

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 2023				
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	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('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 send the annual return to the following address stating the name of the union in subject:

returns@certoffice.org

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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
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 Derek Brook	Councillor Derek Brook	20 July 2022
Deputy Chair	Councillor Paul Foster	Councillor Paul Foster	20 July 2022
Vice Chair	Councillor Jayne Aston	Councillor Jayne Aston	20 July 2022

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 Derek Brook	Chair
Councillor Paul Foster	Deputy Chair
Councillor Jayne Aston	Vice Chair
Councillor Janet Willis	Member
Councillor Alan Vincent	Member
Councillor John Hacking	Member
Councillor Yvonne Gagen	Member
Councillor Salim Sidat	Member
Councillor Paul Donovan	Member
Councillor Marion Fitzgerald	Member
Councillor David Moore	Member
Councillor Carla Thomas	Member
Councillor Paulette Lappin	Member

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year			£	£
	Income			
668,496	From Members	Subscriptions, levies, etc	669,287	669,287
	Investment income	Interest and dividends (gross)		
923		Bank interest (gross)	9,280	9,280
		Other (specify)		
923		Total Investment Income	9,280	9,280
	Other Income	Rents received		
		Insurance commission		
518,128		Consultancy fees	431,040	431,040
		Publications/Seminars		
		Miscellaneous receipts (specify)		
518,128		Total of other income		431,040
1,187,547		Total income		1,109,607
		Interfund Transfers IN		
	Expenditure			
582,692	Administrative expenses	Remuneration and expenses of staff	561,395	561,395
47,956		Occupancy costs	51,390	51,390
197		Printing, Stationery, Post	732	732
6,755		Telephones	7,277	7,277
11,245		Legal and Professional fees	14,679	14,679
		Miscellaneous (specify)		
1,349		Website Cost	4,419	4,419
613		Travel & Subsistence	2,591	2,591
11,573		Car Leasing	8,400	8,400
251,304		Training & Consultancy	187,262	187,262
		Loss on Disposal of Tangible Fixed Assets		
913,684		Total of Admin expenses		838,145
	Other Charges	Bank charges	618	618
581		Depreciation	3,011	3,011
2,398		Sums written off		
		Affiliation fees		
		Donations		
		Conference and meeting fees	15,200	15,200
9,809		Expenses	9,396	9,396
		Miscellaneous (specify)		
1,072		Information Service	1,553	1,553
459		Sundry Expenses	752	752
21,339		Office Equipment	22,411	22,411
		Regional Employers		
35,658		Total of other charges		52,941
	Taxation			
949,342		Total expenditure		891,086
		Interfund Transfers OUT		
238,205		Surplus/Deficit for year		218,521
1,133,297		Amount of fund at beginning of year		1,371,502
1,371,502		Amount of fund at end of year		1,590,023

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)			
Change in present value of defined benefit scheme		3,265,000	
		3,265,000	3,265,000
		Total Income	3,265,000
	Interfund Transfers IN		
Expenditure			
Administrative expenses			
Other expenditure (specify)			
		Total Expenditure	
	Interfund Transfers OUT		
		Surplus (Deficit) for the year	3,265,000
		Amount of fund at beginning of year	-3,812,000
		Amount of fund at the end of year (as Balance Sheet)	-547,000

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)	

Fixed Assets account

(see note 21)

	Land and Buildings	Fixtures & Fittings	Motor Vehicles & Equipment	Total £
Cost or Valuation				
At start of period		45,378		45,378
Additions during period		9,819		9,819
Less: Disposals				
Less: Depreciation		-52,957		-52,957
Total to end of period		2,240		2,240
Book Amount at end of period		2,240		2,240
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets		2,240		2,240

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	669,287	669,287
From Investments	9,280	9,280
Other Income (including increases by revaluation of assets)	3,696,040	3,696,040
Total Income	4,374,607	4,374,607
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	891,086	891,086
Funds at beginning of year (including reserves)	-2,440,498	-2,440,498
Funds at end of year (including reserves)	1,043,023	1,043,023
ASSETS		
Fixed Assets		2,240
Investment Assets		
Other Assets		2,146,572
Total Assets		2,148,812
Liabilities		
Total Liabilities		1,105,789
Net Assets (Total Assets less Total Liabilities)		1,043,023

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 2023

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, M5 3ED.

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

Given the net assets position at the Balance Sheet date, 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

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.

Income is recognised in the year in which the services have been provided. Any part of income relating to a future period is deferred accordingly and will be recognised in the year to which it relates.

1.4 Expenditure

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, net of depreciation and any impairment losses,

Depreciation is recognised so as to write off the cost 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
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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 and 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 applicable. 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 2023

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.

1.14 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.

2. Significant judgement and key accounting estimates

In the application of the Organisation's accounting policies, the Executive Board is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION
NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2023

3. Details of expenditure

	2023		2022	
	£	£	£	£
Employment and related costs				
Salaries, superannuation and pension costs and employers' national insurance	553,430		557,503	
Strategic HR partnership costs	6,786		23,860	
		560,216		581,363
Payroll administration		1,179		1,329
		561,395		582,692
Premises				
Rent and rates	26,119		23,004	
Repairs and renewals	3,078		3,555	
Service charge	10,931		11,040	
Electricity costs	891		(74)	
Dilapidations	3,000		3,000	
Cleaning	1,733		1,355	
		45,752		41,880
Establishment				
Postage	7		112	
Communication	7,277		6,755	
Venues and lunches	15,200		-	
Traveling and subsistence	2,591		613	
Car leasing and car allowance	8,400		11,573	
Audit, accountancy and tax services	14,679		6,875	
Other legal and professional fees	-		4,370	
Information service	1,553		1,072	
Insurance	5,638		6,076	
Printing, stationery and reprographics	725		85	
Office equipment	22,411		21,339	
Sundry expenses	752		459	
Staff training	9,396		9,809	
Bank charges and interest	618		581	
Website costs	4,419		1,349	
Depreciation	3,011		2,398	
Loss on disposal of tangible fixed assets	-		-	
		96,677		73,466
Training and consultancy and external projects				
Training and consultancy	163,872		196,831	
Grant-funded external projects	23,390		54,473	
		187,262		251,304
Total Expenditure		891,086		949,342

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION
NOTES TO THE FINANCIAL
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31 MARCH 2023

4. Staff costs

	2023	2022
	£	£
Employment costs - general		
Wages and salaries	407,005	428,611
Employers' NI, including Class IA	46,725	44,645
Superannuation and pension costs	99,700	106,677
	553,430	579,933
Employment costs — external projects		
Wages and salaries	-	18,401
Employers' NI, including Class IA	-	1,519
Superannuation and pension costs	-	4,508
	-	24,428
Totals		
Wages and salaries	407,005	447,012
Employers' NII including Class IA	46,725	46,164
Superannuation and pension costs	99,700	111,185
	553,430	604,361

The average number of employees during the year, excluding temporary staff, was 11 (2022: 15).

5. Lease commitments

At the reporting end date, the Organisation had outstanding commitments for future minimum lease payments under non-cancellable operating leases amounting to £65,323 (2022: £88,512).

6. Accumulated funds

The Organisation aims to maintain a level of accumulated funds in general reserves 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
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7. Tangible fixed assets

	Furniture, fittings and equipment £
Cost	
At 31 March 2022	45,378
Additions	9,819
	55,197
At 31 March 2023	55,197
Accumulated depreciation	
At 31 March 2022	41,488
Charge for the year	11,469
	52,957
At 31 March 2023	52,957
Net book value	
At 31 March 2023	2,240
At 31 March 2022	3,890

8. Debtors

	2023	2022
	£	£
Trade debtors	76,239	49,496
Other debtors	7,995	7,995
Prepayments	15,932	15,496
	100,166	72,987

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION
NOTES TO THE FINANCIAL
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9. Creditors

	2023	2022
	£	£
Trade creditors	35,914	6,970
VAT creditor	16,927	4,746
Accruals	24,847	16,215
Deferred income	481,101	523,276
	<u>558,789</u>	<u>551,207</u>

10. Pension commitments

The Organisation provides pensions for some employees through participation in 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. More than one employer participates in the scheme.

The Organisation operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2023.

The major assumptions used by the actuary were:

	2023	2022
	% p.a.	% p.a.
Rate of increase in salaries	3.80%	3.95%
Rate of increase in pensions in payment (CPI)	3.00%	3.20%
Discount rate	4.75%	2.70%

Pension disclosures under FRS102

The fair value of the scheme assets and expected rates of return, the present value of the scheme liabilities and the resulting deficit are:

	Value at 31.03.23	Value at 31.03.22	Value at 31.03.21
	£'000	£'000	£'000
Equities	4,436	4,211	4,075
Bonds	887	794	679
Property	507	488	396
Cash	507	610	510
Total market value of assets	<u>6,337</u>	<u>6,103</u>	<u>5,660</u>
Liabilities	<u>(6,884)</u>	<u>(9,915)</u>	<u>(10,406)</u>
Present value of scheme	<u>(547)</u>	<u>(3,812)</u>	<u>(4,746)</u>

NORTH WESTERN LOCAL AUTHORITIES' EMPLOYERS' ORGANISATION
NOTES TO THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED
31 MARCH 2023

10. Pension commitments (continued)

Analysis of the defined benefit cost

	2023	2022
	£	£
Current service costs	<u>(159,000)</u>	<u>(217,000)</u>

	2023	2022
	£	£
Contributions in the year	<u>91,000</u>	<u>109,000</u>

	2023	2022
	£	£
Other finance costs		
Interest income on plan assets	162,000	112,000
Interest cost on defined benefit obligation	<u>(266,000)</u>	<u>(208,000)</u>
	<u>(104,000)</u>	<u>(96,000)</u>

Actuarial gain / (loss) arising from latest valuation	2023	2022
	£	£
Actual return on assets excluding amounts included in net interest	234,000	435,000
Changes in assumptions underlying the present value of the scheme liabilities.	<u>3,203,000</u>	<u>703,000</u>
Actuarial gain/ (loss) arising from latest valuation	<u>3,437,000</u>	<u>1,138,000</u>

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

	2023	2022
	£	£
Opening defined benefit obligation	<u>(3,812,000)</u>	<u>(4,746,000)</u>
Movements in the year:		
Current service costs	(159,000)	(217,000)
Contributions in the year	91,000	109,000
Other finance costs	(104,000)	(96,000)
Actuarial gain/ (loss) arising from latest valuation	<u>3,437,000</u>	<u>1,138,000</u>
Net change in present value of obligation	<u>3,265,000</u>	<u>934,000</u>
Closing defined benefit obligation	<u>(547,000)</u>	<u>(3,812,000)</u>

Accounting policies

(see notes 35 & 36)



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:	
			<small>(or other official whose position should be stated)</small>
Name:	Gillian Bishop	Name:	Councillor Derek Brook
Date:	27 June 2023	Date:	27 June 2023

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	

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:

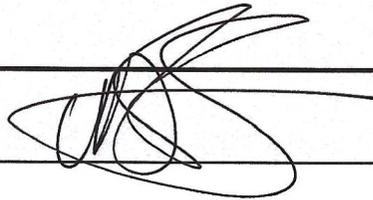
In our opinion the financial statements:

- 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):

Jonathan Hayward

Profession(s) or Calling(s):

Senior Statutory Auditor
FCA

Address(es)

The Copper Room
Deva City Office Park
Trinity Way
Manchester
M3 7BG

Date:

27 June 2023

Contact name for enquiries and telephone number:

Jonathan Hayward
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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 (the 'Organisation') for the year ended 31 March 2023 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 the Organisation's affairs as at 31 March 2023 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.

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 Executive Board's 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Matters on which we are required to report by exception

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

- proper accounting records have not been kept in accordance with the requirements of Section 28 of Trade Union and Labour Relations (Consolidation) Act 1992;
- 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**

Responsibilities of Executive Board

As explained more fully in the Statement of the Executive Board's Responsibilities set out on page 3, the Executive Board is 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 Executive Board determines 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 Executive Board is 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

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

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.

We evaluated the Executive Board's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- we identified the laws and regulations applicable to the Organisation through discussions with the Executive Board and 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;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Organisation which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the Executive Board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

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

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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, and in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. 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 opinions we have formed.

Jonathan Hayward
Senior Statutory Auditor

For and on behalf of Royce Peeling Green Limited

Chartered Accountants
Statutory Auditors

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Trinity Way
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M3 7BG