

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 2020		
List No:	229E		
Head or Main Office:	Guildhall		
	Quayside		
	Newcastle upon Tyne		
Postcode	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"/> ('X' in appropriate box)
General Secretary:	Michael Brodie		
Contact name for queries regarding the completion of this return:	Linda Bollado		
Telephone Number:	0191 2495902		
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 1093602

You should sent the annual return to the following address stating the name of the union in subject:

For Employers' Associations based in England and Wales: returns@certoffice.org

For Employers' Associations based in Scotland: ymw@tcyoung.co.uk

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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

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
There have been no change of officers since the last return.			

Officers in post

(see note 10)

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

Name of Officer	Position held
Michael Brodie	Director
Linda Bollado	Finance Officer
Brenda Conlon	Secretary to Director
David Leask	Consultant
Stephen McCurry	Digital Services Manager
Donna McCurry	Disclosure & Barring Assistant
Maureen O'Keefe	Secretary
Steven Taylor	Portal Support Officer

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
229,655	From Members	Subscriptions, levies, etc	227,451	227,451
	Investment income	Interest and dividends (gross)		
341		Bank interest (gross)	423	423
		Other (specify)		
		Total Investment Income	423	423
	Other Income	Rents received		
		Insurance commission		
33,167		Consultancy fees	102,549	102,549
		Publications/Seminars		
		Miscellaneous receipts (specify)		
285,536		North East Jobs & Winter Maintenance	314,720	314,720
49,925		Disclosure and Barring Services	54,093	54,093
1,738		CEEP Income & LA Challenge Event Oct	-5,063	-5,063
240,000		Actuarial Gain of Defined Pension Scheme	160,000	160,000
		Total of other income		626,299
		Total income		854,173
	Interfund Transfers IN			
	Expenditure			
501,658	Administrative expenses	Remuneration and expenses of staff	529,095	529,095
19,371		Occupancy costs	16,312	16,312
3,505		Printing, Stationery, Post	3,676	3,676
3,486		Telephones	4,005	4,005
6,175		Legal and Professional fees	8,198	8,198
		Miscellaneous (specify)		
10,458		Equipment Maintenance Costs	11,170	11,170
3,806		Miscellaneous Office Expenses	3,859	3,859
834		Staff Training	3,937	3,937
59,500		North East Jobs TMP Expenditure	74,875	74,875
		Total of Admin expenses		655,127
	Other Charges	Bank charges	586	586
668		Depreciation	1,994	1,994
1,994		Sums written off		
		Affiliation fees	642	642
609		Donations		
		Conference and meeting fees	958	958
1,281		Expenses		
		Miscellaneous (specify)		
		Total of other charges		4,180
		Taxation		
		Total expenditure		659,307
	Interfund Transfers OUT			
		Surplus/Deficit for year		194,866
		Amount of fund at beginning of year		-445,788
		Amount of fund at end of year		-250,922

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other Income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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 Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Income	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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 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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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		
	Interfund Transfers IN		
Expenditure	Administrative expenses		
	Other expenditure (specify)		
	Total Expenditure		
	Interfund Transfers OUT		
		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		£	£
1,994	Fixed Assets (as at Page 8)		
	Investments (as per analysis on page 9)		
	Quoted (Market value £) as at Page 9		
	Unquoted (Market value £) as at Page 9		
	Total Investments		
	Other Assets		
230,982	Sundry debtors	252,773	252,773
329,146	Cash at bank and in hand	357,379	357,379
	Stocks of goods		
	Others (specify)		
	Total of other assets	610,152	610,152
	Total Assets		610,152
-445,788	Revenue Account/ General Fund	-250,922	
	Revaluation Reserve		
	Liabilities		
89,768	Trade Creditors	68,703	
7,978	VAT	41,932	
6,175	Accrued expenses	6,450	
13,989	Deferred Income	13,989	
890,000	Provisions – Defined Benefit Pension Scheme	730,000	
	Total Liabilities		861,074
	Total Assets		610,152

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period			5,981	5,981
Additions during period				
Less: Disposals				
Less: Depreciation			-5,981	-5,981
Total to end of period				
Book Amount at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets				

Analysis of Investments

(see note 22)

Quoted		Other Funds
	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 investments (to be specified)	
	Total Unquoted (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 note 23)

Does the association, or any constituent part of the association, have a controlling interest in any limited company?

Yes		No	X
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If Yes name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)

Incorporated Employers' Associations

Are the shares which are controlled by the association registered in the association's name

Yes		No	
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If NO, please state the names of the persons in whom the shares controlled by the association are registered.

Company name	Names of shareholders

Unincorporated Employers' Associations

Are the shares which are controlled by the association registered in the names of the association's trustees?

Yes		No	
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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	Total Funds
		£
Income		
From Members	227,451	227,451
From Investments	423	423
Other Income (including increases by revaluation of assets)	626,299	626,299
Total Income	854,173	854,173
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	659,307	659,307
Funds at beginning of year (including reserves)	-445,788	-445,788
Funds at end of year (including reserves)	-250,922	-250,922
ASSETS		
	Fixed Assets	
	Investment Assets	
	Other Assets	610,152
	Total Assets	610,152
Liabilities	Total Liabilities	861,074
Net Assets (Total Assets less Total Liabilities)		-250,922

Notes to the accounts

(see note 34)

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

Notes are attached separately due to size.

1. FIXED ASSETS

	<u>Computer Equipment</u>
<u>COST</u>	
Cost at 1 April 2019	5,981
Additions during the year	-
Cost at 31 March 2020	<u>5,981</u>
<u>DEPRECIATION</u>	
Depreciation at 1 April 2019	3,987
Charge for the year	<u>1,994</u>
Depreciation at 31 March 2020	<u>5,981</u>
VALUE AT 31 MARCH 2020	<u>-</u>
VALUE AT 31 MARCH 2019	<u>1,994</u>

2. DEBTORS & PREPAYMENTS

	2020	2019
	£	£
Trade Debtors	247,575	225,864
Prepayments	<u>5,198</u>	<u>5,118</u>
Total	<u>252,773</u>	<u>230,982</u>

3. CURRENT LIABILITIES

	2020	2019
	£	£
Trade Creditors	68,703	89,768
VAT Creditor	41,932	7,978
Accruals	6,450	6,175
Deferred Income	13,989	13,989
Other Creditors	<u>-</u>	<u>-</u>
Total	<u>131,074</u>	<u>117,910</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 <u>1 April 2019</u>	Surplus/ (deficit)	Balance at <u>31 March 2020</u>
Revenue Account	444,212	34,866	479,078
Defined Benefit Pension Scheme	(890,000)	<u>160,000</u>	<u>(730,000)</u>
	<u>(445,788)</u>	<u>194,866</u>	<u>(250,922)</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 full actuarial valuation of the Fund was carried out by independent qualified actuaries as at 31 March 2019. 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 explicable allocated to each of the participating employers. The market value of the Scheme's assets was £3.44m and these assets were sufficient to cover 82.5% of the liabilities of the Fund at the valuation date – a deficit of £0.73m.

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

	<u>2020</u>	<u>2019</u>
	<u>% p.a.</u>	<u>% p.a.</u>
Discount rate	2.3%	2.4%
RPI inflation	2.7%	3.3%
CPI inflation	2.1%	2.2%
Rate of increase to pensions in payment	2.1%	2.2%
Rate of increase to deferred pensions	2.1%	2.2%
Rate of general increase in salaries	3.6%	3.7%

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>2020</u>	<u>2019</u>
Equities	54.8%	65%
Property	9.0%	8.8%
Government Bonds	4.1%	4.1%
Corporate Bonds	15.3%	11.7%
Cash	2.3%	2.7%
Other	14.5%	7.7%
	<u>Value (£M)</u>	
Total Fair Value of Assets	3.44	3.96
Present Value of Obligation	4.17	4.85
Deficit in scheme / Net Pension Liability	(0.73)	(0.89)

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

Active Members	20%
Deferred Pensioners	13%
Pensioners	67%

Analysis of the defined benefit cost:	<u>2020</u>	<u>2019</u>
	<u>(£M)</u>	<u>(£M)</u>
Operating Cost		
Current Service Cost	0.04	0.04
Past Service Cost	0.01	0.00
Financing Cost		
Interest on net defined benefit liability / (asset)	0.02	0.03
Total Expense	0.07	0.07

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

	<u>2020</u>	<u>2019</u>
	<u>(£M)</u>	<u>(£M)</u>
Opening defined benefit obligation	4.85	4.53
Current service costs	0.04	0.04
Interest expense on defined benefit obligation	0.11	0.12
Contributions by participants	0.01	0.01
Actuarial (gains) / losses on liabilities	(0.70)	0.33
Net benefits paid out	(0.15)	(0.18)
Past Service costs	0.01	0.00
Closing defined benefit obligation	4.17	4.85

Changes to the fair value of assets	<u>2020</u>	<u>2019</u>
	(£M)	(£M)
Opening fair value of assets	3.96	3.40
Interest income on assets	0.09	0.09
Remeasurement gains / (losses) on assets	(0.60)	0.52
Contributions by the employer	0.13	0.12
Contributions by participants	0.01	0.01
Net benefits paid out	(0.15)	(0.18)
Closing fair value of assets	3.44	3.96
Actual return on Assets	<u>2020</u>	<u>2019</u>
	(£M)	(£M)
Interest income on assets	0.09	0.09
Gain / (loss) on assets	(0.60)	0.52
Actual return on assets	(0.51)	0.61

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 2020 was £135,416 (2019: £131,317).

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 21.3% of the employees' pensionable remuneration.

7. SALARIES & WAGES

	2020	2019
	£	£
Wages & Salaries	334,450	293,524
Employer's NI	35,371	48,584
Pension costs	<u>135,416</u>	<u>131,317</u>
	<u>505,237</u>	<u>473,425</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 35 & 36)

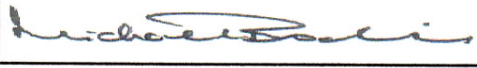
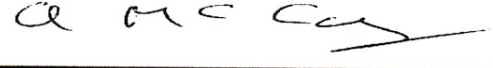
Accounting policies are attached separately, due to size.

Signatures to the annual return

(see notes 37 and 38)

Including the accounts and balance sheet contained in the return.

Please copy and paste your electronic signature here

Secretary's Signature:		Chairman's Signature:	
			(or other official whose position should be stated)
Name:	Michael Brodie	Name:	Ann McCoy
Date:	22 September 2020	Date:	22 September 2020

Checklist

(see note 39)

(please enter 'X' as appropriate)

Is the return of officers attached? (see Page 2)	Yes	X	No	
Has the list of officers been completed? (see Page 2A)	Yes	X	No	
Has the return been signed? (see Note 37)	Yes	X	No	
Has the auditor's report been completed? (see Note 41)	Yes	X	No	
Is the rule book enclosed? (see Note 39)	Yes		No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

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.

Checklist for auditor's report

(see notes 41 to 44)

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

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate? (See section 36(1) and (2) of the 1992 Act and notes 43 and 44)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.

(See section 36(4) of the 1992 Act set out in note 43)

Please explain in your report overleaf or attached.

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

In our opinion the financial statements:

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

Auditor's report (continued)

Audit report is attached separately, due to size.

Signature(s) of auditor or auditors:	<i>Azets Audit Services</i>	
Name(s):	Azets Audit Services	
Profession(s) or Calling(s):	ICAEW	
Address(es)	Bede House, 3 Belmont Business Park, Durham, DH1 1TW	
Date:	22 September 2020	
Contact name for enquiries and telephone number:	Lesley Stabler - 0191 4112468	

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

Opinion

We have audited the financial statements of North East Regional Employers' Organisation for the year ended 31 March 2020 which comprise of the Income and Expenditure account, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of North East Regional Employers' Organisation's affairs as at 31 March 2020 and of its surplus 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, in particular sections 28, 32 and 36.

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

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

We have nothing to report in this regard.

Opinions on other matters as prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992

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

- the information given in the executive board's statement for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the executive board's statement has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the organisation and its environment obtained in the course of the audit, we have not identified material misstatements in the executive board's statement.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Executive Board

As explained more fully in the executive board's statement, 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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the organisations' members, as a body, in accordance with Section 36 of the Trade Union & Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the organisations 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 organisation and the organisations members as a body, for our audit work, for this report or for the opinions we have formed.

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