



## **Communication Workers Union**

Trade Union Number: 743T

### **Annual Report and Financial Statements For the Year Ended 31 December 2019**

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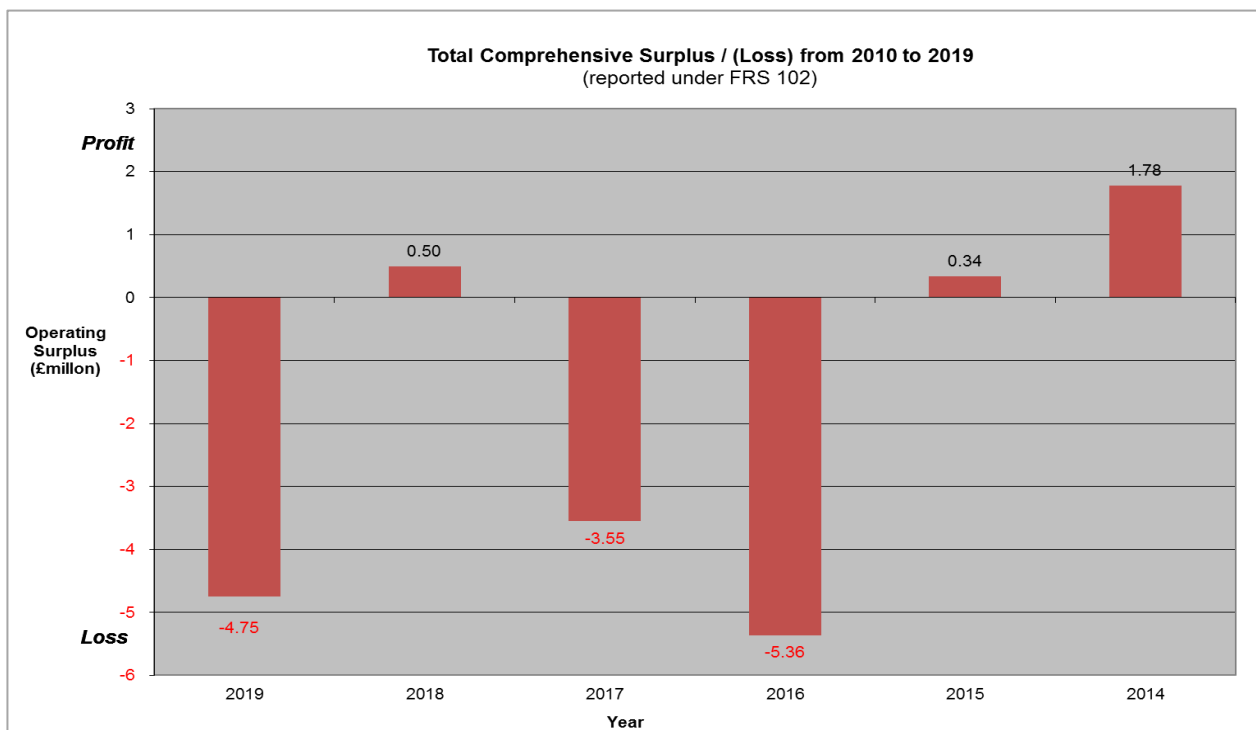
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# Report of the Senior Deputy General Secretary

## Introduction

Presented here are the financial statements for the Communication Workers Union for 2019.

As a result of the impact of Covid19 the Certification Officer allowed an extension to the date the accounts were due to be lodged from 1st June to 1st November. Separately the usual process whereby the accounts are published in time for conference was negated by the fact the General Conference 2019 was cancelled.



## Unionline

Whilst the accounts for 2019 have been produced in the usual manner, the auditors have really challenged us in assessing whether or not our organisation can be considered a going concern into the future (being at least a 12-month period from the date these accounts were signed off). In light of the COVID-19 pandemic, we have jointly and carefully considered the amounts owed to us by UnionLine and the question of when we believe, and more importantly we can show, that these amounts can be recovered.

We have reported elsewhere and will continue to report on the future of UnionLine. The impact on this particular set of accounts only is that, whilst those discussions continue at national level with the GMB, we have not yet finalised the issue of when we will take cash out of the business in time for that to be recorded in these accounts. Whilst we are of the opinion that the Union will receive repayment of the monies owed, we currently cannot do so with the certainty the auditors need to rely on (i.e. the timescale it will take us to recover the debt in full). In light of this, we can no longer carry this debt forward. In accounting terms, this is known as making a provision against an uncertain debt.

Accordingly, as can be seen, particularly under HQ expenses page 21, the inclusion of this provision against the monies owed to us, is the primary reason for the change from a surplus in 2018 to a deficit in 2019. This does not imply that we have written any debts off permanently, but more so that we have agreed to be very cautious in our current assessment as to the recoverability of amounts owed in the short term. Future recovery of any of these amounts owed will positively impact on our accounts in the future.

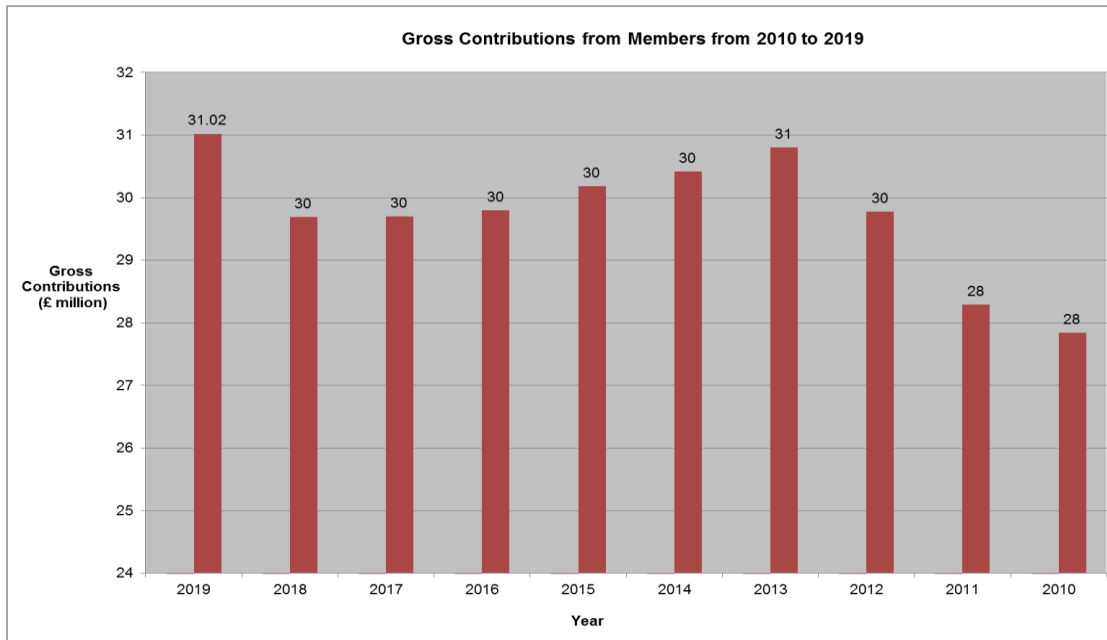
We want to be absolutely clear in repeating our previous messaging on this matter. This does not mean we have paid out this money in cash. The total and only cash amount loaned to UnionLine remains as it has for some years now at £273,250. This issue solely relates to the amounts we have recharged UnionLine in recent years.

In summary, in not being able to specify exactly when amounts owed by UnionLine will be repaid and therefore providing for the amounts outstanding, we now show an operating loss of £1.04m and a total comprehensive expense of £4.75m. If we could have specified exactly when the amounts would be repaid, no provision would have been necessary and we would have been reporting an operating income of £2.89m and a total comprehensive expense of £816k.

## Report of the Senior Deputy General Secretary (continued)

### Membership

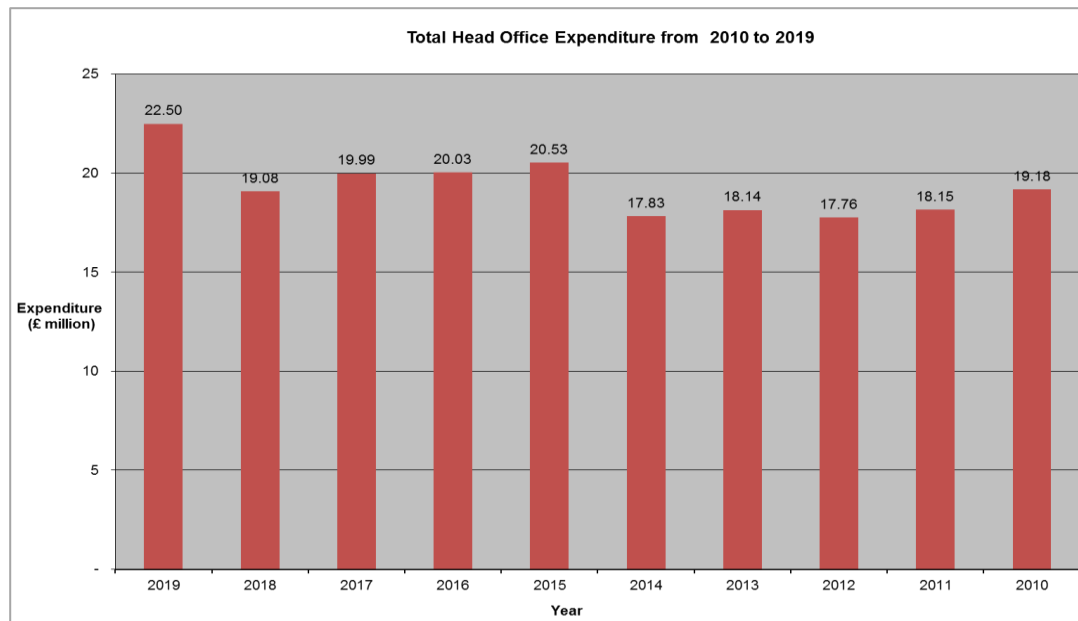
The other significant item is that we increased membership subscription rates on the 1st January 2018 by 2.5%. During 2019 membership then increased by 4,735, so in turn this led to an increase in membership subscription income as shown. Whilst this is welcome it should be noted that during 2020 membership levels trends have returned to a position of incremental decline that means the gains made last year are projected to be lost before the end of the current year, but this will be recorded in the 2020 accounts.



### Expenditure

As can be seen from the accounts, of the 14 areas of CWU HQ expenditure, 8 recorded an increase and 6 recorded a decrease in expenditure. Indeed, other than the UnionLine provision, CWU HQs expenditure would have reduced against 2018.

It should also be pointed out that Political Fund expenditure increased during 2019 as a result of increases in postage, donations and Branch expenditure as a result of the 2019 General Election.



## Report of the Senior Deputy General Secretary (continued)

### Conclusion

It would be usual in conclusion to assess the financial statements we present against the current operation and the known challenges that we face. However, the outbreak of the COVID-19 pandemic presents us with a situation that, for the long term, we are unable to predict. The National Executive Council has recently taken action to reduce the adverse effect that COVID-19 could potentially have on the Union, and senior management have been tasked with ensuring that the key areas of need and risk are appropriately managed and funded. Our normal day to day operation has changed, with reduced demand for resources in some areas but increased demand in others. We cannot say with certainty at this point when, or even if, our normal operation will return. However, increasingly detailed planning and forecasting processes are enabling us to ensure that we can continue to provide the right level of resource at the right time to ensure that we can continue to be a Union that is responsive to its members' needs, communicates more with those members and ensures that their money is managed as correctly in the future as we have managed it in the past.

The NEC continues to monitor membership figures on a regular basis. With regards to the issue of "Going Concern", membership figures continue to show reductions on a par with levels experienced in previous years. In response the NEC have introduced a revised approach to recruitment and organising to maximise existing and identify new opportunities for membership growth. We believe the level of decreases are manageable for the foreseeable future when viewed against current levels of expenditure and future plans to reduce ongoing expenditure

In addition to the sale of Alvescot Lodge for £1.75m, the recent decisions made by the NEC to cease all travel, delay elections, conferences and educational activities will ensure that the Union has sufficient working capital to enable it to continue as a going concern for the foreseeable future, which is considered to be a period of at least 12 months from the date of signing these accounts.

The challenge as we work through the issues of industrial conflict, redesign and Covid19 will be to deliver a union that is more responsive to its members needs, communicates more with those members and ensures that their money is managed as correctly in the future as we have managed it in the past. Once again, a set of difficult circumstances will require difficult but necessary decisions to be made in response, that's the task that faces us all and I will continue to provide the leadership that will deliver this.

In solidarity,



**Tony Kearns**  
Senior Deputy General Secretary

Date: 30/10/20

## Statement of Responsibilities of the Executive Council

The legislation relating to trade unions requires the Union to submit a return for each calendar year to the Certification Office for Trade Unions and Employers' Associations. This return contains accounts which must give a true and fair view of the state of affairs of the Union at the year end and of its transactions for the year then ended. The accounts set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Office for Trade Unions and Employers' Associations.

In relation to the Communication Workers Union these requirements are the responsibility of the Executive Council. The accounts of the Union have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the accounts, the Executive Council are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the accounts on the going concern basis unless it is inappropriate to do so.

The Executive Council are responsible for keeping proper accounting records and establishing and maintaining a satisfactory system of control over its records and transactions in order to comply with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Union is also responsible for the maintenance and integrity of the corporate and financial information included on the Union's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in the other jurisdictions.

# Report of the Independent Auditor's to the Members of the CWU

## Opinion

We have audited the financial statements of the Communication Workers Union (the 'Union') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows 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 FRS 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 union's affairs as at 31 December 2019 and of its result 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 union 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 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 audit opinion.

## Conclusions relating to Going Concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Executive Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other Information

The Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Honorary Treasurer, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Independent Auditor's Report (continued)

### Matters on which we are required to report by Exception

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 to report to you by exception in respect of the following matters if, in our opinion:

- the union has not kept proper accounting records;
- the accounts are not in agreement with the books of account;
- we have not received all the information and explanations we need for our audit;
- we have nothing to report to you in respect of the above matters.

### Responsibilities of the Executive Council

As explained more fully in the Statement of Responsibilities of the Executive Council. The Executive Council 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 Council 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 Council is responsible for assessing the union'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 directors either intend to liquidate the union 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.

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

### Use of our Report

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

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**BDO LLP**  
Statutory Auditor  
London

BDO LLP is a Limited Liability Partnership registered in England and Wales (with registered number OC305127)

Date: \_\_\_\_\_



## Statement of Comprehensive Income

### For the year ended 31 December 2019

	note	2019 £	2018 £
<b>Income</b>			
Gross Contributions from Members		31,017,772	29,692,661
Less: Political Fund Contributions		<u>(1,606,863)</u>	<u>(1,651,781)</u>
		29,410,909	28,040,880
Less: Employer Collection Charges		(7,479)	(9,393)
Other Collection Costs		<u>(13,925)</u>	<u>(17,191)</u>
<b>Net Contribution Income</b>		<b>29,389,505</b>	<b>28,014,296</b>
<b>Expenditure</b>			
Total Head Office Expenditure	4	(22,496,218)	(19,080,692)
Total Branch Expenditure		<u>(8,245,552)</u>	<u>(8,118,571)</u>
		(1,352,265)	815,033
Other Income	5	<u>312,794</u>	<u>339,653</u>
<b>Net Operating (Loss) / Income</b>		<b>(1,039,471)</b>	<b>1,154,686</b>
Surplus / (Loss) on Revaluation of Quoted Investments	8b	545,883	(303,849)
Surplus / (Loss) on Disposal of Quoted Investments	8b	1,484	(75)
Surplus on Revaluation of Unquoted Investments	8c	-	365,000
(Loss) / Surplus on Disposal of Fixed Assets		(3,277)	66,635
Provision against Debenture Loan	9	-	(480,000)
<b>Interest Payable and Similar Charges</b>			
Other Financial Expense - Pension Schemes	16e	<u>(712,000)</u>	<u>(870,000)</u>
<b>Loss for the Year before Political Fund</b>		<b>(1,207,381)</b>	<b>(67,603)</b>
<b>Political Fund</b>			
Contributions from Members		1,606,863	1,651,781
Political Fund Expenditure		<u>(1,965,700)</u>	<u>(1,088,206)</u>
<b>Political Fund (Loss) / Surplus</b>		<b>(358,837)</b>	<b>563,575</b>
<b>Total (Loss) / Surplus on Ordinary Activities for the Year</b>		<b>(1,566,218)</b>	<b>495,972</b>
<b>Other Comprehensive (Expense) / Income</b>			
Actuarial (Loss) / Gain on Post-Employment Benefit Obligations	16f	(1,872,000)	6,730,000
Change in Assets not Recoverable in the Future	16f	<u>(1,312,000)</u>	<u>(6,730,000)</u>
Total Other Comprehensive Loss		(3,184,000)	-
<b>Total Comprehensive (Expense) / Income for the Year</b>		<b>(4,750,218)</b>	<b>495,972</b>

## Statement of Financial Position

### For the year ended 31 December 2019

	note / schedule	2019 £	2018 £
<b>Fixed Assets</b>			
<b>Tangible Fixed Assets</b>			
Freehold Property	7	22,132,774	22,447,146
Other Fixed Assets	7	286,956	259,615
Investments and Long Term Loans	8	6,764,244	6,362,982
		<u>29,183,974</u>	<u>29,069,743</u>
<b>Current Assets</b>			
Debtors	10	3,857,967	6,086,019
Cash at Bank and in Hand	11	9,299,874	9,954,991
		<u>13,157,841</u>	<u>16,041,010</u>
<b>Current Liabilities</b>			
<b>Amounts falling due within one year</b>			
Creditors	12	(3,468,548)	(3,895,268)
		<u>9,689,293</u>	<u>12,145,742</u>
<b>Net Current Assets</b>			
		<u>38,873,267</u>	<u>41,215,485</u>
<b>Total Assets less Current Liabilities</b>			
Creditors payable later than one year	13	(2,000)	(4,000)
<b>Provisions</b>			
Pension Scheme Deficit	16c	(25,220,000)	(22,810,000)
		<u>13,651,267</u>	<u>18,401,485</u>
<b>Net Assets</b>			
<b>Represented by:</b>			
<b>Union Funds and Reserves</b>			
General Fund		12,386,018	14,217,257
Pension Reserve		(25,220,000)	(22,810,000)
Other Designated Funds		868,851	1,062,779
Property Reserve		24,265,148	24,221,362
Political Fund		1,351,250	1,710,087
<b>Total Union Funds and Reserves</b>		<u>13,651,267</u>	<u>18,401,485</u>

Movements in Union funds are set out in the Statement of Changes in Funds and Reserves on page 9.

Approved by :



**Tony Kearns**  
Senior Deputy General Secretary

Date: 30/10/20

## Statement of Changes in Funds and Reserves

### For the year ended 31 December 2019

<b>General Fund:</b>	<b>Head Office</b>	<b>Branches</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£	£	£
Brought forward at 1 January	4,898,550	9,318,707	14,217,257	14,074,299
Profit / (Loss) on Ordinary Activities for the Year	3,078,269	(4,056,232)	(977,963)	808,078
Transfers	(809,490)	(43,786)	(853,276)	(665,120)
<b>Carried forward at 31 December</b>	<b>7,167,329</b>	<b>5,218,689</b>	<b>12,386,018</b>	<b>14,217,257</b>

<b>Pension Reserve:</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£
Brought forward at 1 January	(22,810,000)	(22,600,000)
Loss on Ordinary Activities for the Year	(56,100)	(960,000)
Actuarial (Loss)/Gain on Post-employment Benefits	(1,872,000)	6,730,000
Change in Non-recoverable Assets	(1,312,000)	(6,730,000)
Transfer from General Fund	830,100	750,000
<b>Carried forward at 31 December</b>	<b>(25,220,000)</b>	<b>(22,810,000)</b>

<b>Other Designated Funds:</b>	<b>Defence</b>	<b>Scholarship</b>	<b>Welfare</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£	£	£	£
Brought forward at 1 January	990,579	50,000	22,200	1,062,779	1,020,782
(Loss) / Profit on Ordinary Activities for the Year	(200,491)	23,360	3,813	(173,318)	84,319
Transfers To General Fund	-	(23,360)	2,750	(20,610)	(42,322)
<b>Carried forward at 31 December</b>	<b>790,088</b>	<b>50,000</b>	<b>28,763</b>	<b>868,851</b>	<b>1,062,779</b>

<b>Property Reserve Fund:</b>	<b>Head Office</b>	<b>Branches</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£	£	£
Brought forward at 1 January	20,992,715	3,228,647	24,221,362	24,263,920
Transfer To General Fund	-	43,786	43,786	(42,558)
<b>Carried forward at 31 December</b>	<b>20,992,715</b>	<b>3,272,433</b>	<b>24,265,148</b>	<b>24,221,362</b>

<b>Political Fund:</b>	<b>Head Office</b>	<b>Branches</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£	£	£
Brought forward at 1 January	1,366,768	343,319	1,710,087	1,146,512
(Loss) / Profit on Ordinary Activities for the Year	(268,592)	(90,245)	(358,837)	563,575
<b>Carried forward at 31 December</b>	<b>1,098,176</b>	<b>253,074</b>	<b>1,351,250</b>	<b>1,710,087</b>

<b>Total Union Funds and Reserves:</b>	<b>Before Pension Adjustment</b>	<b>Pension Adjustment</b>	<b>2019 Total</b>	<b>2018 Total</b>
	£	£	£	£
Brought forward at 1 January	41,211,485	(22,810,000)	18,401,485	17,905,513
(Loss) / Profit on Ordinary Activities for the Year	(1,510,118)	(56,100)	(1,566,218)	495,972
Total Transfers	(830,100)	830,100	-	-
Actuarial (Loss)/Gain on Defined Benefit Schemes	-	(1,872,000)	(1,872,000)	6,730,000
Change in Non Recoverable Assets	-	(1,312,000)	(1,312,000)	(6,730,000)
<b>Carried forward at 31 December</b>	<b>38,871,267</b>	<b>(25,220,000)</b>	<b>13,651,267</b>	<b>18,401,485</b>

## Statement of Cash Flows

### For the year ended 31 December 2019

	note	2019 £	2018 £
<b>Cash Flows from Operating Activities:</b>			
(Loss) / Gain on Ordinary Activities (pg 7)		(1,566,218)	495,972
(Surplus) / Loss on Revaluation of Quoted Investments	8b	(545,883)	303,849
(Surplus) / Loss on Disposal of Quoted Investments	8b	(1,484)	75
Surplus on Revaluation of Unquoted Investments	8c	-	(365,000)
Loss / (Surplus) on Disposal of Fixed Assets		3,277	(66,635)
Depreciation and Impairment Charges	7	506,271	434,356
Provision against Debenture Loan		-	480,000
Notional Pension Charge		56,100	960,000
Pension Deficit Reduction Payments	16	(830,100)	(750,000)
Interest Receivable	5	(22,976)	(24,293)
Dividends	5	(45,096)	(25,449)
Change in Debtors		2,228,052	(1,453,835)
Change in Creditors		(428,720)	(130,037)
<b>Net Cash Outflow from Operating Activities</b>		<b>(646,777)</b>	<b>(140,997)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest Received	5	22,976	24,293
Dividends Received	5	45,096	25,449
Non-cash Distributions	8b	(5,895)	(2,591)
Purchase of Tangible Assets	7	(222,517)	(117,214)
Proceeds from Sale of Assets		-	149,435
Sale of Investments	8b	170,000	45,000
Purchase of Investments	8b / 8c	(170,000)	(46,358)
Repayment of Long Term Loans	8a	152,000	25,231
<b>Net Cash (Outflow) / Inflow from Investing Activities</b>		<b>(8,340)</b>	<b>103,245</b>
<b>Cash Flows from Financing Activities:</b>			
Repayment of Bank Loans by Branches		-	(3,586)
<b>Net Cash Outflow from Financing Activities</b>		<b>-</b>	<b>(3,586)</b>
<b>Change Cash and Cash Equivalents</b>		<b>(655,117)</b>	<b>(41,338)</b>
<b>Opening Cash and Cash Equivalents</b>		<b>9,954,991</b>	<b>9,996,329</b>
<b>Closing Cash and Cash Equivalents</b>		<b>9,299,874</b>	<b>9,954,991</b>
<b>Analysis of Changes in Cash and Cash Equivalents:</b>			
		2019 £	2018 £
Brought Forward at 1 January		9,954,991	9,996,329
Cash Outflow during the year		(655,117)	(41,338)
<b>Carried Forward at 31 December</b>	11	<b>9,299,874</b>	<b>9,954,991</b>

# Notes to the Financial Statements

## 1 Accounting Policies

### Basis of Accounts

These accounts have been prepared under the historical cost convention, and are in accordance with Financial Reporting Standard 102 ("FRS 102") modified by the revaluation of certain freehold property and investments.

### Going Concern

At the date of approving these financial statements, the NEC acknowledges that the COVID-19 pandemic is creating significant difficulties in the worldwide economy. The obligation to prepare these financial statements on a going concern basis has been considered by reference to budgets, forecasts and projected cash flows, covering a period of at least the 12 month period from the date of signing these accounts, as well as potential opportunities in relation to the controlled realisation of assets owned by the Union if required. In particular, the NEC has integrated the uncertainty surrounding the current COVID-19 pandemic within these budgets and forecasts.

The Union operates in a sector whose members are considered to be key workers in the economy, and whilst there will be pressures on membership as normal, membership levels are expected to remain "relatively" static during the pandemic. In preparing the budgets and forecasts for the financial years ending December 2020 and 2021, due consideration has been given to all potential impacts of the pandemic ("stress tested") and, after taking into account the recent decisions to cease all travel, and delay elections, conferences and educational activities, the NEC believe that the Union has sufficient working capital to enable it to continue as a going concern for the foreseeable future, which is considered to be a period of at least 12 months from the date of signing these accounts.

The financial statements do not include any adjustments that would be necessary if the forecasts are not achieved.

### Contribution Income

Contribution income received includes amounts remitted by and due to be remitted from pay centres who operate a payroll deduction scheme on behalf of the CWU and Members who have a direct debit facility with their bank. Amounts deducted by pay centres at 31 December 2019 but not received have been brought into the income and expenditure account and included in current assets within debtors.

### Government Funding

Government funding received to support union education is recognised through the statement of financial position. The funding is received in arrears and netted off against expenses.

### Members' Legal Expenses

Members' legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. Conditional fee agreements are recognised in the accounts where the amount to be received is known with certainty.

### Value Added Tax (VAT)

Income and expenditure is shown in these accounts including VAT where applicable.

### Corporation Tax

As an unincorporated association, the Union is liable to Corporation Tax on its investment income and realised gains on investments sold. As a trade union, relief is available in respect of provident benefits expenditure, as statutorily defined. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the Unions properties or investments.

Deferred tax is recognised in respect of all timing differences which are differences between the taxable profits and total comprehensive income that arises from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

### Depreciation

Depreciation is calculated to write off the cost of an asset over its estimated useful working life. The following are depreciated on a straight line basis at:

Buildings	2%
Freehold Land	0%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33⅓%

## Notes to the Financial Statements (continued)

### Depreciation (continued)

Assets are reviewed for impairment whenever events or changes in circumstances such as planned disposals of properties, indicates that the carrying amount may not be recoverable.

### Property

Properties are included at deemed cost, less depreciation as detailed above. Where no information is available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used.

### Investments

Quoted investments are disclosed at mid market values in the Statement of Financial Position. Unquoted investments are disclosed at their original cost or, where available, at their estimated current value as estimated by an independent third party.

For the Elstead Hotel (Bournemouth) Limited the Union revalues the shares to an amount equal to the shareholders' funds at the reporting date.

### Operating Leases

Operating lease rentals are charged to the income and expenditure account evenly over the term of the lease.

### Pension Costs

The difference between the fair value of the assets held in the defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the Statement of Financial Position as a pension asset or liability as appropriate.

Movements on the Pension Scheme, asset or liability, are reflected through the Statement of Comprehensive Income to the extent that they relate to employer's current service costs. Or movements arising from changes in actuarial assumptions, including differences between the actual returns on scheme assets and the expected returns and experience gains / (losses) arising on the scheme's liabilities are reflected through the Other Comprehensive Income / Expense.

## 2 Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

### Pension and post-employment benefits

The cost of each defined benefit pension is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates.

### Unionline

The Union recharges Trade Union Legal LLP (trading as Unionline) for its share of the costs that it incurs on its legal activities. The recharge is an estimate of the current year charges based on the actual costs incurred in the prior year. As Unionline has yet to produce a cumulative surplus, there is a degree of uncertainty with regards to the recoverability of the full balance the Union is owed at the end of the year. As a result, the Union has included a provision against all of the recharge amounts owed.

## 3 Purpose of the Funds and Reserves

### General Fund

Established to receive the contribution income and all other receipts which are intended to use for general purposes and meet all normal expenses and outgoings of the Union.

### Property Reserve

Established to account for any capital costs and profits or losses incurred in the future purchases or disposal of property. The balance of the reserve is equated to the total costs or valuation of Land and Buildings less any bank loans secured.

## Notes to the Financial Statements (continued)

### Political Fund

Established by CWU Union Rule 12 to provide funds for campaigns which could include the furtherance of the political objectives to which section 72 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies. Subscribing members who have not opted out, contribute 87p of the full subscription fee to the Political Fund.

### Branch Fund

Established by CWU Union Rule 11.6 to provide funds for branches based on 29% of their Branch membership income and 27% of Retired membership, received by head office.

### Defence Fund

Established to provide funds for special campaigns including disputes. The fund receives 1% of the gross Branch rebate each month.

### National Welfare Fund

Established to support members in times of financial hardship.

### Scholarship Fund

Established to support members in gaining higher education qualifications.

### Pension Reserve

Established to account for any FRS 102 revaluations on pension assets and liabilities.

<b>4</b>	<b>Total Head Office Expenditure</b>		<b>2019</b>	<b>2018</b>
			£	£
	General Fund Total (schedule A, page 21)		<b>22,177,268</b>	19,022,656
	Defence Fund (schedule B, page 22)		<b>285,000</b>	-
	Scholarship Fund (schedule C, page 22)		<b>9,000</b>	29,536
	National Welfare Fund (schedule D, page 22)		<b>24,950</b>	28,500
			<b>22,496,218</b>	<b>19,080,692</b>
<b>5</b>	<b>Other Income</b>		<b>2019</b>	<b>2018</b>
			£	£
	Long-term Loan Interest		<b>22,976</b>	24,293
	Dividends		<b>45,096</b>	25,449
	Non-cash Distributions		<b>5,895</b>	2,591
	Commissions		<b>35,724</b>	41,172
	Rent		<b>21,000</b>	85,599
	Donations		<b>25,399</b>	19,756
	Elstead Hotel (Bournemouth) Limited Management Charge		<b>96,000</b>	96,000
	Political Fund Administration Charge		<b>45,000</b>	45,000
	CWU Promotional Goods (net)		<b>13,529</b>	(207)
	Sundry Income		<b>2,175</b>	-
			<b>312,794</b>	<b>339,653</b>
<b>6</b>	<b>Staff Costs</b>		<b>2019</b>	<b>2018</b>
			£	£
	Salaries, Payroll and Substitution Costs		<b>6,860,819</b>	6,740,832
	Alvescot Staff Salaries		<b>260,701</b>	263,314
	National Insurance Costs		<b>732,617</b>	747,245
	Total Salaries and Payroll Costs		<b>7,854,137</b>	7,751,391
	Less Salary Costs Allocated to Union Learning Fund		<b>(184,552)</b>	(224,105)
	Staff Costs (schedule J and T)		<b>7,669,585</b>	<b>7,527,286</b>





## Notes to the Financial Statements (continued)

### 7 Tangible Fixed Assets

#### Freehold Property:

	Freehold Property £	Freehold Property Branch Fund £	Total £
<b>Valuation / Cost</b>			
Brought forward 1 January 2019	20,992,715	3,228,647	24,221,362
Additions and Improvements	-	43,787	43,787
<b>Carried forward at 31 December 2019</b>	<b>20,992,715</b>	<b>3,272,434</b>	<b>24,265,149</b>
<b>Depreciation</b>			
Brought forward at 1 January 2019	1,434,118	340,098	1,774,216
Depreciation for year	174,810	80,443	255,253
Impairment	102,906		102,906
<b>Carried forward at 31 December 2019</b>	<b>1,711,834</b>	<b>420,541</b>	<b>2,132,375</b>
<b>Net Book Value</b>			
<b>At 31 December 2019</b>	<b>19,280,881</b>	<b>2,851,893</b>	<b>22,132,774</b>
At 31 December 2018	19,558,597	2,888,549	22,447,146

Freehold property including branch funds comprises of 20 properties. Of these 12-14 Knyveton Road is subject to a leasehold interest granted to the Elstead Hotel (Bournemouth) Limited.

During May 2020 the Alvescot Lodge Education Centre was sold for £1.75 million.

The following insolvency charges are held over freehold property 150 The Broadway; UCW Pensions 2001 scheme £7.5 million; NCU SS scheme £1 million; CWU 2000 Pensions scheme £2.5 million.

#### Other Fixed Assets:

	Office Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>				
Brought forward 1 January 2019	895,969	1,199,296	12,203	2,107,468
Additions	56,718	114,308	7,704	178,730
Funded Assets	1,228	63,180	-	64,408
Disposals	-	(4,580)	-	(4,580)
<b>Carried forward at 31 December 2019</b>	<b>953,915</b>	<b>1,372,204</b>	<b>19,907</b>	<b>2,346,026</b>
<b>Depreciation</b>				
Brought forward at 1 January 2019	732,377	1,103,273	12,203	1,847,853
Depreciation for year	65,108	81,239	1,765	148,112
Funded Assets	1,228	63,180	-	64,408
Disposals	-	(1,303)	-	(1,303)
<b>Carried forward at 31 December 2019</b>	<b>798,713</b>	<b>1,246,389</b>	<b>13,968</b>	<b>2,059,070</b>
<b>Net Book Value</b>				
<b>At 31 December 2019</b>	<b>155,202</b>	<b>125,815</b>	<b>5,939</b>	<b>286,956</b>
At 31 December 2018	163,592	96,023	-	259,615

Funded assets represent assets that are purchased with government grants.

## Notes to the Financial Statements (continued)

8 Investments and Long Term Loans	2019	2018
	£	£
Mortgages and Other Long Term Loans - Secured	(a) 99,102	251,102
Quoted Investments at Market Value	(b) 4,158,050	3,604,788
Unquoted Shares at Market Value or Cost	(c) 2,507,092	2,507,092
	<u>6,764,244</u>	<u>6,362,982</u>

a) Long Term Loans - Secured	2019	2018
	£	£
Union Officers:		
A Furey	70,284	79,484
A Kerr	-	63,328
D Bowman	28,818	108,290
	<u>99,102</u>	<u>251,102</u>

Movement During the Year:	2019	2018
	£	£
Brought Forward at 1 January	251,102	276,333
Long term loans repaid	(152,000)	(25,231)
Carried Forward at 31 December	<u>99,102</u>	<u>251,102</u>

b) Quoted Investments at Market Value	2019	2018
Movement during the year:	£	£
Brought Forward Value at 1 January	3,604,788	3,906,121
Disposal of Investments	(170,000)	(45,000)
Surplus / (Deficit) on Disposal of Investments	1,484	(75)
Additional Shares Purchased in Year	170,000	45,000
Non-Cash Distributions in Year	5,895	2,591
Revaluation Surplus / (Deficit) in Year	545,883	(303,849)
Carried Forward at 31 December	<u>4,158,050</u>	<u>3,604,788</u>

The total original cost of quoted investments was £1,418,203 (2018: £1,418,203). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

c) Unquoted Investments at Market Value or Cost	2019	2018
Movement during the year:	£	£
Brought Forward Value at 1 January	2,507,092	2,140,734
Additional Shares Purchased in Year	-	1,358
Revaluation Surplus in Year	-	365,000
Carried Forward at 31 December	<u>2,507,092</u>	<u>2,507,092</u>

The total unquoted shares held by the Union at the 31 December 2019:

- 1,061,046 shares in Unity Trust Bank revalued on 31 December 2019 at market value of £2.344 per share.
- 20,000 shares in Peoples Press Printing Society Ltd at cost of £1 per share.
- 10,000 shares in Elstead Hotel (Bournemouth) Ltd at £1 per share (note 9).
- 10 shares in Union Network International at £20,000 per share.

The total original cost of unquoted investments was £1,483,696 (2018: £1,483,696). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

### Union Network International

A full provision of £201,606 (2018: £201,606) has been made against the cost of shares in the headquarters building of Union Network International as recovery of the amount invested is not envisaged.

## Notes to the Financial Statements (continued)

### 8c) Unquoted Investments at Market Value or Cost (continued)

#### Unionline

At 31 December 2019 the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial corporate partner of Trade Union Legal LLP, trading as Unionline. Further details of Unionline transactions have been given in note 19.

### 9 Elstead Hotel (Bournemouth) Limited

The Union holds 100% share capital in the Elstead Hotel (Bournemouth) Limited, a hotel and conference centre in Bournemouth. This has been fully provided for in these accounts. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of Elstead Hotel (Bournemouth) Limited would have not a material impact on the accounts of the Union.

The accounts of Elstead Hotel (Bournemouth) Limited as at 31 December 2019 show a loss of £297,470 and shareholders' funds at that date of a negative equity of £692,805.

The Union's interest is represented by a debenture of £480,000 secured by a floating charge over the assets of the company and £10,000 ordinary shares of £1 each fully paid. As the company is in a net liability position, the Union's investments (debenture and shares) has been provided for to a £nil amount.

Further details of Elstead Hotel (Bournemouth) Limited transactions have been given in note 19.

<b>10 Debtors</b>	<b>2019</b>	2018
	£	£
Contributions from Members	2,197,655	2,132,518
Salary Debtors	102,572	58,007
Other Debtors	1,100,936	3,565,688
Prepayments	456,804	329,806
	<u>3,857,967</u>	<u>6,086,019</u>
<b>11 Cash at Bank and In Hand</b>	<b>2019</b>	2018
	£	£
General Fund - Head Office	2,484,598	2,959,990
General Fund - Branches	5,481,149	5,412,886
Political Fund	1,334,127	1,582,115
	<u>9,299,874</u>	<u>9,954,991</u>
<b>12 Creditors: amounts falling due within one year</b>	<b>2019</b>	2018
	£	£
Trade Creditors	1,438,048	1,768,286
Salary Creditors	83,900	173,602
Accruals and Deferred Income	1,070,046	1,092,327
Provisions	616,065	639,994
Other Creditors	260,489	221,059
	<u>3,468,548</u>	<u>3,895,268</u>
<b>13 Creditors: amounts falling due after more than one year</b>	<b>2019</b>	2018
	£	£
Other Creditors	<u>2,000</u>	<u>4,000</u>

## Notes to the Financial Statements (continued)

### 14 Operating Leases

At 31 December 2019 the Union had future minimum lease payments under non-cancellable operating leases as set out below.

	2019	2018
	£	£
Operating leases which expire:		
Within One Year	924,789	1,047,294
Within Two to Five Years	1,971,207	2,149,760
Greater than Five Years	128,884	756,187
	<u>3,024,880</u>	<u>3,953,241</u>

### 15 Provision for Liabilities and Charges - Pensions

The Union's accounts need to show the value of the pension schemes that it sponsors using the accounting treatment prescribed by Section 28 of FRS 102. The assumptions used in calculating the Section 28 pension scheme valuations, as disclosed in note 16, are agreed between the employer and the scheme's actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

Using a Section 28 valuation the Union's pension schemes at 31 December 2019 showed a total deficit of £25.22m.

	Date of Triennial Valuation	Triennial Valuation £'000	FRS 102 Valuation £'000
UCW 2001	31/12/2017	17,350	17,260
NCU SSS	31/12/2017	(2,660)	-
CWU 2000	31/12/2017	8,550	7,960
		<u>23,240</u>	<u>25,220</u>

The most recent triennial valuations for all schemes are dated 31 December 2017. At this date, the total liability amounted to £23.24m.

The assets in the NCU SSS have not been recognised as there is no provision in the deed and rules of the scheme to enable the trustees to make payments to the Union.

### 16 Pensions

The Union operates a CARE section within the CWU 2000 Pension scheme, which provides benefits for Union employees based on a proportion of career salary. The CWU 2000 Pension Scheme CARE section is open to new employees of the Union and the UCW 2001 and NCU SSS are closed. All schemes are fully funded.

Contributions to the schemes are charged to the Statement of Comprehensive Income to spread the cost of pensions over employees' working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuary at a rate of 33% of pensionable salaries. The actuary uses the projected unit method of valuation.

Amounts payable to the schemes by the Union in accordance with actuarial advice were:

	2019	2018
	£'000	£'000
<b>Staff Superannuation Schemes</b>		
Normal Contributions	2,206	2,270
Pension Deficit Reduction Payments	830	750
	<u>3,036</u>	<u>3,020</u>

The above amounts represent the amounts which would have been charged to the Statement of Comprehensive Income in 2019 and 2018, had Section 28 of FRS 102 not been adopted in respect of accounting for retired benefits. The amounts actually charged to the Statement of Comprehensive Income and Other Comprehensive Income are shown in note 16d and 16e.

The Union is considering the deficits in the various schemes in consultation with respective scheme actuaries and taking advice on the amount of future Union contributions.

## Notes to the Financial Statements (continued)

### 16 Pensions (continued)

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with Section 28, together with the assumptions used to determine the results, is set out below. Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 31 December 2019. The deficit has been incorporated within the Union's balance sheet in accordance with Section 28.

#### 16a The Main Financial Assumptions:

	31 December 2019 %	31 December 2018 %
Discount Rate	1.9 - 2.1	2.8 - 3.0
RPI Inflation Assumption	2.0 - 3	3.6
Rate of Salary Increases	0	0
Allowance for Future Deferred Revaluation	2.3 - 3	2.6 - 3.6
Allowance for Future Pension Increases	2.3 - 3.2	2.6 - 3.6

Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 26 years if they are male and for a further 28 years if they are female. For a member currently aged 40 who retires at age 60 the assumptions are that they will live on average for a further 28 years after retirement if they are male and a further 30 years after retirement if they are female.

#### 16b The Assets in the Schemes were:

	31 December 2019 £'000	31 December 2018 £'000
Hedge Funds	39,080	35,830
Diversified Growth Funds	27,710	24,011
Government Bonds	46,508	46,875
Corporate Bonds	2,650	2,590
Cash	1,283	969
	<u>117,231</u>	<u>110,275</u>
Irrecoverable Surplus on Scheme Assets	(13,970)	(12,658)
<b>Total Scheme Assets</b>	<u><b>103,261</b></u>	<u><b>97,617</b></u>

#### 16c Analysis of Amounts in the Statement of Financial Position:

	31 December 2019 £'000	31 December 2018 £'000
<b>Changes in Present Value of Scheme Liabilities</b>		
Opening Defined Benefit Obligation	120,427	131,524
Current Service Cost	1,550	2,308
Past Service Cost	-	46
Interest Cost	3,418	3,335
Remeasurement Gain - Effect of Experience Adjustments	(170)	(5,352)
Remeasurement Loss / (Gain) - Changes in Assumptions	8,098	(6,610)
Contributions paid by Scheme Participants	380	327
Benefits Paid	(5,222)	(5,151)
<b>Closing Defined Benefit Obligation</b>	<u><b>128,481</b></u>	<u><b>120,427</b></u>

## Notes to the Financial Statements (continued)

<b>16c Analysis of Amounts in the Statement of Financial Position (continued):</b>	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>£'000</b>	£'000
<b>Changes in Fair Value of Scheme Assets</b>		
Opening Fair Value of Scheme Assets	110,275	114,848
Expected Return (Interest Income) on Scheme Assets	3,156	2,924
Administration Expenses Paid	(450)	(461)
Remeasurement Gain / (Loss) - Return on Scheme Assets	6,056	(5,233)
Contributions paid by the Employer	3,036	3,021
Contributions paid by Scheme Participants	380	327
Benefits Paid	<u>(5,222)</u>	<u>(5,151)</u>
	117,231	110,275
Irrecoverable Surplus on Scheme Assets	<u>(13,970)</u>	<u>(12,660)</u>
<b>Closing Fair Value of Scheme Assets</b>	<b><u>103,261</u></b>	<b><u>97,615</u></b>
Present Value of Defined Benefit Obligation	(128,481)	(120,427)
Fair value of Scheme Assets	<u>103,261</u>	<u>97,615</u>
<b>Net Liability (note 15)</b>	<b><u>(25,220)</u></b>	<b><u>(22,812)</u></b>
<b>16d Analysis of the Amount Charged to the Operating Surplus:</b>	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>£'000</b>	£'000
Current Service Cost	1,550	2,308
Past Service Costs	-	46
<b>Total Operating Charge</b>	<b><u>1,550</u></b>	<b><u>2,354</u></b>
<b>16e Analysis of the Amount Recognised as Other Financial Expense:</b>	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>£'000</b>	£'000
Interest Income on Scheme Assets	3,156	2,925
Interest Cost	(3,418)	(3,335)
Scheme Administration Expenses Paid	(450)	(460)
<b>Total Financial Expense</b>	<b><u>(712)</u></b>	<b><u>(870)</u></b>
<b>16f Remeasurement Recognised in Other Comprehensive Income (OCI):</b>	<b>31 December</b>	31 December
	<b>2019</b>	2018
	<b>£'000</b>	£'000
Remeasurement Gain / (Loss) - Return on Scheme Assets	6,056	(5,233)
Remeasurement Gain - Effect of Experience Adjustments	170	5,352
Remeasurement (Loss) / Gain - Changes in Assumptions	<u>(8,098)</u>	<u>6,610</u>
<b>Total Remeasurement (Loss) / Gain recognised in OCI</b>	<b><u>(1,872)</u></b>	<b><u>6,729</u></b>
Assets not Recoverable in the Future	<u>(1,312)</u>	<u>(6,730)</u>
<b>Total Loss in OCI</b>	<b><u>(3,184)</u></b>	<b><u>(0,001)</u></b>
<b>17 Contingent Liabilities</b>		
The Union had a £nil amount at 31 December 2019.		
<b>18 Key Management Personnel</b>		
Key management personnel is defined as the roles of General Secretary and Senior Deputy General Secretary. The total employment cost for these roles paid in the year was £264,316 (2018: £261,023) and includes gross pay, employers pension contributions and employers national insurance.		

## Notes to the Financial Statements (continued)

### 19 Related Party Transactions

#### Unionline

Intercompany transactions at the reporting date:

£273,250 (2018: £273,250) Other Debtors, note 10 relating to a unsecured loan at a commercial rate of interest.

£102,470 (2018: £81,203) Other Debtors, note 10 accumulated loan interest.

£49,140 (2018: £49,140) Trade Debtors, note 10 relating to medical fees.

#### Elstead Hotel (Bournemouth) Limited

Intercompany transactions at the reporting date:

£582,193 (2018: £394,953) Other Debtors note 10, relating to rent, management fees and a loan.

£7,455 (2018: £nil) Accruals, note 12, relating to hotel services.

£nil (2018: £5,975) Trade Creditors note 12, relating to hotel services.

### 20 Post Balance Sheet Events

Since 31 December 2019, the outbreak of the pandemic COVID-19 has had an economic effect across all sectors and the Union has considered the effect on the organisation as a going concern, its resilience through this period and the impact on the reserves. The NEC has reviewed the revised financial plans, which have been amended to include the impact of known changes in activities, and will continue to review these budgets and forecasts as the situation progresses.

Due to the uncertainty involved and the unprecedented nature of the challenges posed by the coronavirus situation, the NEC are of the opinion that continual monitoring of the financial impact of the COVID-19 pandemic is crucial to the future of the Union. Senior management have been quick to take action to mitigate detrimental effects on the Union and its members, ensuring staff have been able to work remotely in a safe environment.

In preparing amended budgets and forecasts for the financial years ending December 2020 and 2021 after taking into account all potential impacts of the pandemic ("stress testing existing budgets"), including the sale of Alvescot Lodge for £1.75m and after taking into account the decisions to cease all travel, and delay elections, conferences and educational activities, the NEC believe that the Union has sufficient working capital to enable it to continue to provide services to its members and ensure the future viability of the organisation.

## Management Use Only

## Management Accounts

A Total General Fund	schedule	2019 £	2018 £
<b>Income</b>			
Gross Contributions from Members		31,017,772	29,692,661
Less: Political Fund Contributions	G	<u>(1,606,863)</u>	<u>(1,651,781)</u>
		29,410,909	28,040,880
Rebates to Branches	F	(8,396,140)	(8,141,369)
Employer Collection Charges		(7,479)	(9,393)
Other Collection Costs		<u>(13,925)</u>	<u>(17,191)</u>
Net Contribution Income		20,993,365	19,872,927
Other Income		<u>251,671</u>	<u>278,725</u>
<b>General Fund Net Income</b>		<u><b>21,245,036</b></u>	<u>20,151,652</u>
<b>Expenditure</b>			
Central Services to Members	H	3,437,398	(231,996)
Communications and Membership Engagement	I	778,594	820,391
Education	J	505,292	494,816
Branch Organisation and Recruitment	K	82,165	79,917
Regional and Divisional Representation	L	1,158,031	1,026,615
National Executive Council and National Organisation	M	2,103,353	2,392,379
Elections and Ballots	N	333,301	245,779
Union Conferences	O	394,072	507,920
Affiliations, Delegations and Donations	P	787,534	735,542
Professional and Financial Charges	Q	1,389,477	1,338,422
Headquarters Expenses	R	1,877,408	1,790,045
Headquarters Depreciation to Fixed Assets	S	398,703	343,725
Salaries, Payroll and Substitution Costs	T	8,631,015	9,117,730
International Activities	U	<u>300,925</u>	<u>361,371</u>
<b>General Fund Total Expenditure</b>		<u><b>22,177,268</b></u>	<u>19,022,656</u>
<b>Operating Loss</b>		<u><b>(932,232)</b></u>	<u>1,128,996</u>
<b>Allocations, Interest and Amounts Written off Investments</b>			
Surplus / (Loss) on Revaluation of Quoted Investments		545,883	(303,849)
Surplus / (Loss) on Disposal of Quoted Investments		1,484	(75)
Surplus on Conference Rule Change - Withheld Fund		4,122,311	-
Surplus on Revaluation of Unquoted Investments		-	365,000
Loss on Disposal of Fixed Assets		(3,277)	-
Provision against Debenture Loan		-	(480,000)
Other Financial Expense - Pension Schemes		<u>(712,000)</u>	<u>(870,000)</u>
<b>General Fund Surplus / (Loss) before Transfers</b>		<u><b>3,022,169</b></u>	<u>(159,928)</u>
<b>Split Between:</b>			
General Fund		3,078,269	800,072
Pension Fund		<u>(56,100)</u>	<u>(960,000)</u>
		<u><b>3,022,169</b></u>	<u>(159,928)</u>



## Management Use Only

**Management Accounts (continued)**

<b>B</b>	<b>Defence Fund</b>		<b>2019</b>	2018
		<b>schedule</b>	<b>£</b>	<b>£</b>
	<b>Income</b>			
	Rebate from Branches	F	<b>84,509</b>	81,427
	<b>Less: Expenditure</b>			
	Industrial Action Campaign Costs		<b>285,000</b>	-
	<b>Defence Fund Surplus / (Loss) before Transfers</b>		<b><u>(200,491)</u></b>	<b><u>81,427</u></b>
<b>C</b>	<b>Scholarship Fund</b>		<b>2019</b>	2018
			<b>£</b>	<b>£</b>
	<b>Income</b>			
	Commissions		<b>32,360</b>	38,728
	<b>Less: Expenditure</b>			
	Bursary Awards		<b>9,000</b>	29,536
	<b>Scholarship Fund Surplus before Transfers</b>		<b><u>23,360</u></b>	<b><u>9,192</u></b>
<b>D</b>	<b>National Welfare Fund</b>		<b>2019</b>	2018
			<b>£</b>	<b>£</b>
	<b>Income</b>			
	Donations		<b>25,399</b>	19,756
	Commissions		<b>3,364</b>	2,444
			<b><u>28,763</u></b>	<b><u>22,200</u></b>
	<b>Less: Expenditure</b>			
	Disbursements to Members		<b>24,950</b>	28,500
	<b>National Welfare Fund Surplus / (Loss) before Transfers</b>		<b><u>3,813</u></b>	<b><u>(6,300)</u></b>
<b>E</b>	<b>Property Reserve</b>	<b>note / schedule</b>	<b>2019</b>	2018
			<b>£</b>	<b>£</b>
	Allocation from:			
	Branch Fund	F	<b>43,786</b>	(42,558)
	<b>Property Reserve Fund Loss after Transfers</b>	1c	<b><u>43,786</u></b>	<b><u>(42,558)</u></b>
	<b>Analysis of Property Reserve Allocation:</b>		<b>2019</b>	2018
			<b>£</b>	<b>£</b>
	<b>Head Office</b>			
	Freehold Property Cost at 1 January	7	<b><u>20,992,715</u></b>	<u>20,992,715</u>
	Property Reserve Fund Carried Forward		<b><u>20,992,715</u></b>	<u>20,992,715</u>
	<b>Branches</b>			
	Freehold Property Cost at 1 January	7	<b>3,228,647</b>	3,228,647
	Additions in year	7	<b>43,787</b>	-
	Disposals in year	7	-	-
	Property Reserve Fund Carried Forward		<b><u>3,272,434</u></b>	<u>3,228,647</u>
	<b>Total Property Reserve Fund (pg 9)</b>		<b><u>24,265,149</u></b>	<b><u>24,221,362</u></b>

## Management Use Only

## Management Accounts (continued)

F	Branch Fund	schedule	2019 £	2018 £
	<b>Income</b>			
	Contributions from Members	A	<u>8,396,140</u>	<u>8,141,369</u>
	<b>Expenditure</b>			
	Total Expenditure at Branches, net of Sundry Income		<u>8,139,301</u>	8,031,087
	Depreciation to Fixed Assets		<u>106,251</u>	87,484
			<u>8,245,552</u>	8,118,571
	Rebates to Defence Fund	B	<u>84,509</u>	81,427
	<b>Branch Total Expenditure</b>		<u>8,330,061</u>	<u>8,199,998</u>
	<b>Branch Operating Surplus / (Loss)</b>		<u>66,079</u>	<u>(58,629)</u>
	<b>Allocations, Interest and Amounts Written off Investments</b>			
	Loss on Conference Rule Change - Withheld Fund		<u>(4,122,311)</u>	-
	Surplus on Disposal of Fixed Assets		<u>-</u>	66,635
	<b>Branch (Loss) / Profit before Transfers</b>		<u>(4,056,232)</u>	<u>8,006</u>
	Transfer to Property Reserve Fund	E	<u>(43,786)</u>	42,558
	<b>Branch Fund (Loss) / Surplus after Transfers</b>		<u>(4,100,018)</u>	<u>50,564</u>
	<b>G</b>			
	<b>Political Fund</b>	schedule	2019 £	2018 £
	<b>Income</b>			
	Contributions from Members	A	<u>1,606,863</u>	<u>1,651,781</u>
	<b>Expenditure</b>			
	Labour party Affiliation Fees		452,113	450,950
	Regional Affiliation Fees		14,104	14,276
	Campaigns		89,251	111,203
	General Election		39,669	-
	Delegations to National Conferences		200,553	174,185
	Delegations to Regional Conferences		6,912	6,387
	Net Expenditure at Branches		309,160	156,498
	Branch and Regional Expenses		13,750	2,869
	Parliamentary Panel		30,526	44,052
	Printing and Publicity		7,611	4,287
	Postage		62,574	2,817
	Travel and Meeting Expenses		5,924	4,082
	Donations		684,038	66,794
	General Expenses		2,490	1,179
	Administration Charge		45,000	45,000
	Depreciation to Furniture, Equipment and Computers		1,317	3,147
	Bank Charges		708	480
			<u>1,965,700</u>	<u>1,088,206</u>
	<b>Political Fund (Loss) / Surplus after Transfers</b>		<u>(358,837)</u>	<u>563,575</u>
	<b>Split Between:</b>			
	Political Fund - Head Office		<u>(268,592)</u>	495,041
	Political Fund - Branches		<u>(90,245)</u>	68,534
			<u>(358,837)</u>	<u>563,575</u>

## Management Use Only

**Management Accounts (continued)**

<b>H Central Services to Members</b>	<b>2019</b>	<b>2018</b>
	£	£
Death Benefits:		
Retired Members	<b>363,028</b>	377,592
Current Members	<b>147,218</b>	142,546
	<b>510,246</b>	520,138
Legal and Medical Services	<b>108,901</b>	156,087
Unionline	<b>2,638,044</b>	(1,000,498)
Employment Tribunals	<b>171,069</b>	50,003
Insurance Scheme	<b>9,138</b>	42,274
	<b>3,437,398</b>	(231,996)
<b>I Communications and Membership Engagement</b>	<b>2019</b>	<b>2018</b>
	£	£
Voice Magazine Costs	<b>487,996</b>	520,870
Less: Advertising Revenue	<b>(8,296)</b>	(42,538)
	<b>479,700</b>	478,332
Other Publicity Costs	<b>298,894</b>	342,059
	<b>778,594</b>	820,391
<b>J Education</b>	<b>2019</b>	<b>2018</b>
	£	£
Schools - Alvescot Lodge:		
Staff Salaries	<b>260,701</b>	263,314
Other Expenses (Net of Sundry Income)	<b>211,844</b>	210,549
	<b>472,545</b>	473,863
Regional Courses	<b>32,747</b>	20,953
	<b>505,292</b>	494,816
<b>K Branch Organisation and Recruitment</b>	<b>2019</b>	<b>2018</b>
	£	£
Branch Organisation	<b>947</b>	(27,439)
Recruitment	<b>81,218</b>	107,356
	<b>82,165</b>	79,917
<b>L Regional and Divisional Representation</b>	<b>2019</b>	<b>2018</b>
	£	£
Regional Officers	<b>619,665</b>	635,878
Divisional Representatives	<b>239,568</b>	312,283
Parcellforce Worldwide Field Officials	<b>54,911</b>	63,020
Territorial Engineering Field Officials	-	4,026
Postal Working Reference Groups	<b>239,331</b>	6,570
Health and Safety and Women's Committee Forums	<b>4,556</b>	4,838
	<b>1,158,031</b>	1,026,615

## Management Use Only

**Management Accounts (continued)**

<b>M National Executive Council and National Organisation</b>	<b>2019</b>	<b>2018</b>
	£	£
National and Industrial Executive Council Expenses	1,437,482	1,490,847
Meetings/Activities Convened by National Officers	464,064	704,556
National Negotiating Teams	123,539	107,056
Equality, Young Workers and Retired Members	78,268	89,920
	<u>2,103,353</u>	<u>2,392,379</u>
<b>N Elections and Ballots</b>	<b>2019</b>	<b>2018</b>
	£	£
National Executive Council	200,742	42,382
Other Elections	40	22,981
Pay and Conditions Ballots	132,519	180,416
	<u>333,301</u>	<u>245,779</u>
<b>O Union Conferences</b>	<b>2019</b>	<b>2018</b>
	£	£
Annual Conference:		
Head Office Expenses	126,205	169,467
Printing and Stationery	8,017	14,741
Facilities	177,532	229,659
Miscellaneous	10,540	15,810
	<u>322,294</u>	<u>429,677</u>
Standing Orders Committee:		
General	25,473	38,136
Postal	31,847	28,150
Telecoms and Financial Services	14,458	11,957
	<u>394,072</u>	<u>507,920</u>
<b>P Affiliations, Delegations and Donations</b>	<b>2019</b>	<b>2018</b>
	£	£
Affiliations:		
Trade Union Congress	562,115	532,918
Scottish Trades Union Congress	31,027	29,822
Irish Congress of Trade Unions	19,228	19,240
Miscellaneous	8,532	13,402
	<u>620,902</u>	<u>595,382</u>
Delegations	141,195	122,437
Donations	25,437	17,723
	<u>787,534</u>	<u>735,542</u>
<b>Q Professional and Financial Charges</b>	<b>2019</b>	<b>2018</b>
	£	£
Superannuation Schemes Administration Costs	867,982	1,011,852
Headquarters Legal Costs	348,636	131,142
Audit, Accountancy and Taxation	76,313	75,515
Property, Technical and Advisory Services	17,187	47,055
Insurance	48,364	42,192
Bank Charges and Interest	30,995	30,666
	<u>1,389,477</u>	<u>1,338,422</u>

## Management Use Only

**Management Accounts (continued)**

<b>R</b>	<b>Headquarters Expenses</b>	<b>2019</b>	2018
		£	£
	Computer Systems - Maintenance and Support	<b>170,374</b>	210,851
	Light, Fuel and Cleaning	<b>168,861</b>	149,560
	Maintenance of Premises	<b>75,548</b>	74,837
	Security	<b>124,420</b>	110,227
	Rates and Room Hire	<b>493,826</b>	457,043
	Postage	<b>42,150</b>	41,797
	Telecommunications	<b>136,574</b>	99,944
	Printing, Stationery and Photocopying	<b>660,823</b>	659,208
	Catering	<b>1,851</b>	2,687
	Maintenance of Equipment	<b>45,751</b>	33,872
	Research Library	<b>24,709</b>	26,326
	Staff Training, Recruitment and Miscellaneous Costs	<b>29,927</b>	22,466
	VAT Refund	<b>(97,406)</b>	(98,773)
		<b><u>1,877,408</u></b>	<b><u>1,790,045</u></b>
<b>S</b>	<b>Head Office Depreciation to Fixed Assets</b>	<b>2019</b>	2018
		£	£
	Depreciation to Buildings	<b>174,810</b>	174,810
	Depreciation to Furniture, Equipment, Computers and Motor Vehicles	<b>120,987</b>	168,915
	Impairment of Freehold Property	<b>102,906</b>	-
		<b><u>398,703</u></b>	<b><u>343,725</u></b>
<b>T</b>	<b>Salaries and Superannuation Costs</b>	<b>2019</b>	2018
		£	£
	Salaries, Payroll and Substitution Costs	<b>7,408,884</b>	7,263,972
	Staff Superannuation Schemes	<b>1,222,131</b>	1,853,758
		<b><u>8,631,015</u></b>	<b><u>9,117,730</u></b>
<b>U</b>	<b>International Activities</b>	<b>2019</b>	2018
		£	£
	Union Network International Affiliation	<b>261,490</b>	253,000
	Union Network International Conference	<b>20,565</b>	12,427
	Union Network International World Conferences	<b>14,549</b>	85,380
	Delegations	<b>4,044</b>	7,552
	Miscellaneous	<b>277</b>	3,012
		<b><u>300,925</u></b>	<b><u>361,371</u></b>