

Form AR27

Trade Union and Labour relations (Consolidation) Act 1992

Employers' Association's details

Name of Employers' Association:	Refractory Users Federation	
Year ended:	31 st March 2020	
List number:	CO/1414E	
Head or Main Office:	5 th Floor Broadway House Tothill Street London SW1H 9NS	
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/> (Tick as appropriate)
Website address (if available)		
General Secretary:	Mr J Eddleston	
Contact name for queries regarding the completion of this return:	Mr S Knee	
Telephone Number:	01793 430000	
E-mail:	simon@sknee.com	

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
5				5

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

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

Mr G Corbet

Chairman

Mr C Sheppard

Honorary Treasurer

Revenue account/General Fund

[\(see notes 11 to 16\)](#)

Previous Year			£	£
	Income			
12,000	From Members	Subscriptions, levies, etc		12,000
	Investment income	Interest and dividends (gross) Bank interest (gross) Other (specify)		
	Other income	Rents received Insurance commission Consultancy fees Publications/Seminars Miscellaneous receipts (specify)		
12,000	Total income			12,000
	Expenditure			
	Administrative expenses			
		Remuneration and expenses of staff		
		Occupancy costs		
		Printing, Stationery, Post		
		Telephones		
840		Legal and Professional fees	940	
		Miscellaneous (specify)		
6,000		Secretarial fee	6,000	
4,400		Administration fee	4,400	
11,240	Other charges	Bank charges Depreciation Sums written off Affiliation fees Donations Conference and meeting fees Expenses Miscellaneous (specify)		11,340
702			772	
	Taxation			772
11,942	Total expenditure			12,112
58	Surplus/Deficit for year			(112)
8,786	Amount of fund at beginning of year			8,844
8,844	Amount of fund at end of year			8,732

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 2020

[\(see notes 19 and 20\)](#)

Previous Year		£		£
	Fixed Assets (as at page 8)			
	Investments (as per analysis on page 9)			
	Quoted (Market value £)			
	Unquoted			
	Total Investments			
	Other Assets			
	Sundry debtors			
9,544	Cash at bank and in hand			9,622
	Stocks of goods			
	Others (specify)			
140	VAT			
	Total of other assets			9,622
9,684				Total assets 9,622
8,844	Revenue Account/ General Fund			8,732
	Fund (Account)			
	Fund (Account)			
	Revaluation Reserve			
	Liabilities			
	Loans			
	Bank overdraft			
	Tax payable			
	Sundry creditors			
840	Accrued expenses			
	Provisions			
	Other liabilities			
			890	
840				Total liabilities 890
9,684				Total assets 9,622

Fixed Assets Account

[\(see note 21\)](#)

	Land & Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total
	£	£	£	£
Cost or valuation				
At start of period				
Additions during period				
Less: Disposals during period				
Less: DEPRECIATION:				
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 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	12,000		12,000
From Investments			
Other Income (including increases by revaluation of assets)			
Total Income	12,000		12,000
Expenditure (including decreases by revaluation of assets)	12,112		12,112
Total Expenditure	12,112		12,112
Funds at beginning of year (including reserves)	8,844		8,844
Funds at end of year (including reserves)	8,732		8,732
Assets			
Fixed Assets			
Investment Assets			
Other Assets			9,622
Total Assets			9,622
Liabilities			
Total Liabilities			890
Net assets (Total Assets less Total Liabilities)			8,732

Notes to the accounts

[\(see note 34\)](#)

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

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Income

Subscriptions are treated as income as they fall due. All other income is provided for when it is receivable.

Debtors

No general provision is made on trade debtors. Known bad debts are written off and specific provision is made for any considered to be doubtful of collection.

Going Concern

The management committee has considered the impact of the Covid-19 pandemic in its assessment of the federation's ability to prepare accounts as a going concern. Because of the uncertainties surrounding the effects of the economic slowdown it is difficult to predict the impact on the federation and its members, but having taken all the factors into account, the management committee is of the opinion that the federation has sufficient resources to continue trading for the next 12 months from the date of signing these accounts.

2. TAXATION ON ORDINARY ACTIVITIES

	2020 £	2019 £
Current tax:		
UK Corporation tax based on the results for the year at 0 % (2019 - 0%)	-	-
Total current tax	<u>-</u>	<u>-</u>

Subject to HMRC approval there are tax losses of £9,692 to offset against future surpluses.

3. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Accruals	<u>890</u>	<u>840</u>

Accounting policies



[\(see notes 35 and 36\)](#)

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Signatures to the annual return

including the accounts and balance sheet contained in the return.

[\(see notes 37 and 38\)](#)

Secretary's Signature:	Chairman's Signature:
	
Name: J Eddleston	Name: G Corbet
Date: 10 August 2020	Date: 10 August 2020

Checklist

[\(see note 39\)](#)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has the list of officers been completed? (see page 2a)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has the return been signed? (see Note 38)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has the auditor's report been completed? (see Note 39)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Is the rule book enclosed? (see Note 40)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has the summary sheet been completed? (see Notes 6 and 25 to 34)	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

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) - **YES**

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) **YES**

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)

We have audited the financial statements of Refractory Users Federation for the year ended 31 March 2020, which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, the Trade Union and Labour Relations (Consolidation) Act 1992 ("TULR 1992") 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).

This report is made solely to the Federation's members, as a body. Our audit work has been undertaken so that we might state to the Federation'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 Federation and the Federation's members as a body, for our audit work, for this report, or for the opinions we have formed.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate; and
- have been properly prepared in accordance with the requirements of sections 28, 32 and 36 of the TULR 1992.

Opinion on other matters prescribed by TULR 1992

In our opinion:

- the Federation has kept proper accounting records in accordance with the requirements of section 28,
- the Federation has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section, and
- the accounts to which this report relates agree with the accounting records

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 Federation 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 Federation's members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Federation's members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the federation'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 TULR 1992 requires us to report to you if, in our opinion:

- the Federation has failed to comply with section 28, or
- the accounts do not agree with the accounting records.

Responsibilities of the Federation's Members

The Federation's members are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Federation's 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 Federation's members are responsible for assessing the Federation'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 Federation's members either intended to liquidate the Federation 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 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, internal 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 purposes of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Federation's members
- Conclude the appropriateness of the Federation's 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 Federation'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 Federation 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 the audit.

Edmund Carr LLP

EDMUND CARR LLP
Chartered Accountants
& Statutory Auditor

146 New London Road
Chelmsford
Essex
CM2 0AW

11 August 2020

Signature(s) of auditor or auditors:	<i>Edmund Carr LLP</i>	
Name(s):	Edmund Carr LLP	
Profession(s) or Calling(s):	Chartered Accountants and Statutory Auditor	
Address(es):	146 New London Road Chelmsford Essex CM2 0AW	
Date:	11 August 2020	
Contact name for enquiries and telephone number:	Ray Crace FCA 01245 261818	

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

AR27 Points to remember

Deadline

Return must be submitted within 5 months after the union year ends

Signatures

A hard copy of the AR27 must be submitted with original signatures

Auditor's report

Pages 14-15 must be completed. Your auditors must clearly state:

- it gives a true and fair view of your union's financial affairs
- it has been prepared in accordance with the requirements of the 1992 Act

Summary sheet

The summary sheet on page 11 must always be completed and must be consistent with the figures in the body of the return

Return of officers

Must be completed showing the officers in post at the end of the reporting period.

The schedule of officers must be completed even if there has been no change

Rule book

The AR27 must be accompanied by a copy of your organisation's rules or constitution, for the required period covered by the return

Branch funds

All branch funds must form part of the overall figures on page 11

Contact details

If you change contact details you must notify the office as soon as possible

All completed returns should be sent to:
Certification Office, Fleetbank House, Lower Ground, 2-6 Salisbury Square,
London, EC4Y 8JX

**Every employers' association is required by law to complete this return.
The refusal or wilful neglect to perform this duty is a criminal offence.**

**There is no legal requirement for this return to be "approved" by the
Governing body of the association before submission to the
Certification office**

Guidance on completion

General

1. Unless the Employers' Association has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, **and at any event before 1 June**.
2. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
3. The accounts and balance sheet in the annual return of an association working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of all the branches.
4. Any negative values should be clearly indicated by placing the entry in brackets.
5. Where the space in any account of analysis is insufficient a separate sheet of paper should be attached to the appropriate page to provide the additional space.
6. The summary sheet on page 11 **must** be completed.
7. A copy of the rules in force at the end of the year to which this return relates must be submitted with this form even if the rules have not been altered since the previous rule book was submitted. This is a statutory requirement and the Certification Officer has no authority to waive it.
8. Please print this form single-sided only. Do not staple the pages.

Guidance on completion of return of members/officers

(page 2)

Return of members:

9. The figure required is for **all members**, including members who do not pay contributions.

Officers:

10. The Act defines officer as including any member of the governing body of the association and any trustee of any fund applicable for the purposes of the association.

Guidance on completion of the revenue account/general fund

(page 3)

11. Interest, Dividends and any other income, including Capital Gains on the sale of investments should be shown gross, and the relevant tax included in "Taxation". The basis of the taxation charge should be shown as a note to the accounts (see page 12).

12. "Remuneration of Staff" should include salaries and wages, holiday pay, redundancy pay, ex-gratia payments, national insurance ordinary and graduated contributions, superannuation contributions, and any other payments to staff.
13. "Occupancy Costs" should include rents, rates, insurance, gas, electricity, water, fuel, general repairs and renewals, and other maintenance items.
14. If depreciation or replacement of fixed assets is provided for by some method other than a depreciation charge or provision for renewals, the method by which it is provided for should be stated by way of a note if not otherwise shown. If no provision is made, this should also be shown as a separate note.
15. "Amount of fund at the beginning of year". If this figure is not identical to the "end of year" figure given on the previous year's return, an explanation must be provided.
16. If separate accounts are maintained in respect of particular benefits or objects of the Employers' Association pages 4 to 6 should be completed as required in respect of those accounts and the contributions, benefits, etc. appropriate to those accounts should be excluded from the Revenue Account/General Fund.

**Guidance on accounts kept separately from the
Revenue account/general fund** (pages 4-6)

17. If separate accounts are maintained in respect of particular benefits or objects of the association, pages 4 to 6 of the return should be completed as required in respect of those accounts and the income and expenditure appropriate to them should be excluded from the Revenue Account/General Fund.
18. If enough space has not been allocated please complete and attach a separate sheet.

Guidance on completion of balance sheet (page 7)

19. The following should be shown as a note to the accounts on page 12, if not otherwise indicated:
 - a. particulars of any monies owing by the association in respect of loans (including overdrafts) which are secured on the assets of the association;
 - b. the general nature of any contingent liability not provided for and, where practicable, the estimated amount of the contingent liability, if it is material;
 - c. where practicable, the aggregate amount or estimated amount, if it is material, of:
 - i. contracts for capital expenditure, so far as not provided for, and
 - ii. capital expenditure authorised by the governing body of the association which has not been contracted for;
 - d. if amounts at which any fixed assets are shown are arrived at by reference to a valuation:
 - i. the years (so far as they are known to the governing body of the association) in which the assets were severally valued and the several values, and

- ii. in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.
20. Revaluation reserve: where there is an increase in the value of this fund compared to the previous year this should be shown in the “other income” category on the Summary Sheet on page 11. Likewise any decrease should be shown in the “total expenditure” category on the Summary Sheet.

Guidance on completion of fixed assets account (page 8)

21. Under “Costs or Valuation” in the Fixed Assets Account there should be entered the cost of acquisition or, if an asset stands in the association’s books at a valuation, the amount of the valuation. If in respect of any asset the figures relating to the period before the end of the financial year covered by the return cannot be obtained without unreasonable expense or delay, the net amount at which the asset stood at that date may be entered with an explanatory note. Where assets are entered at a valuation, the headings should be amplified or amended as appropriate – see also note 19d.

Guidance on completion of analysis of investment income (page 9)

22. Income from Government Securities includes interest paid on Government Stock and money deposited in Government Securities.

**Guidance on completion of analysis of investment
(controlling interests)** (page 10)

23. State the names and company registration numbers of all relevant companies in which the association has a controlling interest. Companies limited by both guarantee and otherwise should be shown.
The questions about shareholdings do not apply where the relevant company is a company limited by guarantee.
Incorporated associations should refer to the question under that heading.
Unincorporated associations should refer to the question under that heading.

Guidance on completion of summary sheet (page 11)

24. The summary sheet is intended to assist in providing a simplified overview of the financial position of the organisation. It will primarily be used as the source for the information in the Certification Officer’s annual report, and as a source for comparative year-on-year analysis. It does not replace any information required in the annual return which must be completed in full.
25. The figures in the summary report must agree with the figures presented elsewhere in the annual return.
26. In order for the figures on the Summary Sheet to balance the following must be correct:
- i. Funds at beginning of year + Total income – Total expenditure = Funds at end of year
 - ii. Total Assets – Total Liabilities = Net Assets
 - iii. Funds at end of year = Net Assets

27. The "Total Income" figure for each set of funds must be the sum of the sources of income set out on the Summary Sheet.
28. The "Other Income" heading should be used to account for income received from sources other than members and investments, including recognised gains. Recognised gains include revaluation of assets and other changes in the value of assets which are not offset by an equal change in liabilities.
29. "All Accounts/Funds Other Than Political Funds" must include the Revenue Account/General Fund on page 3 and any other accounts/funds referred to on pages 4 to 6 or any pages supplementary to them. The figures entered in this column must match those on pages 3 and 4 to 6.
30. "Funds at Beginning of Year" will be the sum of those funds reported in the previous return to this Office, plus or minus any adjustments made subsequently. For associations for which this is the first return, this figure will be the sum of those funds held by the association at the beginning of the period covered by this return.
31. The "Funds At End of Year" figure must be the sum of "Total Income" and "Funds At Beginning of Year" less "Total Expenditure".
32. The "Total Assets" figure must be the total of: "Fixed Assets", "Investment Assets" and "Other Assets" (the figures entered above it).
33. "Liabilities" must be the total of "Total Assets" less "Funds At End of Year".

Guidance on completion of "notes to the accounts" (page 12)

34. If not otherwise shown, there should be a note to the accounts of every material respect in which items shown in the accounts are affected by:
 - a. transactions of an exceptional or non-recurrent nature; or
 - b. any change in the basis of accounting.

Guidance on accounting policies (page 13)

35. The accounting policies followed for dealing with items which are judged material in determining the surplus or deficit for the year and in stating the financial position must be shown here.
36. Accounting policies mainly comprise of the specific accounting bases selected by the governing body of the association, and consistently followed, for determining the accounting periods in which income and costs shall be recognised in the revenue account(s) and for determining the amounts at which material items should be stated in the Balance Sheet.

Signatures to the annual report (page 13)

37. The return must be signed by two officers of the association who normally should be the Secretary and the Chairman (a person should not sign in more than one capacity).
38. The return must be professionally audited and signed on page 15 (except in those cases in which it is permissible to use lay auditors - see note 45).

Checklist notes (page 13)

39. A copy of the rules in force at the end of the period to which the return relates **must** be provided, even where there have been no changes to the rules since the last return was made. This is a statutory requirement. The Certification Officer has no power to waive this provision.

Auditors (pages 14-15)

40. An Employers' Association must in respect of each accounting period appoint an auditor or auditors to audit the accounts contained in the annual return. **A person is not qualified to be the auditor or one of the auditors unless he is eligible for appointment as a company auditor under section 25 of the Companies Act 1989.**
- a. However two or more persons who are not so qualified may act as auditors of an Employers' Association in respect of an accounting period if:
 - b. the receipts and payments in respect of the association's last preceding accounting period did not in the aggregate exceed £5,000; and
 - c. the number of its members at the end of that period did not exceed 500; and
 - d. the value of its assets at the end of that period did not in the aggregate exceed £5,000, and
 - e. the lay auditors are not officers or employees of the association.

Note: The above requirements in respect of lay auditors is a statutory provision of the 1992 Act. The Certification Officer has no powers to amend any aspect of the above.

Auditor's report

41. **Section 131 of the 1992 Act provides that sections 28, 32 and 36 (and other specified sections) of the Act apply to an employers' association as in relation to a trade union.**

Section 36 of the 1992 Act provides as follows:

36. Auditors' report

(1) The auditor or auditors of a trade union shall make a report to it on the accounts audited by him or them and contained in its annual return.

(1A) The report shall state the names of, and be signed by, the auditor or auditors.

(2) The report shall state whether, in the opinion of the auditor or auditors, the accounts give a true and fair view of the matters to which they relate.

(3) It is the duty of the auditor or auditors in preparing their report to carry out such investigations as will enable them to form an opinion as to –

(a) whether the trade union has kept proper accounting records in accordance with the requirements of section 28.

(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.

(4) If in the opinion of the auditor or auditors the trade union has failed to comply with section 28, or if the accounts do not agree with the accounting records, the auditor or auditors shall state that fact in the report.

(5) Any reference in this section to signature by an auditor is, where the office of auditor is held by a body corporate or partnership, to signature in the name of the body corporate or partnership by an individual authorised to sign on its behalf.

Section 28 of the 1992 Act provides as follows:

28. Duty to keep accounting records

(1) A trade union shall –

(a) cause to be kept proper accounting records with respect to its transactions and its assets and liabilities, and

(b) establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances.

(2) Proper accounting records shall not be taken to be kept with respect to the matters mentioned in subsection (1)(a) unless there are kept such records as are necessary to give a true and fair view of the state of the affairs of the trade union and to explain its transactions.

Section 32(3)(a) of the 1992 Act provides as follows:

32. Annual return

(3) The annual return shall contain –

(a) the following accounts –

(i) revenue accounts indicating the income and expenditure of the trade union for the period to which the return relates,

(ii) a balance sheet as at the end of that period, and

(iii) such other accounts as the Certification Officer may require,

each of which must give a true and fair view of the matters to which it relates,

(b) a copy of the report made by the auditor or auditors of the trade union on those accounts and such other documents relating to those accounts and such further particulars as the Certification Officer may require

42. It is the practice of most professional auditors of employers' associations to prepare a full set of annual accounts under the current standards of their professional bodies. It is then common for the appropriate figures to be transposed from those accounts into the AR27 to create the accounts required by section 32(3) of the 1992 Act. The Certification Officer approves this practise, in as much as it results in compliance with the 1992 Act. In particular, the Certification Officer accepts that figures so transposed to create the required accounts in the AR27 will give a true and fair view of the matters to which they relate for the purposes of section 36(2) of the 1992 Act.

43. All auditors must prepare an audit report for the employers' association (section 36(1) of the 1992 Act). A copy of that audit report must form part of the AR27 (section 32(3)(b)). Auditors qualified under the Companies Act normally reproduce or attach to the AR27 a copy of the audit report contained in the full set of annual accounts it has prepared for the association. The Certification Officer approves this practice. Alternatively, auditors should set out in their report the basis on which the audit has been conducted.
44. Auditors are required to sign the form at the place provided.

Associations Incorporated Under The Companies Act

45. Provided the period covered is the same and there is no significant reduction in the amount of information provided, an association incorporated under the Companies Act may submit with its return a copy of its accounts prepared under the Companies Act provided pages 1, 2, 10, 11, 12, 13, 14, 15 of the AR27 are completed. A separate Auditors' Report, prepared according to the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992, must always be provided on page 14-15 of the return in accordance with the requirement indicated thereon. The summary sheet on page 11 must also be completed.
46. If in their report the auditors state that the accounts meet the provisions of the Companies Act they must also state that the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 have been met.