

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:

Year ended:

List No:

Head or Main Office:

Postcode

Website address (if available)

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

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
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 ('X' in appropriate box)

General Secretary:

Contact name for queries regarding the completion of this return:

Telephone Number:

E-mail:

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
45				45

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
WM Board Member	Cllr Philip Atkins	Cllr Abigail Brown	6.8.2020

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
Rebecca Davis	Chief Executive
Sharon Phillips	Assistant Director Finance & Governance
Manny Sandhu	Director L&OD and Resourcing
Lesley Shore	Director HR, Membership & Corporate Services
Cllr Ken Meeson	Chair WME Management Board
Cllr Tristan Chatfield	Vice Chair WME Management Board
Cllr Abigail Brown	WME Management Board
Cllr Geoff Denaro	WME Management Board
Cllr Tony Jefferson	WME Management Board
Cllr Roger Phillips	WME Management Board
Cllr Wasim Ali	WME Management Board

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
262,915	From Members	Subscriptions, levies, etc	503,736	503,736
	Investment income	Interest and dividends (gross)		
7,031		Bank interest (gross)	1,487	1,487
		Other (specify)		
		Total Investment Income	1,487	1,487
	Other Income	Rents received		
		Insurance commission		
552,234		Consultancy fees	493,979	493,979
27,582		Publications/Seminars	20,499	20,499
		Miscellaneous receipts (specify)		
429,676		Jobs Board Services	394,018	394,018
359,394		E-Recruitment Service	369,252	369,252
90,937		Coaching & Mentoring/Resourcing&Talent	241,924	241,924
172,190		Leadership & OD	201,554	201,554
		Total of other income		1,721,226
		Total income		2,226,449
		Interfund Transfers IN		
	Expenditure			
290,457	Administrative expenses	Remuneration and expenses of staff	143,123	143,123
26,704		Occupancy costs	23,920	23,920
1,811		Printing, Stationery, Post	1,586	1,586
6,181		Telephones	16,049	16,049
10,739		Legal and Professional fees	15,279	15,279
		Miscellaneous (specify)		
40,210		ICT & office equipment expenses	24,360	24,360
		Total of Admin expenses		224,317
	Other Charges	Bank charges		
		Depreciation		
		Sums written off		
		Affiliation fees		
		Donations		
3,341		Conference and meeting fees	920	920
9,421		Expenses	774	774
		Miscellaneous (specify)		
1,501,003		Consultancy and Direct costs	1,992,169	1,992,169
11,438		Publishing and marketing materials	7,541	7,541
		Total of other charges		2,001,404
		Taxation		
		Total expenditure		2,225,721
		Interfund Transfers OUT		
		Surplus/Deficit for year		728
		Amount of fund at beginning of year		39,384
		Amount of fund at end of year		40,112

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 2		Fund Account	
Name of account:	Designated Funds	£	£
Income			
	From members		
	Investment income		
	Other Income (specify)		
		Total Income	
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	WME Business Improvement	17,807	
	GDPR implementation	2,000	
		19,807	19,807
		Total Expenditure	19,807
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-19,807
		Amount of fund at beginning of year	595,101
		Amount of fund at the end of year (as Balance Sheet)	575,294

Account 3		Fund Account	
Name of account:	WMC liability reserve	£	£
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	159,216
		Amount of fund at the end of year (as Balance Sheet)	159,216

Accounts other than Revenue Account/General Fund

(see notes 17 to 18)

Account 4		Fund Account	
Name of account:		£	£
Pension scheme obligations (WMPF)			
Income			
	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Pension administrative expenses	6,000	
	Other finance costs	204,000	
	Other recognised gains and losses	1,617,000	
	Supplemental agreement contribution	-669,000	
		1,158,000	1,158,000
	Total Expenditure		1,158,000
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-1,158,000
		Amount of fund at beginning of year	-9,004,000
		Amount of fund at the end of year (as Balance Sheet)	-10,162,000

Account 5		Fund Account	
Name of account:		£	£
Pension scheme obligations (SPF)			
Income			
	From members		
	Investment income		
	Other income (specify)		
	Total Income		
	Interfund Transfers IN		
Expenditure			
	Administrative expenses		
	Other expenditure (specify)		
	Pension scheme service cost net of employer contribution paid	23,000	
	Other finance costs	33,000	
	Other recognised gains and losses	1,120,000	
		1,176,000	1,176,000
	Total Expenditure		1,176,000
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	-1,176,000
		Amount of fund at beginning of year	-1,397,000
		Amount of fund at the end of year (as Balance Sheet)	-2,573,000

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		£	£
	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		
	Sundry debtors		
946,497	Cash at bank and in hand	1,016,095	1,016,095
	Stocks of goods		
	Others (specify)		
357,784	Income receivable	546,514	
60,054	Prepayments	23,271	
1,152	Staff loans		
9,691	Other debtors (VAT asset)		
	Total of other assets	1,585,880	1,585,880
		Total Assets	1,585,880
39,384	Revenue Account/ General Fund	40,112	
595,101	Designated Funds	575,294	
159,216	WMC liability reserve	159,216	
-9,004,000	Pension scheme obligations (WMPF)	-10,162,000	
-1,397,000	Pension scheme obligations (SPF)	-2,573,000	
	Revaluation Reserve		
	Liabilities		
225,250	Creditors balances	267,974	
108,962	Other project funds	59,341	
247,265	Accrued expenses and deferred income	452,788	
	VAT liabilities	31,155	
		Total Liabilities	811,258
		Total Assets	1,585,880

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period		35,535		35,535
Additions during period				
Less: Disposals				
Less: Depreciation		-35,535		-35,535
Total to end of period				
Book Amount at end of period				
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
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	X
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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	X
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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	503,736	503,736
From Investments	1,487	1,487
Other Income (including increases by revaluation of assets)	1,721,226	1,721,226
Total Income	2,226,449	2,226,449
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	4,579,528	4,579,528
Funds at beginning of year (including reserves)	-9,607,299	-9,607,299
Funds at end of year (including reserves)	-11,960,378	-11,960,378
ASSETS		
	Fixed Assets	
	Investment Assets	
	Other Assets	1,585,880
	Total Assets	1,585,880
Liabilities	Total Liabilities	13,546,258
Net Assets (Total Assets less Total Liabilities)		-11,960,378

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 following pages (the form will not allow an object to be embedded to this return, or copied into the cells)

WEST MIDLANDS EMPLOYERS

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

2a	Surplus/(deficit) per service centre	2021	2020
		£	£
	Employer Services	(29,858)	105,749
	HR Services & Consultancy	8,364	62,527
	Jobs Board Services	118,177	77,484
	e-Recruitment Platform Service	45,464	(116,987)
	Coaching & Mentoring Pool	23,392	5,128
	Leadership & OD	(128,409)	(68,172)
	Resourcing & Talent	(36,402)	(65,075)
	Workforce Priority Fund	-	-
		<u>728</u>	<u>654</u>
2b	Overhead costs	2021	2020
		£	£
	Staff costs	143,123	290,457
	Travel and subsistence	774	9,421
	Establishment expenses	23,920	26,704
	ICT & office equipment expenses	24,360	40,210
	Professional fees; audit, legal, etc	15,279	10,739
	Copying, stationery and postage	1,586	1,811
	Publishing and marketing materials	7,541	11,438
	Meetings and hospitality	920	3,341
	Communication costs	16,049	6,181
		<u>233,552</u>	<u>400,302</u>

In 2021 overheads are apportioned across revised cost centres in line with the new Strategic Plan.

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3	Tangible fixed assets			Office equipment £	Total £	
	Cost					
	At 31 March 2020 and 31 March 2021			35,535	35,535	
				<hr/>	<hr/>	
	Depreciation					
	At 31 March 2020 and 31 March 2021			35,535	35,535	
				<hr/>	<hr/>	
	Net book value					
	31 March 2021			-	-	
				<hr/>	<hr/>	
	31 March 2020			-	-	
				<hr/>	<hr/>	
4	Project Funds held on account	01/04/20 Total £	Income £	Expenditure £	Transfers £	31/03/21 Total £
	Epaycheck	48,449	-	(48,449)	-	-
	Public Health England	1,001	-	-	-	1,001
	Regional Monitoring Funds	30,557	-	-	-	30,557
	CM Pilot Fund	28,955	-	(6,972)	-	21,983
	Careers Site	-	5,800	-	-	5,800
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		108,962	5,800	(55,421)	-	59,341
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The project fund balances are held on account to support project activity in 2021-22.

This year WME introduced a £100k Workforce Priority Fund which is received as an element of annual subscription but is ring fenced to support specific regional projects. The total funds have been committed in the year but the fund also attracted additional cash contributions which are accounted for through the income and expenditure service codes. Member Councils received a detailed report on this Fund in their Annual Benefit Statement.

5(a)	General Reserve	£
	At 1 April 2020	39,384
	Net income before pension adjustments and exceptional items (page 10)	728
	Transfer to designated reserves (5b)	-
	At 31 March 2021	<hr/> 40,112 <hr/>

WEST MIDLANDS EMPLOYERS

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

5(b) WME Designated Reserves	01/04/20	Transfer (to)/from other reserve	Expenditure	31/03/21
	£	£	£	£
WME Business Improvement	20,000	-	(17,807)	2,193
Operational Deficit	37,960	-	(37,960)	-
WME Severance Top Up Product/Service	215,685	-	-	215,685
Development funds (ex PLT)	251,967	-	-	251,967
GDPR Implementation	3,937	-	(2,000)	1,937
Deficit Budget Reserve	65,552	-	37,960	103,512
	<u>595,101</u>	<u>-</u>	<u>(19,807)</u>	<u>575,294</u>

5(c) WMC Severance Liability Reserve	£
At 31 March 2020	159,216
Expenditure in the year	-
At 31 March 2021	<u>159,216</u>

6 Financial commitments

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

	2021	2020
	£	£
Land and buildings		
Not later than one year	-	18,920
	<u>-</u>	<u>18,920</u>

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7 Pension scheme – Local Government Pension Scheme

WME via its host employer Staffordshire County Council operates a defined benefit pension scheme in the UK for all qualifying employees.

In June 2012 the organisation ceased to be an employing body when it completed a TUPE transfer of its staff to Staffordshire County Council who now acts as host employer. WME (WMC) therefore now has a liability to the WMPF for past pension liabilities and to the SPF for ongoing pension commitments.

The funding of the scheme is assessed in accordance with advice received from independent actuaries.

7a West Midlands Pension Fund

An actuarial valuation as at 1 June 2012 was completed in relation to the WMPF in order that the actuary could provide calculations and valuations to form the basis of a planned buy-out and settlement of the liability as at 1 June 2012.

Subsequent to this valuation, the member authorities were informed of their liabilities in respect of the WMPF and invoices for contributions for the period to 31 March 2018 were raised and issued to them. Contributions have been collected and paid over to the WMPF.

Future contributions from April 2019 onwards are calculated by the actuary. Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The most recent actuarial valuation of the fund was carried out as at 31 March 2019 and will set contributions for the period from April 2021 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial assumptions.

	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Amounts recognised in the balance sheet		
Present value of obligations	(20,407)	(17,897)
Fair value of plan assets	10,245	8,893
Funded status	(10,162)	(9,004)
Net amount recognised as a liability	(10,162)	(9,004)
Components of pension cost		
Interest cost	409	432
Expected return on assets	(205)	(293)
Total pension cost recognised in the revenue account	204	139

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7a West Midlands Pension Fund (continued)

	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Remeasurement of the net assets/(defined liability)	(1,617)	(3,295)
Admin expenses	(6)	(8)
	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Change in benefit obligations		
Benefit obligations at beginning of year	17,897	18,294
Interest cost	409	432
Change in financial and demographic assumptions	3,389	(878)
Experience (gain)/loss on defined benefit obligation	(294)	600
Unfunded pension payments	(37)	-
Benefits paid	(957)	(551)
Benefit obligation at end of year	20,407	17,897
	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Changes in plan assets		
Fair value of assets at beginning of year	8,893	12,213
Return of assets less interest	1,478	(795)
Interest on assets	205	293
Other actuarial gains/(losses)	-	(2,778)
Employer contribution	669	519
Admin expenses	(6)	(8)
Benefits paid	(994)	(551)
Fair value of assets at end of year	10,245	8,893

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7a West Midlands Pension Fund (continued)

Expected return on assets

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

Weighted average assumptions used to determine benefit obligations at:

	31/03/21	31/03/20
Discount rate	2.00%	2.35%
Rate of pension increase	2.85%	1.95%
CPI inflation assumption	2.85%	1.95%
Further life expectations from age 65:		
<i>Retiring today</i>		
Males	21.6	21.9
Females	23.9	24.1
<i>Retiring in 20 years</i>		
Males	23.4	23.8
Females	25.8	26.0

Five Year History	31/03/21	31/03/20	31/03/19	31/03/18	31/03/17
	£'000	£'000	£'000	£'000	£'000
Benefit obligation at end of year	20,407	17,897	18,294	18,535	22,117
Fair value of plan asset at end of year	10,245	8,893	12,213	12,217	16,773
Deficit	<u>(10,162)</u>	<u>(9,004)</u>	<u>(6,081)</u>	<u>(6,318)</u>	<u>(5,344)</u>

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7(b) Staffordshire Pension Fund	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Amounts recognised in the balance sheet		
Present value of funded obligations	(11,402)	(8,204)
Fair value of plan assets	8,829	6,807
	<hr/>	<hr/>
Funded status	(2,573)	(1,397)
	<hr/>	<hr/>
Net amount recognised as a (liability)/asset	(2,573)	(1,397)
	<hr/>	<hr/>
Components of pension cost		
Current service cost	225	296
Past service cost	-	13
Interest cost	191	211
Expected return on assets	(158)	(209)
	<hr/>	<hr/>
Total pension cost recognised in the revenue account	258	311
	<hr/>	<hr/>
Total remeasurements recognised in the revenue account	(1,153)	(1,270)
	<hr/>	<hr/>
	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Changes in benefit obligations		
Benefit obligations at beginning of year	8,204	8,293
Current service cost	225	296
Past service cost	-	13
Interest cost	191	211
Member contributions	-	55
Changes in assumptions	2,923	(1,124)
Other experience	(91)	569
Contributions by employer	61	-
Benefits paid	(111)	(109)
	<hr/>	<hr/>
Benefit obligation at end of year	11,402	8,204
	<hr/>	<hr/>

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7(b) Staffordshire Pension Fund (continued)

	At year end 31/03/21 £'000	At year end 31/03/20 £'000
Changes in plan assets		
Fair value of assets at beginning of year	6,807	8,266
Expected return on assets	1,712	(1,825)
Interest income/(expense) on assets	158	209
Employer contribution	202	211
Member contributions	61	55
Benefits Paid	(111)	(109)
	8,829	6,807

Weighted average assumptions used to determine benefit obligations at:

	31/03/21	31/03/20
Discount rate	2.05%	2.30%
Rate of salary increase	3.20%	2.20%
Rate of pension increase	2.80%	1.80%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2018 model, an allowance for smoothing of recent mortality experience and long term rates of 1.25% p.a. for males and females. Based on these assumptions the average future life expectancies at age 65 are summarised below:

	At year end 31/03/21 £'000	At year end 31/03/20 £'000
<i>Current Pensioners</i>		
Males	21.4	21.2
Females	24.0	23.6
<i>Future Pensioners</i>		
Males	22.5	22.1
Females	25.7	25.0

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7(b) Staffordshire Pension Fund (continued)

Life expectancies for the prior year end are based on the Fund's VitaCurves. The allowance for future life expectancies are shown below:

Period ended	Prospective Pensioners	Pensioners
31 March 2021	<p>Weighted 25% CMI2020 and 75% CMI 2018 Model.</p> <p>CMI 2020 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.5% p.a.</p> <p>CMI 2018 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.</p>	<p>Weighted 25% CMI2020 and 75% CMI 2018 Model.</p> <p>CMI 2020 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.5% p.a.</p> <p>CMI 2018 model assuming the current rate of improvements has peaked and will converge to a long-term rate of 1.25% p.a.</p>

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

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

8 Related party transactions

WME is a Membership Organisation, it primarily delivers its services to its Member Councils, based on agreed upon rates, no individual Council receives preferential treatment. No separate disclosure of services provided to Member Councils is considered necessary.

WME entered into a lease agreement with the Borough Council of Sandwell (SMBC) to sub-let offices within the Council Buildings, this agreement came to an end during the 31 March 2021 period.

9 Contingent asset note

As at the balance sheet date, Staffordshire County Council acts as host employer for West Midlands Employers' staff who belong to the Staffordshire Pension Fund following a TUPE transfer. WME is responsible for all liabilities held by Staffordshire County Council in relation to WME staff.

West Midlands Employers and its 33 councils have signed a Supplemental Pensions Agreement with West Midlands Pension Fund in respect of the settlement of WME's past pension liabilities. Progress against the Supplemental Pension Agreement was reviewed in February 2018 and a further review will take place in 2026 (10 years before the planned end date of the Agreement) to consider progress and the level of deficit remaining.

Both liabilities are reflected in these financial statements.

10 Financial commitments

	2021	2020
	£	£
Contracted but not provided for in these financial statements	-	8,808

Accounting policies

(see notes 35 & 36)

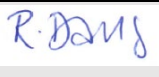

See following pages (the form will not allow an object to be embedded to this return, or copied into the cells)

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:	Rebecca Davis	Name:	Cllr Ken Meeson
Date:	04 August 2021	Date:	04 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	

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting Policies

General information

West Midlands Employers (“WME”) is the regional employers’ organisation (REO) for the West Midlands and is domiciled in the United Kingdom. The address of the registered office is shown on the general information page.

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

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice as it applies from 1 April 2015, the Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Trade Union and Labour Relations (Consolidation) Act 1992.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

a) Going concern

At the balance sheet date the organisation had a significant cash balance. At the time of signing these accounts, the members have considered the effect of the Coronavirus on the going concern position, and after taking this into account consider that the organisation will continue to operate for a period of at least 12 months from the date of signing the accounts due to the level of subscriptions already secured for the 2021/22 and 2022/23 financial years. The organisation has significant revenue reserves which can be re-purposed to assist finance short term deficits if required.

At the balance sheet date, the combined pension scheme deficits had moved £2,334,000 further into deficit. £12,735,000 was recognised in provisions at the balance sheet date. The combined pension scheme liabilities had increased by £2,510,000, the combined pension scheme assets had increased by £1,352,000. The movement in the pension scheme liabilities has been impacted on principally by the decrease in the real discount rate, use of up-to-date longevity assumptions (please refer to key accounting estimate, Note 1 k).

b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the organisation and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax.

c) Fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided at rates designed to write off the costs, less estimated residual values of the assets over their expected useful lives. The bases adopted are as follows:

Expenditure on office furniture and equipment	-	straight line over 10 years
Expenditure on computer equipment	-	straight line over 12 months

d) Operating leases

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

WEST MIDLANDS EMPLOYERS

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

1 Accounting Policies (continued)

e) Pension costs and liabilities

The amount charged to the Income and Expenditure account as part of staff costs in respect of the defined benefit pension scheme comprises current and past service costs. All costs and gains and losses in respect of the pension scheme are shown within the Income and Expenditure account.

Pension assets are measured at fair value and pension liabilities are measured on an actuarial basis using the projected unit basis. Full actuarial valuations are obtained on a triennial basis and updated at each balance sheet date in the intervening years. The defined benefit pension asset or liability is presented separately on the balance sheet.

In 2011-12 WMC ceased to act as an employing body and executed a TUPE transfer of staff to Staffordshire County Council. WME (and WMC) therefore now has a liability to the West Midlands Pension Fund "WMPF" for past pension liabilities (being administered under a Supplemental Agreement) and to the Staffordshire Pension Fund "SPF" for ongoing pension commitments.

f) Debtors

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

g) Cash and cash equivalents

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

h) Financial instruments

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

i) Creditors

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

j) Special projects

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

WEST MIDLANDS EMPLOYERS

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

1 Accounting Policies (continued)

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

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

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

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

Recoverability of trade debtors. Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management analyse historical bad debts, making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Income and Expenditure account

Depreciation and residual values. Management have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

Local Government Pension Scheme defined benefit liability. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 7, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 March 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 following pages, the form will not allow an object to be embedded to this return, or copied into the cells

Signature(s) of auditor or auditors:		
Name(s):	Simon Atkins	
Profession(s) or Calling(s):	FCA	
Address(es)	Park View One Central Boulevard Blyth Valley Business Park B90 8BG	
Date:	03 August 2021	
Contact name for enquiries and telephone number:	Ben Rance, +447720089753	

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
WEST MIDLANDS EMPLOYERS**

Opinion

We have audited the financial statements of West Midlands Employers ("the organisation") for the year ended 31 March 2021 which comprise the Income and Expenditure account, the Balance Sheet, and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

In our opinion, the financial statements:

- give a true and fair view of the state of the organisation's affairs as at 31 March 2021 and of the income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the organisation's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The members are responsible for the other information. The other information comprises the information included in the Report of the Management Board, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WEST MIDLANDS EMPLOYERS**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the organisation, or returns adequate for our audit have not been received from branches not visited by us; or
- the organisation's financial statements are not in agreement with the accounting records and returns; or
- a satisfactory system of control over transactions has not been maintained throughout the year; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of WME Full Member Body Responsibilities set out on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the organisation has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Trade Union and Labour Relations (Consolidation) Act 1992, Generally Accepted Accounting Practice in the UK (UK GAAP), taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the organisation and how the organisation is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the organisation's control environment and how the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WEST MIDLANDS EMPLOYERS

organisation has applied relevant control procedures, through discussions with Members and other management and by performing walkthrough testing over key areas;

- obtaining an understanding of the organisation's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 REO's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the REO'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 REO and the REO's members as a body, for our audit work, for this report, or for the opinions we have formed.



COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Date: 3 August 2021

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



Document

Double- click on icon to open guidance