

Do Not Staple

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:

North Western Local Authorities' Employers'
Organisation

Year ended:

31 March 2021

List No:

CO/257E

Head or Main Office:

Suite 3.3, 3rd Floor

ICE Building 3, Exchange Quay

Salford Quays

Manchester

Postcode

M5 3ED

Website address (if available)

www.nwemployers.org.uk

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

Yes

No

('X' in appropriate box)

General Secretary:

Gillian Bishop

Contact name for queries regarding the completion of this return:

Gillian Bishop, Chief Executive

Telephone Number:

0161 214 7127

E-mail:

gillianb@nwemployers.org.uk

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Office as below or by telephone to: 0330 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

Contents

Employers' Association's details.....	1
Return of members.....	2
Change of officers.....	2
Officers in post.....	2a
Revenue Account/General Fund.....	3
Accounts other than the revenue account/general fund.....	4-6
Balance sheet.....	7
Fixed Assets Account.....	8
Analysis of investments.....	9
Analysis of investments income (Controlling interests).....	10
Summary sheet.....	11
Summary Sheet (Only for Incorporated Bodies).....	11a
Notes to the accounts.....	12
Accounting policies.....	13
Signatures to the annual return.....	13
Checklist.....	13
Checklist for auditor's report.....	14
Auditor's report (continued).....	15
Guidance on completion.....	16

Return of Members

(see note 9)

Number of members at the end of the year				
Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (Including Channel Islands)	Totals
43				43

Change of Officers

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

Position held	Name of Officer ceasing to hold office	Name of Officer appointed	Date of Change
Chair	Councillor Trevor Holt	Councillor Trevor Holt	15 July 2020
Deputy Chair	Councillor Mike Wharton	Councillor Mike Wharton	15 July 2020
Vice Chair	Councillor Derek Brook	Councillor Derek Brook	15 July 2020
Vice Chair	Councillor Oliver Robinson	Councillor Oliver Robinson	15 July 2020

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
Councillor Trevor holt	Chair
Councillor Mike Wharton	Deputy Chair
Councillor Derek Brook	Vice Chair
Councillor Oliver Robinson	Vice Chair
Councillor Ron Whittle	Member
Councillor Paul Donovan	Member
Councillor Janet Willis	Member
Councillor Joe Hanson	Member
Councillor Mohammed Iqbal	Member
Councillor Phil Crowe	Member
Councillor Daalat Ali	Member
Councillor Barbara Bentham	Member
Councillor Rachael Hogg	Member
Councillor Martin Bond	Member
Councillor Joanne Bennett	Member
Councillor Cathy Mitchell	Member
Councillor Alan Vincent	Member
Councillor Yvonne Gagen	Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
669,641	From Members	Subscriptions, levies, etc	669,282	669,282
	Investment income	Interest and dividends (gross)		
4,435		Bank interest (gross)	1,023	1,023
		Other (specify)		
4,435		Total Investment Income	1,023	1,023
	Other Income	Rents received		
		Insurance commission		
896,590		Consultancy fees	482,192	482,192
		Publications/Seminars		
		Miscellaneous receipts (specify)		
896,590		Total of other income		482,192
1,570,666		Total income		1,152,497
		Interfund Transfers IN		
	Expenditure			
714,774	Administrative expenses	Remuneration and expenses of staff	614,627	614,627
99,057		Occupancy costs	27,113	27,113
4,071		Printing, Stationery, Post	341	341
7,693		Telephones	8,579	8,579
8,878		Legal and Professional fees	9,559	9,559
		Miscellaneous (specify)		
		Website Cost	4,395	4,395
6,247		Travel & Subsistence		
9,955		Car Leasing	15,538	15,538
16,218		Training & Consultancy	337,467	337,467
609,530		Loss on Disposal of Tangible Fixed Assets	27,604	27,604
		Total of Admin expenses		1,045,223
	Other Charges	Bank charges	3,070	3,070
757		Depreciation	3,304	3,304
19,331		Sums written off		
374		Affiliation fees		
1,000		Donations		
		Conference and meeting fees		
4,994		Expenses	2,661	2,661
		Miscellaneous (specify)		
		Information Service	2,681	2,681
1,550		Sundry Expenses	4,950	4,950
769		Office Equipment	21,041	21,041
20,564		Regional Employers		
2,285				
		Total of other charges		37,707
	Taxation			
		Total expenditure		1,082,930
1,528,047		Interfund Transfers OUT		
		Surplus/Deficit for year		69,567
		Amount of fund at beginning of year		1,063,730
		Amount of fund at end of year		1,133,297

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 2021]

(see notes 19 and 20)

Previous Year		£	£
30,406	Fixed Assets (as at Page 8)	3,601	3,601
	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		
299,586	Sundry debtors	74,288	74,288
1,287,323	Cash at bank and in hand	1,471,754	1,471,754
	Stocks of goods		
	Others (specify)		
	Total of other assets	1,546,042	1,546,042
	Total Assets		1,549,643
1,063,730	Revenue Account/ General Fund	1,133,297	
-3,492,000	Defined benefit pension liability	-4,746,000	
	Revaluation Reserve		
	Liabilities		
81,801	Tax Payable	15,172	
26,618	Sundry Creditors	11,872	
40,044	Accrued Expenses	11,529	
3,492,000	Provisions	4,746,000	
405,122	Other Liabilities (Deferred Grant / Income)	377,773	
	Total Liabilities		5,162,346
	Total Assets		1,549,643

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period		116,636		116,636
Additions during period		4,103		4,103
Less: Disposals		-78,048		-78,048
Less: Depreciation		-39,090		-39,090
Total to end of period		3,601		3,601
Book Amount at end of period		3,601		3,601
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets		3,601		3,601

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

Summary Sheet

(see notes 24 to 33)

	All Funds	Total Funds
		£
Income		
From Members	669,282	669,282
From Investments	1,023	1,023
Other Income (including increases by revaluation of assets)	482,192	482,192
Total Income	1,152,497	1,152,497
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	2,336,930	2,336,930
Funds at beginning of year (including reserves)	-2,428,270	-2,428,270
Funds at end of year (including reserves)	-3,612,703	-3,612,703
ASSETS		
Fixed Assets		3,601
Investment Assets		
Other Assets		1,546,042
Total Assets		1,549,643
Liabilities		
Total Liabilities		5,162,346
Net Assets (Total Assets less Total Liabilities)		-3,612,703

Summary Sheet

(see notes 24 to 33)

		All Funds	Total Funds
		£	£
Income			
	From Members		
	From Investments		
	Other Income (including increases by revaluation of assets)		
	Total Income		
Expenditure			
	(including decreases by revaluation of assets)		
	Total Expenditure		
Funds at beginning of year			
	(including reserves)		
Funds at end of year			
	(including reserves)		
ASSETS			
	Fixed Assets		
	Investment Assets		
	Other Assets		
	Total Assets		
Liabilities			
	Total Liabilities		
Net Assets (Total Assets less Total Liabilities)			

Notes to the accounts

(see note 34)

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

See attached AR27 - Notes to the Accounts

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Details of expenditure

	2021		2020	
	£	£	£	£
Employment and related costs				
Salaries	437,846		522,277	
Superannuation and pension costs	121,537		127,470	
National insurance	53,985		63,521	
		613,368		713,268
Payroll administration		1,259		1,506
		614,627		714,774
Premises				
Rent and rates	8,585		60,987	
Repairs and renewals	4,287		5,328	
Service charge	17,037		17,682	
Electricity costs	1,573		2,082	
Dilapidations	(12,000)		3,000	
Cleaning	60		3,399	
		19,542		92,478
Establishment				
Postage	221		338	
Communication	8,579		7,693	
Travelling and subsistence	-		9,955	
Car leasing and car allowance	15,538		16,218	
Audit, accountancy and tax services	5,875		6,875	
Other legal and professional fees	3,684		2,003	
Information service	2,681		1,550	
Insurance	7,571		6,579	
Printing, stationery and reprographics	120		3,733	
Office equipment	21,041		20,564	
Sundry expenses	4,950		769	
Staff training	2,661		4,994	
Bank charges and interest	3,070		757	
C.E.E.P.	-		1,000	
Regional employers	-		2,285	
Website costs	4,395		6,247	
Irrecoverable debts	-		374	
Depreciation	3,304		19,331	
Loss on disposal of tangible fixed assets	27,604		-	
		111,294		111,265
Training and consultancy and external projects				
Training and consultancy	124,131		224,404	
Grant-funded external projects	213,336		385,126	
		337,467		609,530
Total expenditure		1,082,930		1,528,047

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Staff costs	2021	2020
	£	£
Employment costs within external projects		
Wages and salaries	156,287	156,334
Employers' NI, including Class 1A	11,446	17,429
Superannuation and pension costs	25,730	37,819
Redundancy costs	-	4,197
	193,463	215,779
Other employment costs		
Wages and salaries	437,846	522,277
Employers' NI, including Class 1A	53,985	63,521
Superannuation and pension costs	121,537	127,470
	613,368	713,268
Totals		
Wages and salaries	594,133	678,611
Employers' NI, including Class 1A	65,431	80,950
Superannuation and pension costs	147,267	165,289
Redundancy costs	-	4,197
	806,831	929,047

The average number of employees during the year, excluding temporary staff, was 17 (2020: 17).

4. Lease commitments

At the reporting end date, the organisation had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £113,801 (2020: £183,614).

5. Accumulated funds

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

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

6. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 31 March 2020	116,636
Additions	4,103
Disposals	(78,048)
	42,691
 Accumulated Depreciation	
At 31 March 2020	86,230
Charge for the year	3,304
Disposals	(50,444)
	39,090
 Net Book Value	
At 31 March 2021	3,601
	30,406
At 31 March 2020	30,406

7. Debtors

	2021	2020
	£	£
Trade debtors	56,996	218,041
Other debtors	7,995	53,355
Prepayments	9,297	28,190
	74,288	299,586
	74,288	299,586

8. Creditors

	2021	2020
	£	£
Trade creditors	11,872	26,618
VAT creditor	15,172	81,801
Accruals	11,529	40,044
Deferred income	377,773	405,122
	416,346	533,585
	416,346	533,585

Accounting policies

(see notes 35 & 36)



See Attached AR27 - Accounting Policies

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

Secretary's Signature: 	Chairman's Signature: 
Name: Gillian Bishop	Name: Councillor Trevor Holt <small>(or other official whose position should be stated)</small>
Date: 11 August 2021	Date: 11 August 2021

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	X	No	
Has the summary sheet been completed? (see Notes 6 and 24 to 33)	Yes	X	No	

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies

Organisational information

North Western Local Authorities' Employers' Organisation is a registered Employers' Association with the Certification Office under the Trade Union and Labour Relations (Consolidation) Act 1992, registration number CO/257E. The organisation head office is Suite 3.3, ICE Building 3, Exchange Quay, Salford Quays, Greater Manchester.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Organisation. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Going concern

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

1.3 Income and expenditure

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

Expenditure is recognised on the accruals basis.

1.5 Tangible fixed assets

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

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

Computer equipment	3 years
Other equipment and furniture	5 years

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

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.6 Impairment of fixed assets

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount due.

1.8 Cash and cash equivalents

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

1.9 Creditors and deferred income

Creditors are recognised when the organisation has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Deferred income relating to projects and training is income invoiced in the year, but which is to be used wholly or partly for expenditure in a later period. The income is deferred to the extent that the expenditure which it covers has not been incurred at the balance sheet date.

1.10 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

1.11 Taxation

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

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1.12 Employee benefits

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

1.13 Retirement benefits

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

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

1.12 Leases

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

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)

See attached AR27 - Auditors Report

Signature(s) of auditor or auditors:



Name(s):

David A Kay

Profession(s) or Calling(s):

Senior Statutory Auditor and
Chartered Accountant

Address(es)

Carlyle House
78 Chorley New Road
Bolton

Date:

12 August 2021

Contact name for enquiries and telephone number:

01204 527451

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION**

Opinion

We have audited the financial statements of North Western Local Authorities' Employers' Organisation for the year ended 31 March 2021 which comprise of the income and expenditure account, the balance sheet, the statement of changes in reserves and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of North Western Local Authorities' Employers' Organisation's affairs as at 31 March 2021 and of its transactions for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations Act 1992.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 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.

Matters on which we are required to report by exception

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION**

Respective Responsibilities of Executive Board

As explained more fully in the statement of officers' responsibility set out on page 3, the officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the officers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

In preparing the financial statements, the officers are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the officers either intend to liquidate the Organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Organisation through discussions with directors and other management, and from our knowledge and experience of Organisations within the Employers' Association and governed by the Trade Union and Labour Relations (Consolidation) Act 1992;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Organisation, including the Trade Union and Labour Relations (Consolidation) Act 1992 and data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Organisation's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the Organisation's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

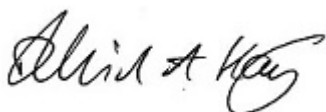
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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



David A Kay (Senior Statutory Auditor)
Barlow Andrews LLP
Chartered Accountants and Statutory Auditors
Carlyle House, 78 Chorley New Road, Bolton

4 August 2021