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# FORM AR27

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR AN EMPLOYERS' ASSOCIATION

Name of Employers' Association:	North East Regional Employers Organisation
Year ended:	31 March 2019
List No:	229E
Head or Main Office:	Guildhall Quayside Newcastle upon Tyne NE1 3AF
Website address (if available)	www.nereo.gov.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
General Secretary:	Michael Brodie
Contact name for queries regarding the completion of this return:	Linda Bollado
Telephone Number:	0191 261 3973
e-mail:	lbollado@nereo.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
40				40

## OFFICERS IN POST

(see note 10)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date of Change
N/A			

## **North East Regional Employers' Organisation**

Officers in post -

Michael Brodie  
Linda Bollado  
Brenda Conlon  
David Leask  
Stephen McCurry  
Donna McCurry  
Maureen O'Keefe  
Steven Taylor

# REVENUE ACCOUNT/GENERAL FUND

(see notes 11 to 16)

Previous Year			£	£
	<b>INCOME</b>			
216,085	From Members	Subscriptions, levies, etc	216,085	
15,442			13,570	229,655
	Investment income	Interest and dividends (gross)		
158		Bank interest (gross)	341	341
		Other (specify)		
	Other income	Training Courses	33,167	
82,749		Winter Maintenance	50,756	
53,915		Disclosure and Barring Services	49,925	
37,874		North East Jobs	234,780	
235,674		CEEP Income	8,443	
8,152		LA Challenge Event 19 Oct	(6,705)	
0				370,366
650,049	<b>TOTAL INCOME</b>			600,362
	<b>EXPENDITURE</b>			
	Administrative expenses			
478,168		Remuneration and expenses of staff	501,658	
19,101		Occupancy costs	19,371	
5,067		Printing, Stationery, Post	3,505	
5,583		Telephones	3,486	
6,050		Legal and Professional fees	6,175	
6,603		Equipment Maintenance	10,458	
3,240		Hosp/Misc Maintenance	3,806	
180		Staff Training	834	
63,750		North East Jobs TMP Expenses	59,500	
				608,793
	Other charges	Bank charges	668	
550		Affiliation fees	609	
1,077		Conference and meeting fees	1281	
2,152		Bad Debts Written Off	0	
355		Depreciation	1,994	
1,993				4,552
	Taxation			
593,869	<b>TOTAL EXPENDITURE</b>			613,345
		Surplus/Deficit for year		(12,983)
56,180	Actuarial Gain/(Loss) in Respect of Defined Pension Scheme			240,000
20,000				
(748,985)		Amount of fund at beginning of year		(672,805)
(672,805)		Amount of fund at end of year		(445,788)

## ACCOUNTS OTHER THAN THE REVENUE ACCOUNT/GENERAL FUND

(see notes 17 to 18)

<b>ACCOUNT 2</b>		<b>Fund Account</b>	
Name of account:		£	£
<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>	
Name of account:		£	£
<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 4</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 5</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 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 MARCH 2018

(see notes 19 and 20)

Previous Year		£	£
3,988	<b>Fixed Assets</b> (as at page 11)	1,994	
	<b>Investments</b> (as per analysis on page 13)		
	Quoted (Market value £            )		
	Unquoted		
	<b>Total Investments</b>		
	<b>Other Assets</b>		
197,574	Sundry debtors	230,982	
319,810	Cash at bank and in hand	329,146	
	Stocks of goods		
	Others (specify)		
	<b>Total of other assets</b>	560,128	
<b>521,372</b>	<b>TOTAL ASSETS</b>		<b>562,122</b>
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Total Funds		
	<b>Liabilities</b>		
	Loans		
20,000	Trade creditors	89,768	
16,773	VAT	7,978	
13,988	Deferred Grant/Income	13,989	
6,050	Accrued expenses	6,175	
1,130,000	Provisions – Defined Benefit Pension Scheme	890,000	
7,366	Other liabilities	0	
<b>1,194,177</b>	<b>TOTAL LIABILITIES</b>		<b>1,007,910</b>
<b>(672,805)</b>	<b>TOTAL FUNDS AND LIABILITIES</b>		<b>(445,788)</b>



# FIXED ASSETS ACCOUNT

(see note 21)

	Land & Buildings	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At start of period			5,981	5,981
Additions during period			0	0
Less: Disposals during period			0	0
Less: DEPRECIATION:			(1,993)	(1,993)
Total to end of period			(3,987)	(3,987)
<b>BOOK AMOUNT</b> at end of period			1,994	1,994
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
<b>AS BALANCE SHEET</b>			<b>3,988</b>	<b>3,988</b>

# 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 to 25)

<b>Does the association, or any constituent part of the association, have a controlling interest in any limited company?</b>		YES	NO X
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>INCORPORATED EMPLOYERS' ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the association's name</b>		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		
<b>UNINCORPORATED EMPLOYERS ASSOCIATIONS</b>			
<b>Are the shares which are controlled by the association registered in the names of the association's trustees?</b>		YES	NO
If NO, state the names of the persons in whom the shares controlled by the association are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 26 to 35)

	<b>All funds except Political Funds £</b>	<b>Political Funds £</b>	<b>Total Funds £</b>
From Members	229,655		
From Investments	341		
Other Income (including increases by revaluation of assets)	370,366		
<b>Total Income</b>	<b>600,362</b>		
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	<b>613,345</b>		
<b>Actuarial Gain in respect of Defined Benefit Scheme</b>	<b>240,000</b>		
<b>Funds at beginning of year</b> (including reserves)	<b>(672,805)</b>		
<b>Funds at end of year</b> (including reserves)	<b>(445,788)</b>		
<b>ASSETS</b>			
Fixed Assets			1,994
Investment Assets			
Other Assets			560,128
		<b>Total Assets</b>	<b>562,122</b>
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	<b>1,007,910</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			<b>(445,788)</b>

# NOTES TO THE ACCOUNTS

(see note 36)

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

## 1. FIXED ASSETS

Computer

Equipment

### COST

Cost at 1 April 2018 5981

Additions during the year -

Cost at 31 March 2019 5981

### DEPRECIATION

Depreciation at 1 April 2018 1993

Charge for the year 1994

Depreciation at 31 March 2019 3987

VALUE AT 31 MARCH 2019 1994

VALUE AT 31 MARCH 2018 3988

## 2. DEBTORS & PREPAYMENTS

2019

2018

	£	£
Trade Debtors	225864	183851
Prepayments	<u>5118</u>	<u>13723</u>
Total	<u>230982</u>	<u>197574</u>

3. CURRENT LIABILITIES	2019	2018
	£	£
Trade Creditors	89768	20000
VAT Creditor	7978	16773
Accruals	6175	6050
Deferred Income	13989	13988
Other Creditors	<u>-</u>	<u>7366</u>
Total	<u>117910</u>	<u>64177</u>

#### 4. ACCUMULATED FUNDS

The Organisation aims to maintain a level of accumulated funds which will protect the Organisation and its members from any contingencies 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. If the Organisation ceased to trade, any surplus would be returned to members.

#### 5. MEMBERS' FUNDS

	Balance at	Surplus/	Balance at
	<u>1 April 2018</u>	<u>(deficit)</u>	<u>31 March 2019</u>
Revenue Account	457195	(12983)	444212
Defined Benefit Pension			
Scheme	<u>(1130000)</u>	<u>240000</u>	<u>(890000)</u>
	<u>( 672805)</u>	<u>227017</u>	<u>(445788)</u>

#### 6. PENSION SCHEME

Employees of the association participate in the Tyne & Wear Pension Fund which is a defined benefit scheme. The assets of the Fund are held in externally managed funds invested by professional investment managers. Participation in the Scheme is by virtue of the association's status as an Admitted Body to the Fund.

The last actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31 March 2016. The purpose of the valuation was to examine the financial position of the Fund and to recommend the contribution rate to be paid by the association and other participating employers in the Fund.

The assets of the Fund are explicably allocated to each of the participating employers. The market value of the Scheme's assets was £3.96m and these assets were sufficient to cover 81.6% of the liabilities of the Fund at the valuation date – a deficit of £0.89m.

The valuation method used to determine the associations' contribution rate was the projected unit method and the following assumptions were made:-

	<u>2019</u>	<u>2018</u>
	<u>% p.a.</u>	<u>% p.a.</u>
Discount rate	2.4%	2.6%
RPI inflation	3.3%	3.2%
CPI inflation	2.2%	2.1%
Rate of increase to pensions in payment	2.2%	2.1%
Rate of increase to deferred pensions	2.2%	2.1%
Rate of general increase in salaries	3.7%	3.6%

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

The fair value of the scheme assets and expected rates of return, the present value of the scheme

liabilities and the resulting deficit are:

	<u>Asset Allocation</u>	
	<u>2019</u>	<u>2018</u>
Equities	65%	67%
Property	8.8%	8.5%
Government Bonds	4.1%	4.0%
Corporate Bonds	11.7%	11.7%
Cash	2.7%	3.7%
Other	7.7%	5.1%
	<u>Value (£M)</u>	
Total Fair Value of Assets	3.96	3.40
Present Value of Obligation	4.85	4.53
Deficit in scheme / Net Pension Liability	(0.89)	(1.13)

The liabilities at the last valuation between the various categories of members is:

Active Members	21%
Deferred Pensioners	31%
Pensioners	48%



Analysis of the defined benefit cost:	<u>2019</u>	<u>2018</u>
	<u>(£M)</u>	<u>(£M)</u>

**Operating Cost**

Current Service Cost	0.04	0.03
Past Service Cost	0.00	0.00
<b>Financing Cost</b>		
Interest on net defined benefit liability / (asset)	0.03	0.03
<b>Total Expense</b>	<b>0.07</b>	<b>0.06</b>

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

	<u>2019</u>	<u>2018</u>
	<u>(£M)</u>	<u>(£M)</u>
Opening defined benefit obligation	4.53	4.49
Current service costs	0.04	0.03
Interest expense on defined benefit obligation	0.12	0.11
Contributions by participants	0.01	0.00
Actuarial (gains) / losses on liabilities	0.33	0.08
Net benefits paid out	(0.18)	(0.18)
Past Service costs	0.00	0.00
<b>Closing defined benefit obligation</b>	<b>4.85</b>	<b>4.53</b>

Changes to the fair value of assets	<u>2019</u>	<u>2018</u>
	<u>(£M)</u>	<u>(£M)</u>
Opening fair value of assets	3.40	3.34
Interest income on assets	0.09	0.08
Remeasurement gains / (losses) on assets	0.52	0.05
Contributions by the employer	0.12	0.11
Contributions by participants	0.01	0.00
Net benefits paid out	(0.18)	(0.18)
<b>Closing fair value of assets</b>	<b>3.96</b>	<b>3.40</b>

Actual return on Assets	<u>2019</u>	<u>2018</u>
	<u>(£M)</u>	<u>(£M)</u>
Interest income on assets	0.09	0.08
Gain / (loss) on assets	0.52	0.05
<b>Actual return on assets</b>	<b>0.61</b>	<b>0.13</b>

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a Career Average Revalued Earnings scheme.

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. Pension scheme assets are valued at market value at the balance sheet date.

The amount charged to the revenue account as company pension contributions for the year ended 31 March 2019 was £131,317 (2018:£124,217).

The costs of providing pensions to employees of the association are charged to the revenue account on a consistent basis over the service lives of the scheme members.

The current employer's contribution rate for the association is 21.1% of the employees' pensionable remuneration.

7. SALARIES & WAGES

	2019	2018
	£	£
Wages & Salaries	293524	284522
Employer's NI	48584	44182
Pension costs	<u>131317</u>	<u>124217</u>
	<u>473425</u>	<u>452921</u>

8. CONTROL

The organisation is controlled by the executive committee on behalf of the members of the organisation.

9. RELATED PARTY TRANSACTIONS

Contribution income is wholly attributable to members. The income from training and consultancy services is derived principally from the members.

# ACCOUNTING POLICIES

(see notes 37 and 38)

## ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Organisation's financial statements.

### a) BASIS OF ACCOUNTING

The accounts are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as applicable to companies subject to the Small Companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

### b) 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, and it is intended to clear the pension deficit by increasing the future contributions payable by member organisations.

### c) INCOME AND EXPENDITURE

All income is recognised in the Income and Expenditure Account when the conditions for receipt have been met and there is reasonable assurance of receipts.

Contributions, advisory services, TU side and interest income is all stated gross. All other income is net of expenditure directly relating to that income stream.

Expenditure is included on an accruals basis.

### d) FIXED ASSETS

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 basis:

Computer equipment	3 years straight line
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### e) LEASED ASSETS

Operating lease rentals are charged on a straight line basis to the Income and Expenditure account over the period of the lease.

### f) GOVERNMENT GRANTS

Revenue grants are credited to the income and expenditure account on an accruals basis.

**g) PENSION COMMITMENTS**

The organisation is participating in the Tyne and Wear Pension Fund, which is part of the local Government Pension Scheme (LGPS). The assets of the pension scheme are held separately from those of the organisation. The assets allocated to the Employer in the Fund are notional and are assumed to be invested in line with the investments of the Fund. The regular cost of providing retirement pensions and related benefits under the 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 a triannual valuation. The pension scheme deficit is recognised in full on the balance sheet.

**h) TAXATION**

As the organisation is regarded as a mutual one, trading only with its members, no taxation is required.

# SIGNATURES TO THE ANNUAL RETURN

(see notes 39 and 40)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>MICHAEL BRODIE</u> Date: <u>1.10.19</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>ANN MCCOY</u> Date: <u>08.10.19</u>
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## CHECK LIST

(see note 41)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 3)	YES	✓	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 3)	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 A 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

(see notes 42 to 47)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

**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 ABOVE 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)

YES

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 43)

YES

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in note 43)

YES

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR27 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 45)

# AUDITOR'S REPORT (continued)

## Opinion

We audited the financial statements of North East Regional Employers' Organisation for the year to 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 East Regional Employers' Organisation'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) (ISA's 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 Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- 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 relating 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 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 auditors 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.

Baldwins Audit Services  
13 Portland Terrace  
Jesmond  
Newcastle upon Tyne  
NE2 1SN

Signature(s) of auditor or auditors:	Baldwin's Audit Services	
Name(s):	BALDWIN'S AUDIT SERVICES	
Profession(s) or Calling(s):	ICAEW	
Address(es):	13 PORTLAND TERRACE JESMOND NEWCASTLE UPON TYNE NE2 1SN	
Date:	1.10.19	
Contact name and telephone number:	0191 2812271	

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