

Form AR27

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for an Employers' Association

Name of Employers' Association:	<input type="text" value="West Midlands Employers"/>					
Year ended:	<input type="text" value="31 March 2024"/>					
List No:	<input type="text" value="CO254E"/>					
Head or Main Office:	<input type="text" value="Unit 101/102F&B"/>					
	<input type="text" value="JQ Modern"/>					
	<input type="text" value="120 Vyse Street"/>					
	<input type="text"/>					
	<input type="text" value="Birmingham"/>					
Postcode	<input type="text" value="B18 6ND"/>					
Website address (if available)	<input type="text" value="www.wmemployers.org.uk"/>					
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td><td>('X' in appropriate box)</td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)		
General Secretary:	<input type="text" value="Rebecca Davis (Chief Executive)"/>					
Contact name for queries regarding the completion of this return:	<input type="text" value="Sharon Phillips (AD Finance & Governance)"/>					
Telephone Number:	<input type="text" value="0121 281 3558"/>					
E-mail:	<input type="text" value="finance@wmemployers.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
46				46

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
Board Member	Cllr J Cotton (resigned role)	Cllr N Brennan	17 November 2023
Board Member	Cllr Paula Brookfield (resigned role)	Cllr Bob Piper	01 July 2023
Board Member	Cllr Ken Meeson (Stepped down May 24 elections)	none	02 May 2024
Board Member	Cllr Bob Piper (resigned role)	none	02 May 2024
Board Member	Cllr T Jefferson (retired May 23 elections)	Cllr Mike Gledhill	01 July 2023

Revenue Account / General Fund

(see notes 11 to 16)

Previous Year		£	£
	Income		
	From Members	550,268	550,268
	Subscriptions, levies, etc		
	Investment income		
	Interest and dividends (gross)		
	Bank interest (gross)	34,667	34,667
	Other (specify)		
	Total Investment Income	34,667	34,667
	Other Income		
	Rents received		
	Insurance commission		
	Consultancy fees	804,085	804,085
	Publications/Seminars	112,624	112,624
	Miscellaneous receipts (specify)		
	Job board services	1,013,177	1,013,177
	E-Recruitment services	277,876	277,876
	Coaching & mentoring / Resourcing & Talent / Workforce Priorities (Adult and Children) / Leadership & OD	699,396	699,396
		572,073	572,073
	Total of other income		3,479,231
	Total income		4,064,166
	Interfund Transfers IN		113,933
	Expenditure		
	Administrative expenses		
	Remuneration and expenses of staff	296,176	296,176
	Occupancy costs	87,944	87,944
	Printing, Stationery, Post	1,815	1,815
	Telephones	20,334	20,334
	Legal and Professional fees	37,337	37,337
	Miscellaneous (specify)		
	ICT & Office equipment expense	42,422	42,422
	Total of Admin expenses		486,028
	Other Charges		
	Bank charges		
	Depreciation		
	Sums written off		
	Affiliation fees		
	Donations		
	Conference and meeting fees	3,062	3,062
	Expenses	15,232	15,232
	Miscellaneous (specify)		
	Consultancy and Direct costs	3,758,897	3,758,897
	Publishing and marketing materials	11,410	11,410
	Total of other charges		3,788,601
	Taxation		
	Total expenditure		4,274,629
	Interfund Transfers OUT		
	Surplus/Deficit for year		-210,463
	Amount of fund at beginning of year		253,595
	Amount of fund at end of year		157,065

Balance Sheet as at []

(see notes 19 and 20)

Previous Year		£	£
	Fixed Assets (as at Page 8)	80,000	80,000
	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		
1,571,664	Cash at bank and in hand	1,283,450	1,283,450
	Stocks of goods		
	Others (specify)		
432,420	Income receivable	452,027	
67,531	Prepayments	56,679	
33,536	VAT	71,576	
	Total of other assets	1,863,732	1,863,732
	Total Assets		1,943,732
253,595	Revenue Account/ General Fund	157,065	
845,322	Designated Funds	631,389	
159,216	WMC Liability Reserve	159,216	
-5,289,000	Pension scheme obligations (WMPF)	-4,963,000	
	Pension scheme obligations (SPF)		
	Tangible fixed assets	80,000	
	Revaluation Reserve		
	Liabilities		
314,828	Creditors balance	324,314	
64,546	Other project funds	227,593	
467,644	Accrued expenses and deferred income	364,155	
	Total Liabilities		916,062
	Total Assets		1,943,732

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		100,000		100,000
Less: Disposals		-35,535		-35,535
Less: Depreciation		-20,000		-20,000
Total to end of period		80,000		80,000
Book Amount at end of period		80,000		80,000
Freehold				
Leasehold (50 or more years unexpired)				
Leasehold (less than 50 years unexpired)				
Total of Fixed Assets		80,000		80,000

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
-----	--	----	----------

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
-----	--	----	----------

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
-----	--	----	----------

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	550,268	550,268
From Investments	34,667	34,667
Other Income (including increases by revaluation of assets)	3,479,231	3,479,231
Total Income	4,064,166	4,064,166
Expenditure (including decreases by revaluation of assets)		
Total Expenditure	3,968,629	3,968,629
Funds at beginning of year (including reserves)	-4,030,867	-4,030,867
Funds at end of year (including reserves)	-3,935,330	-3,935,330
ASSETS		
Fixed Assets		80,000
Investment Assets		
Other Assets		1,863,732
Total Assets		1,943,732
Liabilities		
Total Liabilities		5,879,062
Net Assets (Total Assets less Total Liabilities)		-3,935,330

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 2024

2a Surplus / (deficit) per service centre

	2024	2023
	£	£
Employer Services	(226,444)	(113,899)
HR Services & Consultancy	30,313	(1,146)
Jobs Board Services	533,708	548,680
E-Recruitment Service	(343,980)	8,364
Coaching & Mentoring Pool	(24,816)	(5,551)
Leadership & OD	(118,480)	(84,687)
Resourcing & Talents	36,894	(80,473)
Workforce Priorities (Adult and Children)	(89,170)	(90,376)
WMTemps Framework	(8,488)	(47,457)
	<u>(210,463)</u>	<u>133,455</u>

2b Overhead costs

	2024	2023
	£	£
Staff costs	296,176	258,791
Travel and subsistence	15,232	3,624
Establishment expenses	87,944	26,325
ICT & office equipment expenses	42,422	50,380
Professional fees; audit, legal, etc	37,337	46,933
Copying, stationery and postage	1,815	628
Publishing and marketing materials	11,410	15,332
Meetings and hospitality	3,062	4,579
Communication costs	20,334	15,983
Depreciation	20,000	-
	<u>535,732</u>	<u>422,575</u>

3 Tangible fixed assets

	Office equipment £	Total £
Cost		
At 1 April 2023	35,535	35,535
Additions	100,000	100,000
Disposals	(35,535)	(35,535)
At 31 March 2024	<u>100,000</u>	<u>100,000</u>
Depreciation		
At 1 April 2023	35,535	35,535
Charge for the year	20,000	20,000
Disposals	(35,535)	(35,535)
At 31 March 2024	<u>20,000</u>	<u>20,000</u>
Net book value		
31 March 2024	<u>80,000</u>	<u>-</u>
31 March 2023	<u>-</u>	<u>-</u>

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

4 Project funds

	At 1 April 2023 £	Income £	Expenditure £	At 31 March 2024 £
WMADASS	5,605	73,500	(56,474)	22,631
Public Health England	1,001	-	-	1,001
Regional Monitoring Funds	30,557	-	-	30,557
CM Pilot Fund	21,983	-	-	21,983
Careers Site	5,400	-	(5,400)	-
WMTemps Rebate	-	2,467	-	2,467
International Recruit	-	148,954	-	148,954
	<u>64,546</u>	<u>224,921</u>	<u>(61,874)</u>	<u>227,593</u>

The project fund balances are held on account to support project activity in the 2024-25 year.

5 Reserves

	At 1 April 2023 £	Income £	Expenditure £	Transfers between reserves £	At 31 March 2024 £
(a) General reserves					
General reserve	253,595	4,064,166	(4,274,629)	113,933	157,065
(b) Designated reserves					
WME business improvement	42,193	-	-	-	42,193
WME severance top-up	167,925	-	-	-	167,925
Product/service development	251,967	-	-	(100,000)	151,967
Deficit budget reserve	103,512	-	-	-	103,512
Resourcing reserve	110,000	-	-	(44,208)	65,792
Structure/capacity resources (WMTemps / WMJobs)	100,000	-	-	-	100,000
Workforce priority fund	69,725	-	-	(69,725)	-
	<u>845,322</u>	<u>-</u>	<u>-</u>	<u>(213,933)</u>	<u>631,389</u>
(c) Fixed asset reserves					
Tangible fixed assets	-	-	(20,000)	100,000	80,000
(d) Other reserves					
WMC severance liability reserve	159,216	-	-	-	159,216
	<u>1,258,133</u>	<u>4,064,166</u>	<u>(4,294,629)</u>	<u>-</u>	<u>1,027,670</u>

WEST MIDLANDS EMPLOYERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6 Pension Schemes

Local Government Pension Schemes

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 West Midlands Pension Fund (WMPF) for past pension liabilities and to the Staffordshire Pension Fund (SPF) for ongoing pension commitments.

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

(a) 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.

6 Pension Schemes (continued)

(a) West Midlands Pension Fund (continued)

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 1 April 2023 to 31 March 2024. 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 31 March 2024 £'000	Restated At 31 March 2023 £'000
Amounts recognised in the balance sheet		
Present value of obligations	(14,797)	(14,991)
Fair value of plan assets	9,834	9,702
Net amount recognised as a (liability)	<u>(4,963)</u>	<u>(5,289)</u>
Components of pension cost		
Interest cost	693	515
Interest on assets	(447)	(283)
Total pension cost recognised in the revenue account	<u>246</u>	<u>232</u>
Actuarial gains / (losses)		
Remeasurement of the net assets / (defined liability)	<u>359</u>	<u>3,447</u>

WEST MIDLANDS EMPLOYERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6 Pension Schemes (continued)

(a) West Midlands Pension Fund (continued)

	2024	2023
	£'000	£'000
Changes in defined benefit obligations		
Benefit obligations at beginning of the year	14,991	19,385
Interest cost	693	515
Change in financial and demographic assumptions	(611)	(4,831)
Experience (gain)/loss on defined benefit obligation	537	516
Unfunded pension payments	(38)	(34)
Benefits paid	(775)	(560)
Benefit obligations at end of the year	<u>14,797</u>	<u>14,991</u>
Changes in plan assets		
Fair value of assets at beginning of the year	9,702	10,662
Return of assets less interest	285	(339)
Interest on assets	447	283
Other actuarial gains/(losses)	-	(529)
Employer contributions	213	219
Benefits paid	(813)	(594)
Fair value of assets at end of the year	<u>9,834</u>	<u>9,702</u>

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:

	2024	2023
Discount rate	4.80%	4.75%
Rate of pension increase (CPI inflation rate)	2.80%	3.00%
Rate of salary increase	3.80%	4.00%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2024	2023
<i>Retiring today:</i>		
Males	22.4	20.7
Females	24.7	23.8
<i>Retiring in 20 years:</i>		
Males	22.5	21.2
Females	25.7	25.7

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

WEST MIDLANDS EMPLOYERS**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024****6 Pension Schemes (continued)****(a) West Midlands Pension Fund (continued)**

Period ended	Prospective Pensioners	Pensioners
31 March 2021	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different 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.

Five year history	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000
Benefit obligation at end of year	(14,797)	(14,991)	(19,385)	(20,407)	(17,897)
Fair value of plan assets at end of year	9,834	9,702	10,662	10,245	8,893
Deficit (liability)	(4,963)	(5,289)	(8,723)	(10,162)	(9,004)

(b) Staffordshire Pension Fund

	At 31 March 2024 £'000	At 31 March 2023 £'000
Amounts recognised in the balance sheet		
Present value of obligations	(8,497)	(8,336)
Fair value of plan assets	8,497	8,336
Net amount recognised as a (liability)	-	-
Components of pension cost		
Current service cost	227	464
Interest cost	399	306
Expected return on assets	(468)	(285)
Total pension cost recognised in the revenue account	158	485
Actuarial gains / (losses)		
Remeasurement of the net assets / (defined liability)	(188)	857

WEST MIDLANDS EMPLOYERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

6 Pension Schemes (continued)

(b) Staffordshire Pension Fund (continued)

	2024	2023
	£'000	£'000
Changes in defined benefit obligations		
Benefit obligations at beginning of the year	8,336	10,939
Current service cost	227	464
Interest cost	399	306
Change in financial and demographic assumptions	(630)	(5,278)
Experience (gain)/loss on defined benefit obligation	271	1,992
Member contributions	94	94
Benefits paid	(200)	(181)
Benefit obligations at end of the year	<u>8,497</u>	<u>8,336</u>
Changes in plan assets		
Fair value of assets at beginning of the year	8,336	10,254
Return of assets less interest	883	(475)
Interest on assets	468	285
Other actuarial gains/(losses)	(1,430)	(1,954)
Employer contributions	346	313
Member contributions	94	94
Benefits paid	(200)	(181)
Fair value of assets at end of the year	<u>8,497</u>	<u>8,336</u>

The actuarial losses on the scheme's assets of £1,430,000 is an amount in respect of the restriction on the surplus in the scheme at 31 March 2024 as determined by the asset ceiling calculation prepared by the actuary. The actuarial losses on the scheme's assets of £1,954,000 at 31 March 2023 include an amount of £1,405,000 in respect of the restriction on the surplus in the scheme at 31 March 2023. The total surplus in the scheme at 31 March 2024 which has not been recognised as an asset in the financial statements is £2,835,000 (2023: £1,405,000).

Weighted average assumptions used to determine benefit obligations at:

	2024	2023
Discount rate	4.85%	4.75%
Rate of pension increase (CPI inflation rate)	2.75%	2.95%
Rate of salary increase	3.25%	3.45%

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2022 model, with a 25% weighting of 2022 data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2024	2023
<i>Retiring today:</i>		
Males	21.9	21.9
Females	25.0	25.3
<i>Retiring in 20 years:</i>		
Males	23.3	23.3
Females	25.7	26.0

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

WEST MIDLANDS EMPLOYERS**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024****6 Pension Schemes (continued)****(b) Staffordshire Pension Fund (continued)**

Period ended	Prospective Pensioners	Pensioners
31 March 2021	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.	CMI 2021 model, with a 10% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a.

Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different 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.

Five year history	31 March 2024 £'000	31 March 2023 £'000	31 March 2022 £'000	31 March 2021 £'000	31 March 2020 £'000
Benefit obligation at end of year	(8,497)	(8,836)	(10,939)	(11,402)	(8,204)
Fair value of plan assets at end of year	8,497	8,836	10,254	8,829	6,807
Deficit (liability)	-	-	(685)	(2,573)	(1,397)

7 Related party transactions

WME is a Membership Organisation and as such it primarily delivers its services to its Member Councils based on agreed upon rates. No individual Council receives preferential treatment or is able to exert either significant influence or control in isolation over WME. As such, no separate disclosure of services provided to Member Councils is required in the financial statements.

Paul Lowes is a member of the senior management team of WME, having been appointed as the interim Director of Resourcing at WME on 1 September 2023. He is also a director of Ossia Consulting Ltd, who WME had an existing contractual relationship with for the delivery of services to WME. For the period from 1 September 2023 to 31 March 2024, WME continued to contract with Ossia Consulting Ltd for the delivery of certain project services provided by Paul Lowes and the total value of these services during this period were £8,518.

8 Contingent asset

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 32 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.

WEST MIDLANDS EMPLOYERS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

9 Operating lease commitments

At 31 March 2024 the Organisation had commitments for new premises, to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than one year	49,800	49,800
Later than one year	49,800	99,600
	<u>99,600</u>	<u>149,400</u>

Accounting policies

(see notes 35 & 36)

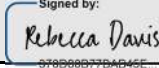

See following pages (the form will not allow an object to be embedded to this return, or copied into the cells)

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:	Signed by:  <small>378D08077DAB45E...</small>	Chairman's Signature:	Signed by:  <small>4B700B09A4B45E...</small>
	Name: Rebecca Davis		Name: Cllr Gwilym Butler <small>(or other official whose position should be stated)</small>
	Date: 30 August 2024		Date: 31 August 2024

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 2024

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 financial statements are presented in sterling which is the functional currency of the company.

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) Basis of preparation of the 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 (updated January 2022), 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.

(b) Going concern

At the balance sheet date the organisation had a significant cash balance. At the time of signing these financial statements, the members consider that the organisation will continue to operate for a period of at least 12 months from the date of signing the financial statements due to the level of subscriptions already secured for the 2024/25 and 2025/26 financial years. The organisation has significant revenue reserves which can be re-purposed to assist and finance short term deficits if required.

At the balance sheet date, the combined pension scheme deficit, which is recognised as a liability in the balance sheet, had decreased by £326,000 to £4,963,000. The combined pension scheme liabilities had decreased by £33,000, and the combined pension scheme assets had increased by £293,000. The overall movement in the combined pension scheme deficit has been primarily impacted by the changes in the discount rate and longevity assumptions (refer to key accounting estimates in Note 1(k)) and the improved asset investment performance. Whilst there is a surplus in one of the pension schemes at the year end, this has not been recognised in the financial statements as outlined in note 6.

(c) Income

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.

(d) Fixed assets

Investments are measured at their fair value at the balance sheet date, with any gains or losses on their 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 5 years
Expenditure on computer equipment - straight line over 12 months

(e) 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.

WEST MIDLANDS EMPLOYERS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (continued)

(f) Cash at bank

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.

(g) 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.

(h) 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.

(i) Project funds

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.

(j) 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.

(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:

WEST MIDLANDS EMPLOYERS**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2024****1 Accounting policies (continued)****(k) Judgements in applying accounting policies and key sources of estimation uncertainty (continued)****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 6, 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 2024. 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.

To the extent there is a surplus in the Local Government Pension Scheme at the Balance Sheet date, there is significant judgment needed in assessing whether the surplus should be recognised as a pension asset or whether the surplus should be restricted to some level or in total. This assessment will need to consider whether WME, as the employer, has an unconditional right to a refund of the surplus in the scheme and whether there is an economic accounting benefit available to WME as a contribution reduction, which will also include assessing whether a minimum funding requirement for future service and / or past service exists in the scheme. The impact of these assessments on the extent to which the scheme surplus has been recognised as a pension asset at the Balance Sheet date are set out in note 6.

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)	Cubo Birmingham Two Chamberlain Square, Birmingham B3 3AX	
Date:	30 August 2024	
Contact name for enquiries and telephone number:	Dan Hart, 01332 980781	

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

WEST MIDLANDS EMPLOYERS**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 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 2024 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 2024 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.

WEST MIDLANDS EMPLOYERS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS 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, including fraud. Our approach to detecting irregularities, including fraud, 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 organisation has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;

WEST MIDLANDS EMPLOYERS

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST MIDLANDS EMPLOYERS

- 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 of fraud 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

Statutory Auditors
Cubo Birmingham
4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 29 August 2024

