590 |
| Accruals | 29,184 | 27,205 |
| Deferred income | 545,796 | 773,493 |
| | 873,317 | 976,864 |
| | 873,317 | 976,864 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Pension commitments

The organisation provides pensions for some employees through participation in the Greater Manchester Pension Fund (the Fund), a funded defined benefit scheme which is administered by Tameside Metropolitan Borough Council and maintained independently of the organisation's finances. More than one employer participates in the scheme.

The organisation operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2019.

The major assumptions used by the actuary were:

| | 2019 | 2018 |
|---|---------------|---------------|
| | % p.a. | % p.a. |
| Rate of increase in salaries | 3.3% | 3.2% |
| Rate of increase in pensions in payment | 2.5% | 2.4% |
| Discount rate | 2.4% | 2.7% |

Pension disclosures under FRS102

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

| | Value at 31.03.19 | Value at 31.03.18 | Value at 31.03.17 |
|-------------------------------------|------------------------------|------------------------------|------------------------------|
| | £'000 | £'000 | £'000 |
| Equities | 3,815 | 3,416 | 3,777 |
| Bonds | 830 | 828 | 806 |
| Property | 442 | 362 | 252 |
| Cash | 442 | 569 | 201 |
| Total market value of assets | 5,529 | 5,175 | 5,036 |
| Present value of scheme liabilities | (9,506) | (8,541) | (8,388) |
| | (3,977) | (3,366) | (3,352) |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Pension commitments (continued)

Analysis of the defined benefit cost

| | 2019 £ | 2018 £ |
|------------------------------|-------------------|-------------------|
| Current service costs | (206,000) | (226,000) |

| | 2019 £ | 2018 £ |
|----------------------------------|-------------------|-------------------|
| Contributions in the year | 134,000 | 122,000 |

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Other finance costs | | |
| Interest income on plan assets | 133,000 | 131,000 |
| Interest cost on defined benefit obligation | (229,000) | (219,000) |
| | (96,000) | (88,000) |

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Actuarial loss arising from latest valuation | | |
| Actual return on assets excluding amounts included in net interest | 244,000 | 22,000 |
| Changes in assumptions underlying the present value of the scheme liabilities. | (687,000) | 156,000 |
| Actuarial (loss)/gain arising from latest valuation | (443,000) | 178,000 |

Changes in the present value of the defined benefit obligation are as follows:

| | 2019 £ | 2018 £ |
|---|-------------------|-------------------|
| Opening defined benefit obligation | (3,366,000) | (3,352,000) |
| Movements in the year: | | |
| Current service costs | (206,000) | (226,000) |
| Contributions in the year | 134,000 | 122,000 |
| Other finance costs | (96,000) | (88,000) |
| Actuarial (loss)/gain arising from latest valuation | (443,000) | 178,000 |
| Net change in present value of obligation | (611,000) | (14,000) |
| Closing defined benefit obligation | (3,977,000) | (3,366,000) |

Accounting policies

(see notes 35 and 36)

1. Accounting policies

Organisational information

North Western Local Authorities' Employers' Organisation is a registered Employers' Association with the Certification Office under the Trade Union and Labour Relations (Consolidation) Act 1992, registration number CO/257E. The organisation head office is Suite 2-4, 2nd Floor, Building 8, Exchange Quay, Salford Quays, M5 3EJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland" ("FRS 102"). The disclosure requirements of section 1A of FRS 102 for small entities have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

Despite the overdrawn balance sheet, the executive board believes there is no going concern issue. There is a positive general reserve before the pension provision is taken into account. The organisation's pension scheme is part of the Greater Manchester Pension Fund (the Fund), a funded defined benefit scheme which is administered by Tameside Metropolitan Borough Council and maintained independently of the organisation's finances. Although the Fund is in deficit, there is no requirement to make contributions to the pension deficit in the next twelve months. The position is being monitored regularly. Details of the Fund's actuarial valuation are provided in note 9.

1.3 Income and expenditure

Income is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT.

Expenditure is recognised on an accruals basis.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------------------|----------|
| Computer equipment | 3 years |
| Other equipment and furniture | 5 years |
| Office fit-out, partitioning etc. | 10 years |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to income or expenditure.

1.6 Impairment of fixed assets

At each reporting period end date, the organisation reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts.

1.8 Financial instruments

The organisation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the organisation's balance sheet when the organisation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price.

Basic financial liabilities

Basic financial liabilities, including creditors, are recognised at transaction price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.9 Taxation

As the organisation is regarded as a mutual one, trading predominantly with its members, no taxation is required. Any surplus income is carried forward to use against expenditure in future years in accordance with the non-profit-making structure of the organisation. If the organisation ceased to trade, any surplus would be returned to members.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

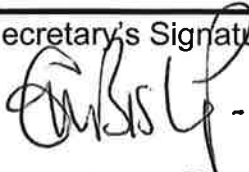

The organisation operates a defined benefit pension scheme for certain employees. The assets of the scheme are held separately from those of the organisation. The regular cost of providing retirement pensions and related benefits under the organisation's defined benefit scheme is charged to the income and expenditure account over the employees' service lives on the basis of a constant percentage of earnings. The contributions are determined by a qualified actuary on the basis of triannual valuation.

Pension scheme assets are valued at market value at the balance sheet date. Pension scheme liabilities are measured on actuarial basis using a projected unit method and are discounted to their present value using an AA corporate rate bond. The pension scheme deficit is recognised in full on the balance sheet.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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

| | |
|---|--|
| Secretary's Signature:  Name: Gillian Bishop Date: 23 August 2019 | Chairman's Signature: (or other official whose position should be stated)  Name: Councillor Trevor Holt Date: 23 August 2019 |
|---|--|

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 | |

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.

2. 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)

Please explain in your report overleaf or attached.

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.

Auditor's report (continued)

Opinion

We have audited the financial statements of North Western Local Authorities' Employers' Organisation for the year ended 31 March 2019 which comprise of the income and expenditure account, the balance sheet, the statement of changes in reserves 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 North Western Local Authorities' Employers' Organisation's affairs as at 31 March 2019 and of its transactions 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 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 union 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, and 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 officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the union'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.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns.

Respective Responsibilities of Executive Board

As explained more fully in the statement of officers' responsibility set out on page 3, the officers 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 officers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with section 36 of that Act.

In preparing the financial statements, the officers are responsible for assessing the Organisation'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 officers either intend to liquidate the Organisation 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to union's members as a body. Our work has been undertaken so that we might state to union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body, for our audit work, or for the opinion we have formed.

Barlow Andrews LLP
Chartered Accountants and Statutory Auditors
Carlyle House, 78 Chorley New Road, Bolton

5 August 2019

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| Signature(s) of auditor or auditors: |  | |
| Name(s): | David Kay of Barlow Andrews LLP | |
| Profession(s) or Calling(s): | FCA | |
| Address(es): | Barlow Andrews LLP Carlyle House Chorley New Road Bolton, BL1 4BY | |
| Date: | 23 August 2019 | |
| Contact name for enquiries and telephone number: | David Kay 01204 527 451 | |

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