

Employers' Association's details

Name of Employers' Association:

WEST MIDLANDS EMPLOYERS

Year ended:

31ST MARCH 2019

List number:

CO254E

Head or Main Office:

PO BOX 16725, SANDWELL COUNCIL HOUSE
OLDBURY
WEST MIDLANDS B69 9FH

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

Yes

No

(Tick as appropriate)

Website address (if available)

www.wmemployers.org.uk

General Secretary:

WME CEO, Rebecca Davis

Contact name for queries regarding the completion of this return:

Sharon Phillips, Assistant Director Finance & Governance

Telephone Number:

0121 569 2075

E-mail:

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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
Director	Colin Williams		28.2.19
Chief Executive		Rebecca Davis	1.3.19

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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
Cllr Kenneth Meeson	WME Management Board, Chair
Cllr Valerie Gibson	WME Management Board, Vice Chair
Cllr Philip Atkins	WME Management Board
Cllr Roger Phillips	WME Management Board
Cllr Geoffrey Denaro	WME Management Board
Cllr Brett O'Reilly	WME Management Board
Cllr Peter Phillips	WME Management Board

Revenue account/General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
272,661	From Members	Subscriptions, levies, etc		260,645
471	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		2,504
451,022	Other income	Consultancy fees	360,873	
309,968		Jobs board	374,092	
405,379		E recruitment fees	372,041	
84,125		Coaching and mentoring	124,107	
315,359		Leadership, OD	194,012	
		Events	113,161	
1,565,853				1,538,286
1,838,985		Total income		1,801,435
	Expenditure			
	Administrative expenses			
(304,541)		Remuneration and expenses of staff	(231,006)	
(27,362)		Occupancy costs	(26,688)	
(587)		Printing, Stationery, Post	(1,659)	
(20,311)		ICT and office equipment	(20,935)	
(12,314)		Legal and professional fees	(9,506)	
(1,490,235)		Consultancy and direct costs	(1,420,579)	
(4,518)		Communication costs	(4,075)	
(1,859,868)				(1,714,448)
(10,465)	Other charges	Travel and subsistence	(6,993)	
-		Sums written off	-	
(912)		CEEP/NARE and other subscriptions	-	
(3,997)		Publishing and marketing	(2,678)	
(674)		Conference and meeting fees	(874)	
(16,048)				(10,545)
	Taxation			
(1,875,916)		Total expenditure		(1,724,993)
(144,000)		Other finance costs		(159,000)
182,000	Exceptional items (WMPF supplemental agreement)			19,000
(851,000)		Other recognised gains and losses		266,000
(15,200)		Designated costs and transfers		(153,658)
(865,131)		Surplus/Deficit for year		48,784
(4,446,920)		Amount of fund at beginning of year		(5,312,051)
(5,312,051)		Amount of fund at end of year		(5,263,267)

(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)	

(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 []
(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at page 8)		
	Investments (as per analysis on page 9)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
331,834	Income receivable	266,882	
107,480	Prepayments and other debtors	65,345	
1,162,312	Cash at bank and in hand	1,186,449	
	Others (specify)		
	Total of other assets		1,518,676
1,601,626		Total assets	1,518,676
1,601,626			
39,384	General fund		39,384
615,714	Designated fund		627,019
291,851	WMC liability reserve		178,330
(6,259,000)	Pension reserve		(6,108,000)
	Liabilities		
299,582	Creditor balances	130,791	
114,635	Project income received in advance	114,279	
-	VAT	-	
240,460	Accrued expenses	428,873	
6,259,000	Pension scheme liabilities	6,108,000	
	Provisions		
	Other liabilities		
6,913,677		Total liabilities	6,781,943
1,601,626		Total assets	1,518,676

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)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" 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 checked="" 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 checked="" 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	260,645		
From Investments	2,504		
Other Income (including increases by revaluation of assets)	1,538,286		
Total Income	1,801,435		
Expenditure (including decreases by revaluation of assets)	(1,752,651)		
Total Expenditure	(1,752,651)		
Funds at beginning of year (including reserves)	(5,312,051)		
Funds at end of year (including reserves)	(5,263,267)		
Assets			
	Fixed Assets		
	Investment Assets		
	Other Assets		1,518,676
		Total Assets	1,518,676
Liabilities		Total Liabilities	(6,781,943)
Net assets (Total Assets less Total Liabilities)			(5,263,267)

Notes to the accounts

(see note 34)

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

WEST MIDLANDS EMPLOYERS

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

2a	Surplus/(deficit) per service centre	2019	2018
		£	£
	Employers Services (REO)	129,585	135,238
	Consultancy Services	2,939	31,678
	Jobs Board Services	73,372	(7,081)
	e-Recruitment Platform	(80,394)	(43,642)
	Coaching & Mentoring Pool	27,436	(10,164)
	Leadership & OD Prods/Services	(72,958)	(87,960)
	Events	(28,538)	-
		<u>51,442</u>	<u>18,069</u>
		<u>51,442</u>	<u>18,069</u>
2b	Overhead costs	2019	2018
		£	£
	Staff costs	256,006	249,541
	Travel and subsistence	6,993	10,465
	Establishment expenses	26,688	27,362
	ICT & office equipment expenses	20,935	20,311
	Professional fees; audit, legal, etc	9,506	12,314
	Copying, stationery and postage	1,659	587
	Publishing and marketing materials	2,678	3,997
	Meetings and hospitality	874	674
	CEEP/NARE & Other subscriptions	-	912
	Communication costs	4,075	4,518
		<u>329,414</u>	<u>330,681</u>
		<u>329,414</u>	<u>330,681</u>

In 2019 overheads are apportioned across cost centres.

WEST MIDLANDS EMPLOYERS

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

3	Tangible fixed assets	Office	Total
		equipment	£
		£	£
	Cost		
	At 31 March 2018 and 31 March 2019	35,535	35,535
		<u>35,535</u>	<u>35,535</u>

Depreciation

At 31 March 2018 and 31 March 2019

35,535

35,535

Net book value

31 March 2019

-

-

31 March 2018

-

-

4	Project Funds held on account	01/04/18 Total £	Income £	Expenditure £	Transfers £	31/03/19 Total £
	Epaycheck	74,293	32,162	(37,943)	-	68,512
	Public Health England	1,601	-	(600)	-	1,001
	Regional Monitoring Funds	31,157	-	(600)	-	30,557
	NHS Grant for XPS*	7,584	-	-	6,625	14,209
		<u>114,635</u>	<u>32,162</u>	<u>(39,143)</u>	<u>6,625</u>	<u>114,279</u>

The project fund balances are held on account to support project activity in 2019-20.

*As a result of the early cessation of the XPS project, the WME Shareholder Reward Project Fund at 5b was used to repay 50% of the costs incurred and met by XPS grant in 2017-18. This represents a reduction in Shareholder Fund and increase in the NHS Grant balance of £6,625. The NHS Grant total of £14,209 will be repaid and the Shareholder fund of £19,518 (see 5b) will be repurposed in 2019-20.

5(a)	General Reserve	£
	At 1 April 2018	39,384
	Net income before pension adjustments and exceptional items (page 7)	51,442
	Transfer to designated reserves (5b)	(51,442)
	At 31 March 2019	<u>39,384</u>

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

5(b)	WME Designated Reserves	01/04/18 £	Transfer (to)/from other reserve £	Expenditure £	Transfers to WME liability reserve £	31/03/19 £
	WME Business Improvement	20,000	-	-	-	20,000
	Operational Deficit	37,960	-	-	-	37,960
	WME Severance Top Up Product/Service	241,284	-	-	-	241,284
	Development funds (ex PLT)	272,258	-	(20,291)	-	251,967
	GDPR Implementation	18,069	-	(13,221)	-	4,848
	Project Reserve	26,143	(6,625)	-	-	19,518
	2019-20 Deficit Budget	-	51,442	-	-	51,442

	615,714	44,817	(33,512)	627,019
5(c) WMC Liability Reserve				£
At 31 March 2018				291,851
Expenditure in the year				(113,521)
At 31 March 2019				<u>178,330</u>

6 Financial commitments

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

	2019 £	2018 £
Land and buildings		
Not later than one year	<u>18,920</u>	<u>18,920</u>

WEST MIDLANDS EMPLOYERS

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

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 most recent actuarial valuation of the fund was carried out as at 31 March 2018 and will set contributions for the period from April 2018 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 31/03/19 £'000	At year end 31/03/18 £'000
Amounts recognised in the balance sheet		
Present value of obligations	(18,294)	(18,535)
Fair value of plan assets	12,213	12,217
Funded status	<u>(6,081)</u>	<u>(6,318)</u>
Net amount recognised as a liability	<u>(6,081)</u>	<u>(6,318)</u>
Components of pension cost		
Interest cost	467	591
Expected return on assets	(306)	(449)
Total pension cost recognised in the revenue account	<u>161</u>	<u>142</u>

WEST MIDLANDS EMPLOYERS

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

7a West Midlands Pension Fund (continued)

	At year end 31/03/19 £'000	At year end 31/03/18 £'000
Remeasurement of the net assets/(defined liability)	384	(1,007)
Admin expenses	(5)	(7)
	<u>At year end 31/03/19 £'000</u>	<u>At year end 31/03/18 £'000</u>
Change in benefit obligations		
Benefit obligations at beginning of year	18,535	22,117
Interest cost	467	591
Change in financial and demographic assumptions	(246)	(316)
Experience (gain)/loss on defined benefit obligation	-	(3,392)

Benefits paid	(462)	(465)
Benefit obligation at end of year	18,294	18,535
	At year end	At year end
	31/03/19	31/03/18
	£'000	£'000
Changes in plan assets		
Fair value of assets at beginning of year	12,217	16,773
Return of assets less interest	138	(438)
Interest on assets	306	449
Other actuarial gains/(losses)	-	(4,277)
Employer contribution	19	182
Admin expenses	(5)	(7)
Benefits paid	(462)	(465)
Fair value of assets at end of year	12,213	12,217

WEST MIDLANDS EMPLOYERS

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

7a West Midlands Pension Fund (continued)

Expected return on assets

For accounting years beginning on or after 1 January 2016, the expected return and the interest cost has been placed with a single net interest cost, which effectively sets the expected return equal to the discount rate.

Weighted average assumptions used to determine benefit obligations at:

	31/03/19	31/03/18
Discount rate	2.40%	2.55%
Rate of pension increase	2.45%	2.35%
CPI inflation assumption	2.45%	2.35%
Further life expectancies from age 65:		
<i>Retiring today</i>		
Males	20.9	21.9
Females	23.2	24.3
<i>Retiring in 20 years</i>		
Males	22.6	24.0
Females	25.0	26.6

Five Year History	31/03/19 £'000	31/03/18 £'000	31/03/17 £'000	31/03/16 £'000	31/03/15 £'000
Benefit obligation at end of year	18,294	18,535	22,117	18,143	25,453
Fair value of plan asset at end of year	12,213	12,217	16,773	14,105	19,117
Deficit	(6,081)	(6,318)	(5,344)	(4,038)	(6,336)

WEST MIDLANDS EMPLOYERS

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

7(b) Staffordshire Pension Fund	At year end 31/03/19 £'000	At year end 31/03/18 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(8,293)	(7,332)
Fair value of plan assets	8,266	7,391
Funded status	(27)	59
Net amount recognised as a (liability)/asset	(27)	59
Components of pension cost		
Current service cost	182	128
Interest cost	200	196
Expected return on assets	(202)	(194)
Total pension cost recognised in the revenue account	180	130
Total remeasurements recognised in the revenue account	(118)	156
	At year end 31/03/19 £'000	At year end 31/03/18 £'000
Changes in benefit obligations		
Benefit obligations at beginning of year	7,332	7,223
Current service cost	182	128
Interest cost	200	196
Member contributions	37	27
Changes in assumptions	601	(185)
Other experience	-	-
Benefits paid	(59)	(57)
Benefit obligation at end of year	8,293	7,332

WEST MIDLANDS EMPLOYERS

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

7(b) Staffordshire Pension Fund (continued)	At year end	At year end
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	31/03/19 £'000	31/03/18 £'000
Changes in plan assets		
Fair value of assets at beginning of year	7,391	7,176
Expected return on assets	483	194
Interest income/(expense) on assets	202	(29)
Employer contribution	212	80
Member contributions	37	27
Benefits Paid	(59)	(57)
	8,266	7,391

Weighted average assumptions used to determine benefit obligations at:

	31/03/19	31/03/18
Discount rate	2.50%	2.70%
Rate of salary increase	2.80%	2.70%
Rate of pension increase	2.40%	2.30%

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 summarised below:

	At year end 31/03/19 £'000	At year end 31/03/18 £'000
<i>Current Pensioners</i>		
Males	22.1	22.1
Females	24.4	24.4
<i>Future Pensioners</i>		
Males	24.1	24.1
Females	26.4	26.4

WEST MIDLANDS EMPLOYERS

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

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 2018	CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.	CMI 2013 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.

Note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are identical to those used to value the Obligations in the Employer's Opening Position.

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. Progress against the Supplemental Pension Agreement was reviewed in February 2018 and a further review will take place in 2026 (10 years before the planned end date of the Agreement) to consider progress and the level of deficit remaining.

Both liabilities are reflected in these financial statements.

Accounting policies
(see notes 35 and 36)

WEST MIDLANDS EMPLOYERS

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

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.

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

c) Operating leases

Rentals charged on operating leases are written off to the Income and Expenditure Account over the period of the lease.

WEST MIDLANDS EMPLOYERS

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

1 Accounting Policies (continued)

d) 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.

e) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

f) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible into known amounts of cash with insignificant risk of change in value.

g) Financial instruments

The Association enters into only basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

h) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

i) Special projects

In seeking to meet its objectives, WME manages various projects. The income and expenditure relating to these projects is not reflected within these accounts other than the financial contributions made by or to WME from these projects.

WEST MIDLANDS EMPLOYERS

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

1 Accounting Policies (continued)

j) Judgements in applying accounting policies and key sources of estimation uncertainty

WME makes estimates and assumptions concerning the future. Management are also

required to exercise judgement in the process of applying the organisations accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

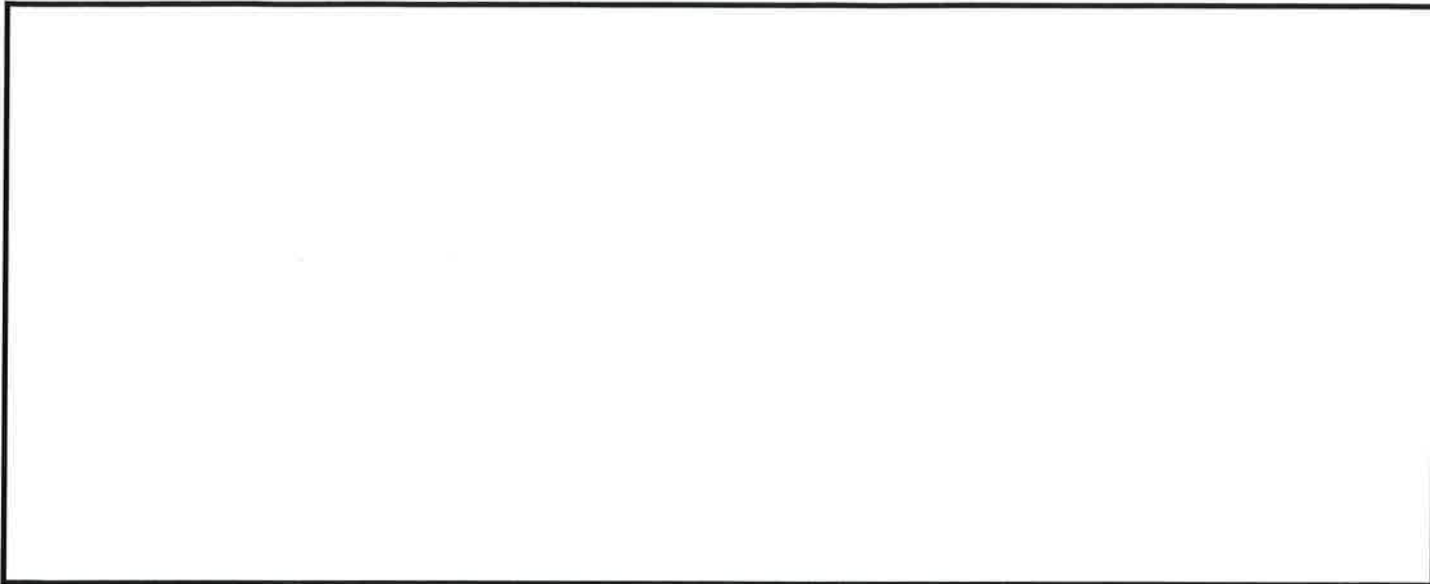
The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

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


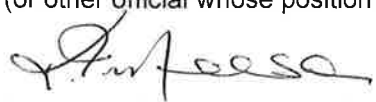
Recoverability of trade debtors. Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management 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
including the accounts and balance sheet contained in the return.
[\(see notes 37 and 38\)](#)

<p>Secretary's Signature:</p>  <p>Name: Rebecca Davis, CEO</p> <p>Date: 2.9.19</p>	<p>Chairman's Signature: (or other official whose position should be stated)</p>  <p>Name: Cllr K Meeson, Chair</p> <p>Date: 8.9.19</p>
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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	

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 section 28 to 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS

Opinion

We have audited the financial statements of West Midlands Employers ("the organisation") for the year ended 31 March 2019 which comprise the Income and Expenditure account, the Balance Sheet, and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

In our opinion, the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2019 and of the income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 organisation 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 members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the organisation'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 members are responsible for the other information. The other information comprises the information included in the Report of the Management Board, other than the financial statements and our audit 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Board.

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

- adequate accounting records have not been kept by the organisation, or returns adequate for our audit have not been received from branches not visited by us; or
- the organisation's 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.

Responsibilities of members

As explained more fully in the Statement of WME Full Member Body Responsibilities set out on page 1, the members 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 members 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 members 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 members 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS


- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

COOPER PARRY GROUP LIMITED
Chartered Accountants
 Statutory Auditors

Date:

Park View
 One Central Boulevard
 Blythe Valley Business Park
 Solihull
 West Midlands
 B90 8BG

Signature(s) of auditor or auditors:		
Name(s):	Simon Atkins	
Profession(s) or Calling(s):	FCA	
Address(es):	Park View One Central Boulevard Blythe Valley Business Park B90 8BG	
Date:	19 August 2019	
Contact name for enquiries and telephone number:		

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