

Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for a Trade Union

Name of Trade Union:	Communication Workers Union (CWU)		
Year ended:	31 December 2020		
List no:	743T		
Head or Main Office address:	150 The Broadway		
	Wimbledon		
	London		
Postcode	SW19 1RX		
Website address (if available)	www.cwu.org		
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Dave Ward		
Telephone Number:	0208 971 7200		
Contact name for queries regarding the completion of this return	Tony Kearns, Senior Deputy General Secretary		
Telephone Number:	0208 971 7237		
E-mail:	sdgs@cwu.org		

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 Officer as below or by telephone to: 0330 109 3602

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: returns@certoffice.org

For Unions based in Scotland: ymw@tcyoung.co.uk

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Return of Members

(see notes 10 and 11)

	Number of members at the end of the year				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	Totals
Male	146,431	4,069		316	150,816
Female	37,515	958		59	38,532
Other	20	1			21
Total	183,966	5,028		375	A 189,369

Number of members at end of year contributing to the General Fund

189,369

Number of members included in totals box 'A' above for whom no home or authorised address is held:

1,003

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
National President	J Loftus	K Rose	April 2020
Voting Member	H Cooper	n/a	March 2020
Voting Member	B Lee	n/a	November 2020

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

Officers in post

(see note 12)

Please complete list of all officers in post at the end of the year to which this return relates.

Name of Officer	Position held
Refer to Appendix 1	

Appendix 1

Officers in Post

Name of Officer	Position Held
D Ward	General Secretary
A Kearns	Senior Deputy General Secretary
A Kerr	Deputy General Secretary
T Pullinger	Deputy General Secretary
CWU Trustees:	
A Bouch	Trustee
M Kavanagh	Trustee
K Rose	Trustee
J Upton	Trustee
CWU National Executive Council:	
K Rose	National President
J Loftus	National Vice President
M Ali	Voting Member
M Bastiani	Voting Member
A Bouch	Voting Member
E Brett	Voting Member
H Cooper	Voting Member (up to March 2020)
T Cooper	Voting Member
N Darbyshire	Voting Member
S Edwards	Voting Member
L Elgar	Voting Member
T Fussey	Voting Member
D Glebocki	Voting Member
S Halliwell	Voting Member
S Jones	Voting Member
M Kavanagh	Voting Member
B Lee	Voting Member (up to November 2020)
C Maden	Voting Member
M Meade	Voting Member
A Moosa	Voting Member
J Samuels	Voting Member
J Sharrocks	Voting Member
I Taylor	Voting Member
D Tee	Voting Member
J Upton	Voting Member
K Walsh	Voting Member
M Walsh	Voting Member
B Weatherall	Voting Member
D Wilshire	Voting Member
K Woolley	Voting Member

General Fund

(see notes 13 to 18)

	£	£
Income		
From Members: Contributions and Subscriptions		28,885,858
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		28,885,858
Investment income (as at page 12)		107,840
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	666,252	
Total of other income (as at page 4)		666,252
		29,659,950
	Total income	1,926,296
	Interfund Transfers IN	
Expenditure		
Benefits to members (as at page 5)		2,347,512
Administrative expenses (as at page 10)		20,212,275
Federation and other bodies (specify)		
Trade Union Congress affiliation		584,397
Scottish Trades Union Congress affiliation		32,310
Irish Congress of Trade Unions affiliation		19,936
Union Network International affiliation		263,304
Miscellaneous affiliations		62,736
Food Bank donations		19,498
Crackerjacks Children's Trust		5,370
Durham Miners Association		5,000
CWU Humanitarian Aid		7,628
Sundry donations		38,912
Total expenditure Federation and other bodies		1,039,091
Taxation		
		23,598,878
	Total expenditure	977,970
	Interfund Transfers OUT	
		6,061,072
	Surplus (deficit) for year	
		12,386,018
	Amount of general fund at beginning of year	
		19,395,416
	Amount of general fund at end of year	

Analysis of income from federation and other bodies and other income

(see notes 19 and 20)

Description	£
Federation and other bodies	
Total federation and other bodies	
Any Other Sources	
Elstead Hotel management recharge	24,000
Political Fund management recharge	45,000
VAT recoverable	71,668
CWU diaries and promotional goods	45,330
Union services	38,770
Disposal of quoted investments	1,421
Revaluation of quoted investments	440,063
Total other sources	666,252
Total of all other income	666,252

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation –		brought forward	914,826
Employment Related Issues		Advisory Services	
Employment tribunals	106,346	Harrasment helpline	103
Representation –		Other Cash Payments	
Non Employment Related Issues		Death benefits	556,247
Legal and medical services	92,221	Members welfare	38,321
UnionLine	79,552	Education and Training services	
		Education	74,867
Communications		Salary Costs	
Voice magazine	245,566	Legal services	752,351
CWU TV	134,712	Negotiated Discount Services	
Publicity and merchandise	256,429	Membership benefits package	9,856
Dispute Benefits		Other Benefits and Grants (specify)	
		Awards	941
carried forward	914,826	Total (should agree with figure in General Fund)	2,347,512

Political fund account

(see notes 24 to 33)

£

£

Political fund account 1		To be completed by trade unions which maintain their own political fund	
	Income	Members contributions and levies	1,552,025
		Investment income (as at page 12)	
Other income (specify)			
		Total other income as specified	
		Total income	1,552,025
Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) Act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the political funds exceeds £2,000 during the period			
	Expenditure A (as at page i)		761,645
	Expenditure B (as at page ii)		
	Expenditure C (as at page iii)		
	Expenditure D (as at page iv)		
	Expenditure E (as at page v)		8,872
	Expenditure F (as at page vi)		4,555
	Non-political expenditure (as at page vii)		95,939
		Total expenditure	871,011
		Surplus (deficit) for year	681,014
		Amount of political fund at beginning of year	1,351,250
		Amount of political fund at the end of year (as <u>Balance Sheet</u>)	2,032,264
		Number of members at end of year contributing to the political fund	146,048
		Number of members at end of the year not contributing to the political fund	43,321
		Number of members at end of year who have completed an exemption notice and do not contribute to the political fund	34,603
Political fund account 2		To be completed by trade unions which act as components of a central trade union	
Income	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
		Total other income as specified	
		Total income	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects(specify)		
	Non-political expenditure		
		Total expenditure	
		Surplus (deficit) for year	
		Amount held on behalf of trade union political fund at beginning of year	
		Amount remitted to central political	
		Amount held on behalf of central political fund at end of year	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	

Political fund account expenditure (c)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

Expenditure in connection with the registration of electors, the candidature of any person, the selection of any candidate or the holding of any ballot by the union in connection with any election to a political office

Title and Date of election	Name of political party/organisation	Name of candidate, organisation or political party (see 33(iii))	£
n/a			
Total			

Political fund account expenditure (f)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates

On the production, publication or distribution of any literature, document, film, sound recording or advertisement the main purpose of which is to persuade people to vote for a political party or candidate or to persuade them not to vote for a political party or candidate

Name of organisation or political party	£
UK Labour Party	4,555
Total	4,555

**Expenditure from the political fund not falling within section 72 (1) of the trade union & labour relations
(consolidation) act 1992**

For expenditure not falling within section 72 (1) the required information is-

(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one	£
Royal Mail Shareholders	4,392
Total expenditure	4,392

(b) the name of each organisation to which money was paid (otherwise than for a particular cause of campaign), and the total amount paid to each one	£
Tribune	15,000
Class	10,000
The People's Assembly	7,500
The World Transformed	7,500
Institute of Employment Rights	3,045
Lockdown Cinema	1,678
Total expenditure	44,723

(c) the total amount of all other money expended	£
Political Fund management recharge	45,000
Depreciation and bank fees	1,824
Total expenditure	46,824
Total of all expenditures	95,939

Analysis of administrative expenses and other outgoings excluding amounts charged to political fund accounts

(see notes 34 and 35)

		£
Administrative Expenses		
Remuneration and expenses of staff		12,053,036
Salaries and Wages included in above	7,815,985	
Auditors' fees		101,828
Legal and Professional fees		353,419
Occupancy costs		1,440,943
Stationery, printing, postage, telephone, etc.		2,069,727
Expenses of Executive Committee (Head Office)		168,849
Expenses of conferences		222,217
Other administrative expenses (specify)		
Membership representation		2,179,294
Membership engagement		524,259
Computer costs		631,154
Research library		25,430
Other Outgoings		
Subscription collection charges		6,117
Bank charges		41,990
Depreciation		413,945
Loss on disposal of fixed assets		15,002
Bad debts		99,097
Outgoings on land and buildings (specify)		
Repairs to premises and equipment		159,261
Other outgoings (specify)		
Other costs on defined benefit pension scheme		540,091
Actuarial loss on defined benefit pension scheme		7,439,000
Total		28,484,659
Charged to:	General Fund (Page 3)	20,212,275
	Defence Fund	293,293
	National Welfare Fund	
	Scholarship Fund	
	Property Reserve	
	Pension Reserve	7,979,091
Total		28,484,659

Analysis of officials' salaries and benefits

(see notes 36 to 46 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits		Total £	
			Pension Contributions £	Other Benefits		
				Description		Value £
D Ward, General Secretary	104,315	12,119	26,051		142,485	
A Albon, Voting Member	16,259	1,728			17,987	
C Maden, Voting Member	26,967	2,701			29,668	
M Kavanagh, Voting Member	1,322	81			1,403	
A Hopping, Voting Member	507				507	
K Quirke, Voting Member	507				507	
D Wiltshire, Voting Member	12,727	738			13,465	

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			50,395
Dividends (gross) from:			33,514
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			23,638
Local Authority Bonds			
Bank and Building Societies			293
Other investment income (specify)			
			107,840
		Total investment income	107,840
		Credited to:	
		General Fund (Page 3)	107,840
		Defence Fund	
		National Welfare Fund	
		Scholarship Fund	
		Property Reserve	
		Pension Reserve	
		Political Fund	
		Total Investment Funds	107,840

Balance sheet as at

31 December 2020

(see notes 49 to 52)

Previous Year		£	£
22,419,730	Fixed Assets (at page 14)		20,566,828
	Investments (as per analysis on page 15)		
4,158,050	Quoted (Market value £ (4,601,213)		4,601,213
2,606,194	Unquoted		2,596,027
	Total Investments		7,197,240
	Other Assets		
	Loans to other trade unions		
3,857,967	Sundry debtors		3,809,164
9,299,874	Cash at bank and in hand		15,128,393
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
13,157,841	Total of other assets		18,937,557
42,341,815	Total assets		46,701,625
12,386,018	General fund (page 3)		19,395,416
790,088	Defence Fund		581,144
28,763	National Welfare Fund		26,787
50,000	Scholarship Fund		50,000
24,265,148	Property Reserve		22,371,307
-25,220,000	Pension Reserve		-32,330,000
1,351,250	Political Fund Account		2,032,264
	Liabilities		
	Amount held on behalf of central trade union political fund		
1,784,437	Sundry creditors		1,158,401
1,070,046	Accrued expenses		686,675
616,065	Provisions		399,631
25,220,000	Pension scheme deficit		32,330,000
£28,690,548	Total liabilities		34,574,707
£42,341,815	Total assets		46,701,625

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	24,265,149		2,326,119	19,907		26,611,175
Additions	86,661		283,637			370,298
Disposals	-1,980,502		-85,886			-2,066,388
Revaluation/Transfers						
At end of year	22,371,308		2,523,870	19,907		24,915,085
Accumulated Depreciation						
At start of year	2,132,375		2,045,102	13,968		4,191,445
Charges for year	252,596		245,481	1,926		500,003
Disposals	-261,385		-81,806			-343,191
Revaluation/Transfers						
At end of year	2,123,586		2,208,777	15,894		4,348,257
Net book value at end of year	20,247,722		315,093	4,013		20,566,828
Net book value at end of previous year	22,132,774		281,017	5,939		22,419,730

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Aberdeen Standard Investments	4,601,213	
Total quoted (as Balance Sheet)	4,601,213	
Market Value of Quoted Investment	4,601,213	
Unquoted		
Equities		
Unity Trust Bank (ordinary shares)	2,487,596	
Government Securities (Gilts)		
Mortgages		
Union mortgages (cash position)	88,431	
Bank and Building Societies		
Other unquoted investments (to be specified)		
People's Press Printing Society Ltd	20,000	
Total unquoted (as Balance Sheet)	2,596,027	
Market Value of Unquoted Investments	2,596,027	

Analysis of investment income (controlling interests)

(see notes 60 and 61)

<p>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</p>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
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If YES name the relevant companies:

Company name	Company registration number (if not registered in England & Wales, state where registered)
Elstead Hotel (Bournemouth) Limited	1674002

<p>Are the shares which are controlled by the union registered in the names of the union's trustees?</p>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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If NO, state the names of the persons in whom the shares controlled by the union are registered.

Company name	Names of shareholders
Elstead Hotel (Bournemouth) Limited	Communication Workers Union

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds	Political Funds £	Total Funds £
Income			
From Members	28,885,858	1,552,025	30,437,883
From Investments	107,840		107,840
Other Income (including increases by revaluation of assets)	697,801		697,801
Total Income	29,691,499	1,552,025	31,243,524
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	31,896,862	871,011	32,767,873
Funds at beginning of year (including reserves)	12,300,017	1,351,250	13,651,267
Funds at end of year (including reserves)	10,094,654	2,032,264	12,126,918
Assets			
Fixed Assets			20,566,828
Investment Assets			7,197,240
Other Assets			18,937,557
		Total Assets	46,701,625
Liabilities		Total Liabilities	34,574,707
Net Assets (Total Assets less Total Liabilities)			12,126,918

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see notes 74 to 80)

Did the union hold any ballots in respect of industrial action during the return period?		<input type="text" value="Yes"/>
If Yes How many ballots were held: <input type="text" value="5"/>		
For each ballot held please complete the information below:		
Ballot 1		
Number of individual who were entitled to vote in the ballot	<input type="text" value="111,553"/>	
Number of votes cast in the ballot	<input type="text" value="70,717"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="66,771"/> ¹	
Number of individuals answering "No" to the question	<input type="text" value="3,903"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value="43"/> ³	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="Yes"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value="No"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="No"/>
Ballot 2		
Number of individual who were entitled to vote in the ballot	<input type="text" value="4,417"/>	
Number of votes cast in the ballot	<input type="text" value="2,183"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="2,099"/> ¹	
Number of individuals answering "No" to the question	<input type="text" value="84"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value="-"/> ³	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="No"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value="No"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="No"/>
Ballot 3		
Number of individual who were entitled to vote in the ballot	<input type="text" value="4,417"/>	
Number of votes cast in the ballot	<input type="text" value="2,262"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="2,159"/> ¹	
Number of individuals answering "No" to the question	<input type="text" value="103"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value="-"/> ³	
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="Yes"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?		<input type="text" value="No"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot		<input type="text" value="No"/>

Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Ballot 4

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 5

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 6

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question ¹

Number of individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballots and Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see note 81)

***Categories of Nature of Trade Dispute**

A: terms and conditions of employment, or the physical conditions in which any workers require to work;

B: engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;

C: allocation of work or the duties of employment between workers or groups of workers;

D: matters of discipline;

E: a worker's membership or non-membership of a trade union;

F: facilities for officials of trade unions;

G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Did Union members take industrial action during the return period in response to any inducement on the part of the Union? YES/NO

No

If **YES**, for each industrial action taken please complete the information below:

Industrial Action 1

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 2

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 3

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

use a continuation page if necessary

Industrial Action 4

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 5

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 6

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 7

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 8

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Notes to the accounts

(see notes 82 and 83)

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

Please refer to Appendix 2 - Notes to the Financial Statements

An extract from the CWU published accounts for the year ended 31 December 2020 (page 12-24).

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 continues to create significant difficulties in the worldwide economy and to the Union itself. 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 ongoing COVID-19 pandemic within these budgets and forecasts.

As noted within the Report of the Senior Deputy General Secretary, the pandemic has put pressure on membership levels and income thereon. This pressure has continued into 2021 and is expected to continue into 2022 in some form. However, during 2020 the Union was able to make significant cost savings primarily as a result of ceasing most travel, conferences and being unable to undertake residential educational activities which resulted in the Union improving its overall cash position by the end of the financial year. Whilst the pressures on membership is worrying, in considering the going concern status of the Union at 31 December 2020, management have stress tested many scenarios and projected cash flows for the period to 31 December 2022, taking into consideration known and projected increases in expenditure (including an expected demand for contributions to fund the Union's pension scheme deficits), and consider that there is 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 2020 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%	Furniture and Equipment	25%
Freehold Land	0%	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

The Union has elected to adopt a deemed cost value for freehold property, less depreciation as detailed above. The deemed cost used reflects what is considered to be the fair value of the property, being the open market value at 1 January 2014 on transition to FR102. Where no information was available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used. The Union does not apply the revaluation policy to any tangible fixed assets.

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.

The investment held by the union in the Elstead Hotel (Bournemouth) Limited has been written down to nil as the company is in a net liability position.

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.

Notes to the Financial Statements (continued)

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.

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.

Notes to the Financial Statements (continued)

4	General Fund	Notes	Head Office £	Branch £	2020 £	2019 £
	Membership Income					
	Members' Subscriptions		30,437,883	-	30,437,883	31,017,772
	Allocated to Branch Fund		(7,663,326)	7,663,326	-	-
	Allocated to Other Designated Funds	6	-	(108,879)	(108,879)	(109,908)
	Allocated to Political Fund	7	(1,507,025)	-	(1,507,025)	(1,561,863)
	Available Operating Income		<u>21,267,532</u>	<u>7,554,447</u>	<u>28,821,979</u>	<u>29,346,001</u>
	Non-Membership Income	8	215,741	71,867	287,608	540,698
	Total Income		<u>21,483,273</u>	<u>7,626,314</u>	<u>29,109,587</u>	<u>29,886,699</u>
	Expenses					
	Benefits to Members	9	(1,073,426)	(130,594)	(1,204,020)	(1,801,122)
	Membership Representation	10	(502,373)	(1,676,921)	(2,179,294)	(4,908,355)
	Membership Engagement	11	(463,584)	(158,523)	(622,107)	(731,537)
	Conferences and Executive	12	(366,782)	(24,284)	(391,066)	(2,142,569)
	Affiliations and Donations	13	(920,148)	(118,943)	(1,039,091)	(1,124,469)
	Central Administration	14	(1,557,926)	(1,770,836)	(3,328,762)	(5,841,006)
	Property Costs	15	(1,261,088)	(753,061)	(2,014,149)	(2,166,798)
	Employment Costs	16	(11,685,679)	(1,119,708)	(12,805,387)	(12,692,896)
	Operating Expenses		<u>(17,831,006)</u>	<u>(5,752,870)</u>	<u>(23,583,876)</u>	<u>(31,408,752)</u>
	Net Profit / (Loss) from Operations		<u>3,652,267</u>	<u>1,873,444</u>	<u>5,525,711</u>	<u>(1,522,053)</u>
	Other Income / (Expenses)					
	Revaluation of Quoted Investments		440,063	-	440,063	545,883
	Disposal of Quoted Investments		1,421	-	1,421	1,484
	Disposal of Fixed Assets		(15,002)	-	(15,002)	(3,277)
	Total Profit / (Loss) on Ordinary Activities for the Year		<u>4,078,749</u>	<u>1,873,444</u>	<u>5,952,193</u>	<u>(977,963)</u>
5	Pension Reserve				2020 £	2019 £
	Expenses					
	Net Impact of Service Cost and Extra Contributions	25			279,909	655,900
	Other Expenses					
	Other Pension Costs	25			(820,000)	(712,000)
	Total Loss on Ordinary Activities for the Year				<u>(540,091)</u>	<u>(56,100)</u>

Notes to the Financial Statements (continued)

6	Other Designated Funds	Defence £	Scholarship £	Welfare £	2020 £	2019 £
	Income					
	Allocated from General Fund (Branch)	84,349	-	24,530	108,879	109,908
	Non-Membership Income					
	Commissions	-	29,292	2,257	31,549	35,724
	Total Income	<u>84,349</u>	<u>29,292</u>	<u>26,787</u>	<u>140,428</u>	<u>145,632</u>
	Expenses					
	Industrial Action Campaign Costs	(293,293)	-	-	(293,293)	(285,000)
	Bursary Awards	-	-	-	-	(9,000)
	Grants to Members	-	-	(25,600)	(25,600)	(24,950)
	Operating Expenses	<u>(293,293)</u>	<u>-</u>	<u>(25,600)</u>	<u>(318,893)</u>	<u>(318,950)</u>
	Total (Loss) / Profit on Ordinary Activities for the Year	<u>(208,944)</u>	<u>29,292</u>	<u>1,187</u>	<u>(178,465)</u>	<u>(173,318)</u>
7	Political Fund				2020 £	2019 £
	Income					
	Members' Subscriptions				1,552,025	1,606,863
	Administration Recharge				(45,000)	(45,000)
	Allocated from General Fund				<u>1,507,025</u>	<u>1,561,863</u>
	Expenses					
	Labour party Affiliation Fees				(451,791)	(452,113)
	Regional Affiliation Fees				(4,021)	(14,104)
	Campaigns				(68,900)	(89,251)
	General Election				(860)	(39,669)
	Delegations to National Conferences				(2,451)	(200,553)
	Delegations to Regional Conferences				-	(6,912)
	Net Expenditure at Branches				(108,643)	(309,160)
	Branch and Regional Expenses				-	(13,750)
	Parliamentary Panel				(28,001)	(30,526)
	Printing and Publicity				(5,253)	(7,611)
	Postage				(366)	(62,574)
	Travel and Meeting Expenses				(1,065)	(5,924)
	Donations				(152,431)	(684,038)
	General Expenses				(444)	(2,490)
	Depreciation to Furniture, Equipment and Computers				(1,317)	(1,317)
	Bank Charges				(468)	(708)
	Total Profit / (Loss) on Ordinary Activities for the Year				<u>681,014</u>	<u>(358,837)</u>
	Charged to:					
	Political Fund - Head Office				578,434	(268,592)
	Political Fund - Branch				102,580	(90,245)
					<u>681,014</u>	<u>(358,837)</u>

Notes to the Financial Statements (continued)

8	Non-Membership Income	Other Designated		2020	2019
		General	Funds		
		£	£	£	£
	Long-term Loan and Bank Interest	23,931	-	23,931	25,261
	Dividends and Non-cash Distributions	33,514	-	33,514	50,991
	Rent	50,395	-	50,395	72,412
	Related Party Income	24,000	-	24,000	96,000
	Commissions	-	31,549	31,549	105,292
	Union Services	84,100	-	84,100	126,886
	VAT Recoverable	71,668	-	71,668	99,580
		<u>287,608</u>	<u>31,549</u>	<u>319,157</u>	<u>576,422</u>
9	Benefits to Members	Head Office	Branch	2020	2019
		£	£	£	£
	Death Grants	556,247	-	556,247	510,246
	Legal and Medical Services	126,157	45,616	171,773	327,720
	Employment Tribunals	106,346	-	106,346	171,068
	Education	28,210	46,657	74,867	227,417
	Benefits Package	9,856	-	9,856	9,387
	Helplines	103	-	103	271
	Awards	941	-	941	1,329
	Voice Magazine	245,566	-	245,566	487,995
	Members Welfare	-	38,321	38,321	65,689
		<u>1,073,426</u>	<u>130,594</u>	<u>1,204,020</u>	<u>1,801,122</u>
10	Membership Representation	Head Office	Branch	2020	2019
		£	£	£	£
	Travel , Mileage, Hotels, Subsistence:				
	Committees	74,248	-	74,248	425,647
	Representatives	344,240	-	344,240	293,115
	Branch Organisation & Recruitment	-	1,676,921	1,676,921	3,965,028
	All Other Commitments	44,710	-	44,710	197,580
	Other Expenses	39,175	-	39,175	26,985
		<u>502,373</u>	<u>1,676,921</u>	<u>2,179,294</u>	<u>4,908,355</u>
11	Membership Engagement	Head Office	Branch	2020	2019
		£	£	£	£
	Industrial Action Ballots	79,471	39,254	118,725	258,485
	Campaigning	110,229	-	110,229	38,469
	Other National Activity Costs	2,012	-	2,012	30,970
	Publicity and Merchandise	271,872	119,269	391,141	403,613
		<u>463,584</u>	<u>158,523</u>	<u>622,107</u>	<u>731,537</u>
12	Conferences and Executive	Head Office	Branch	2020	2019
		£	£	£	£
	CWU Conferences	184,430	24,284	208,714	1,267,286
	Other Conference Delegates Fees	13,503	-	13,503	180,353
	Executive Council	133,415	-	133,415	494,149
	Election Costs	35,434	-	35,434	200,781
		<u>366,782</u>	<u>24,284</u>	<u>391,066</u>	<u>2,142,569</u>

Notes to the Financial Statements (continued)

13	Affiliations and Donations	Head Office	Branch	2020	2019
		£	£	£	£
	Trade Union Congress	584,397	-	584,397	562,115
	Scottish Trades Union Congress	32,310	-	32,310	31,027
	Irish Congress of Trade Unions	19,936	-	19,936	19,228
	Uni Global Union International	263,304	-	263,304	261,490
	Other Affiliations	7,536	55,200	62,736	67,691
	Donations	12,665	63,743	76,408	182,918
		<u>920,148</u>	<u>118,943</u>	<u>1,039,091</u>	<u>1,124,469</u>

14	Central Administration	Head Office	Branch	2020	2019
		£	£	£	£
	Computer Costs	265,693	365,461	631,154	435,244
	Printing, Stationery and Postage	516,661	765,673	1,282,334	1,421,488
	Telephones	151,582	635,811	787,393	760,740
	Research Library	25,430	-	25,430	24,710
	Bad Debts	99,097	-	99,097	2,584,388
	Legal, Professional and Audit Fees	499,463	3,891	503,354	614,436
		<u>1,557,926</u>	<u>1,770,836</u>	<u>3,328,762</u>	<u>5,841,006</u>

15	Property Costs	Head Office	Branch	2020	2019
		£	£	£	£
	Rates and Insurances	529,598	-	529,598	598,967
	Light and Heating	126,565	-	126,565	181,921
	Repairs to Premises and Equipment	159,261	-	159,261	173,431
	Cleaning and Security	181,658	-	181,658	141,536
	Branch Occupancy Costs	-	603,122	603,122	565,989
	Depreciation	264,006	149,939	413,945	504,954
		<u>1,261,088</u>	<u>753,061</u>	<u>2,014,149</u>	<u>2,166,798</u>

16	Employment Costs	Head Office	Branch	2020	2019
		£	£	£	£
	Salaries and National Insurance Costs	7,815,985	-	7,815,985	7,520,107
	Government Levies	14,311	-	14,311	13,413
	Employers Pension - service cost	1,498,904	-	1,498,904	1,878,031
	Employers Pension - administration	811,516	-	811,516	768,276
	Trade Union Leave	1,446,556	-	1,446,556	1,273,982
	Branch Support	-	1,119,708	1,119,708	1,088,709
	Agency Staff	82,167	-	82,167	136,065
	Personnel Costs	16,240	-	16,240	14,313
		<u>11,685,679</u>	<u>1,119,708</u>	<u>12,805,387</u>	<u>12,692,896</u>

Notes to the Financial Statements (continued)

17 Tangible Fixed Assets

Freehold Property:	Freehold Property Head Office £	Freehold Property Branch £	Total £
Valuation / Cost			
Brought forward 1 January	20,992,715	3,272,434	24,265,149
Additions and Improvements	-	86,661	86,661
Disposals	(1,980,502)	-	(1,980,502)
Carried forward at 31 December	19,012,213	3,359,095	22,371,308
Depreciation			
Brought forward at 1 January	1,711,834	420,541	2,132,375
Depreciation for year	163,486	89,110	252,596
Disposals	(261,385)	-	(261,385)
Carried forward at 31 December	1,613,935	509,651	2,123,586
Net Book Value			
At 31 December 2020	17,398,278	2,849,444	20,247,722
At 31 December 2019	19,280,881	2,851,893	22,132,774

Freehold property including branch funds comprises of 19 properties.

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 £
Cost				
Brought forward 1 January	953,915	1,372,204	19,907	2,346,026
Additions	35,515	163,381	-	198,896
Funded Assets	18,772	65,969	-	84,741
Disposals	(74,264)	(11,622)	-	(85,886)
Carried forward at 31 December	933,938	1,589,932	19,907	2,543,777
Depreciation				
Brought forward at 1 January	798,713	1,246,389	13,968	2,059,070
Depreciation for year	43,016	117,724	1,926	162,666
Funded Assets	18,772	65,969	-	84,741
Disposals	(70,184)	(11,622)	-	(81,806)
Carried forward at 31 December	790,317	1,418,460	15,894	2,224,671
Net Book Value				
At 31 December 2020	143,621	171,472	4,013	319,106
At 31 December 2019	155,202	125,815	5,939	286,956

Funded assets represent assets that are purchased with government grants.

Notes to the Financial Statements (continued)

18 Investments and Long Term Loans	2020	2019
	£	£
Long Term Loans - Secured	88,431	99,102
Quoted Investments at Market Value	4,601,213	4,158,050
Unquoted Shares at Market Value or Cost	<u>2,507,596</u>	<u>2,507,092</u>
	<u>7,197,240</u>	<u>6,764,244</u>

Long Term Loans - Secured	2020	2019
	£	£
Union Officers:		
A Furey	60,827	70,284
D Bowman	<u>27,604</u>	<u>28,818</u>
	<u>88,431</u>	<u>99,102</u>

Long Term Loans - Secured:	2020	2019
Movement during the year:	£	£
Brought Forward at 1 January	99,102	251,102
Long term loans advanced	-	-
Long term loans repaid	<u>(10,671)</u>	<u>(152,000)</u>
Carried Forward at 31 December	<u>88,431</u>	<u>99,102</u>

Quoted Investments at Market Value	2020	2019
Movement during the year:	£	£
Brought Forward Value at 1 January	4,158,050	3,604,788
Disposal of Investments	<u>(288,000)</u>	<u>(170,000)</u>
Surplus on Disposal of Investments	1,421	1,484
Additional Shares Purchased in Year	288,000	170,000
Non-Cash Distributions in Year	1,679	5,895
Revaluation Surplus in Year	<u>440,063</u>	<u>545,883</u>
Carried Forward at 31 December	<u>4,601,213</u>	<u>4,158,050</u>

The total original cost of quoted investments was £1,418,203 (2019: £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.

Unquoted Investments at Market Value or Cost	2020	2019
Movement during the year:	£	£
Brought Forward Value at 1 January	2,507,092	2,507,092
Additional Shares Purchased in Year	504	-
Revaluation Surplus in Year	-	-
Carried Forward at 31 December	<u>2,507,596</u>	<u>2,507,092</u>

The total unquoted shares held by the Union at the 31 December 2020:

- 1,061,346 shares in Unity Trust Bank revalued on 31 December 2020 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 19).
- 10 shares in Union Network International at £20,000 per share.

The total original cost of unquoted investments was £1,252,594 (2019: £1,252,090). 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 (2019: £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)

UnionLine

At 31 December 2020 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 29.

19 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 draft accounts of Elstead Hotel (Bournemouth) Limited as at 31 December 2020 show a loss of £677,919 and shareholders' funds at that date of a negative equity of £1,073,256.

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 related party transactions have been given in note 29.

20 Debtors	2020	2019
	£	£
Subscriptions from Members	2,141,820	2,197,655
Salary Debtors	34,646	102,572
Other Debtors	1,188,631	1,100,936
Prepayments	444,067	456,804
	<u>3,809,164</u>	<u>3,857,967</u>
21 Cash at Bank and In Hand	2020	2019
	£	£
General Fund - Head Office	5,921,199	2,484,598
General Fund - Branches	7,166,577	5,481,149
Political Fund	2,040,617	1,334,127
	<u>15,128,393</u>	<u>9,299,874</u>
22 Creditors	2020	2019
	£	£
Trade Creditors	734,468	1,438,048
Salary Creditors	225,733	83,900
Accruals and Deferred Income	686,675	1,070,046
Provisions	399,631	616,065
Other Creditors	198,200	260,489
	<u>2,244,707</u>	<u>3,468,548</u>
23 Creditors	2020	2019
Payable after more than one year:	£	£
Other Creditors	<u>-</u>	<u>2,000</u>

Notes to the Financial Statements (continued)

24 Operating Leases

At 31 December 2020 the Union had future minimum lease payments under non-cancellable operating leases as set out below.

	2020	2019
	£	£
Operating leases which expire:		
Within One Year	827,219	924,789
Within Two to Five Years	1,405,017	1,971,207
Greater than Five Years	-	128,884
	<u>2,232,236</u>	<u>3,024,880</u>

25 Employers' Pension Costs

The Union operates three defined pension schemes in the United Kingdom.

- 1 CWU 2000 Pension Scheme
- 2 UCW 2001 Pension Scheme
- 3 NCU Staff Superannuation Scheme

The schemes are administered by trustees. Contributions are paid to the schemes in accordance with the Schedule of Contributions agreed between the trustees and the Union. Of the three schemes only the CWU 2000 Pension scheme, CARE section remains open to new entrants and future accrual.

The actuarial valuations have been updated to 31 December 2020, by an independent qualified actuary in accordance with FRS 102. As required by FRS 102, the value of the defined benefits has been measured using the projected unit method. The combined valuations of the schemes are as follows:

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

	2020	2019
	£'000	£'000
Staff Superannuation Schemes		
Normal Contributions	2,030	2,206
Pension Deficit Reduction Payments	869	830
	<u>2,899</u>	<u>3,036</u>

The Major Assumptions used by the Actuaries for the Schemes' were:

	31 December	31 December
	2020	2019
	%	%
Discount Rate	1.1 - 1.4	1.9 - 2.1
RPI Inflation Assumption	2.9 - 3	2.0 - 3
Rate of Salary Increases	2.2 - 2.4	2.3 - 2.4
Allowance for Future Deferred Revaluation	2.2 - 3	2.3 - 3
Allowance for Future Pension Increases	2.2 - 3	2.3 - 3.2

The Current Allocation of the Schemes' Assets are as follows:

	31 December	31 December
	2020	2019
	£'000	£'000
Multi Asset Funds	38,059	39,310
Multi Strategy Funds	4,460	19,020
Diversified Alternatives	7,120	-
LDI	26,058	17,597
Insurance Policy	30,535	40,021
Equities	7,450	0
Cash	213	1,283
	<u>113,895</u>	<u>117,231</u>
Irrecoverable Surplus	(3,020)	(13,970)
Fair Value of Schemes' Assets	<u>110,875</u>	<u>103,261</u>

Notes to the Financial Statements (continued)

Changes in Fair Value of Schemes' Assets:	31 December	31 December
	2020	2019
	£'000	£'000
Opening Fair Value	117,231	110,275
Expected Return (Interest Income) on Schemes' Assets	2,317	3,156
Administration Expenses Paid	(340)	(450)
Remeasurement Gain / (Loss) - Return on Schemes' Assets	(3,444)	6,056
Contributions paid by the Union	2,899	3,036
Contributions paid by Scheme Members	420	380
Benefits Paid	(5,188)	(5,222)
	<u>113,895</u>	<u>117,231</u>
Irrecoverable Surplus	(3,020)	(13,970)
Closing Fair Value of the Schemes' Assets	<u>110,875</u>	<u>103,261</u>
Changes in Present Value of Schemes' Obligations:	31 December	31 December
	2020	2019
	£'000	£'000
Opening Obligation	128,481	120,427
Union's Part of Current Service Cost	1,750	1,550
Interest Cost on Obligation	2,517	3,418
Contributions paid by Scheme Members	420	380
Actuarial Loss / (Gain)	15,225	7,928
Benefits Paid	(5,188)	(5,222)
Closing Obligation	<u>143,205</u>	<u>128,481</u>
The following amounts have been included within Operating Expenditure under FRS 102:	31 December	31 December
	2020	2019
	£'000	£'000
Union's Part of Current Service Cost	1,750	1,550
Service Cost and Extra Contributions	(2,030)	(2,205)
Total Operating Charge	<u>(280)</u>	<u>(655)</u>
The following amounts have been included within Other Expenditure under FRS 102:	31 December	31 December
	2020	2019
	£'000	£'000
Expected Return (Interest Income) on Schemes' Assets	2,317	3,156
Interest Cost on Obligation	(2,517)	(3,418)
Restricted Interest Income	(280)	-
Administration Expenses Paid	(340)	(450)
Other Pension Costs	<u>(820)</u>	<u>(712)</u>
The following amounts have been recognised outside of the profit and loss under FRS 102:	31 December	31 December
	2020	2019
	£'000	£'000
Total Remeasurement Loss	(18,669)	(1,872)
Assets not Recoverable in the Future	11,230	(1,312)
Actuarial Loss Recognised outside Profit or Loss	<u>(7,439)</u>	<u>(3,184)</u>

Notes to the Financial Statements (continued)

The following amounts have been recognised in the Statement of Financial Position under FRS 102:	31 December 2020 £'000	31 December 2019 £'000
Present Value of Schemes' Obligation	(143,205)	(128,481)
Fair value of Schemes' Assets	110,875	103,261
Pension Deficit	<u>(32,330)</u>	<u>(25,220)</u>

26 Provision for Employers' Pension Costs

The current triennial valuations for all three schemes are prepared to 31 December 2017. They reported a combined total pension deficit of £23.24 million.

In accordance with each schemes Schedule of Contributions the Union has the following future commitments:

CWU 2000 Pension Scheme

The Union is expected to pay future accrual benefits of 33% per annum of pensionable pay less the contributions paid by active members under the salary sacrifice arrangement. In addition, under the recovery plan the Union is required to pay £400,000 per annum, payable from the 1 January 2020 to 31 December 2027.

UCW 2001 Pension Scheme

The Union is expected to pay nil future accrual benefits. Under the recovery plan, the Union is required to pay £1.2 million per annum, payable from the 1 January 2020 to 31 December 2031, increasing inline with CPI inflation, with the first increase due on 1 January 2022.

NCU Staff Superannuation Scheme

Covering the period 1 April 2019 to 31 March 2024, no contributions are payable for future accrual benefits and deficit recovery.

27 Contingent Liabilities

The Union had a £nil amount at 31 December 2020.

28 Key Management Personnel

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 £263,347 (2019: £264,316) and includes gross pay, employers pension contributions and employers national insurance.

29 Related Party Transactions

UnionLine

Intercompany transactions at the reporting date:

£273,250 (2019: £273,250) Other Debtors, note 20 relating to a unsecured loan at a commercial rate of interest.

£125,013 (2019: £102,470) Other Debtors, note 20 accumulated loan interest.

£nil (2019: £49,140) Trade Debtors, note 20 relating to medical fee contracts.

Elstead Hotel (Bournemouth) Limited

Intercompany transactions at the reporting date:

£864,537 (2019: £582,193) Other Debtors note 20, relating to rent, management fees and a loan.

£nil (2019: £7,455) Creditor Accruals, note 22, relating to hotel services.

Accounting policies

(see notes 84 and 85)

Please refer to Appendix 2 - Notes to the Financial Statements

An extract of the CWU published accounts for the year ended 31 December 2020 (page 12-24).

The Union's accounting policies are detailed within note 1.

Signatures to the annual return

(see notes 86 & 87)

Including the accounts and balance sheet contained in the return. Please send the return with the original signatures. Copies will not be accepted.

Secretary's Signature:	<i>Dave Ward.</i>	Chairman's Signature:	<i>Tony Kearns</i>
			(or other official whose position should be stated)
Name:	Dave Ward General Secretary	Name:	Tony Kearns Senior Deputy General Secretary
Date:	09 August 2021	Date:	09 August 2021

Checklist

(see notes 88 to 89)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes	<input checked="" type="checkbox"/>	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes	<input checked="" type="checkbox"/>	No	
A member statement is: (see Note 80)	Enclosed	<input checked="" type="checkbox"/>	To follow	
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes	<input checked="" type="checkbox"/>	No	

Checklist for auditor's report

(see notes 90 and 96)

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 related? (See section 36(1) and (2) of the 1992 Act and notes 92 and 93)

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 92)

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)

Please refer to Appendix 3 - Independent Auditor's report

An extract from the CWU published accounts for the year ended 31 December 2020 (pages 5-7).

Signature(s) of auditor or auditors:

BDO LLP

Name(s):

BDO LLP

Profession(s) or Calling(s):

Statutory Auditor

Address(es):

55 Baker Street

London

Postcode

W1U 7EU

Date

09 August 2021

Contact name for inquiries and telephone number:

Gareth Jones
020 7486 5888

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

Independent Auditor's Report to the Communication Workers Union

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2020 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.

We have audited the financial statements of the Communication Workers Union (the 'Union') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Funds and Reserves, the 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).

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.

Independence

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 other ethical responsibilities in accordance with these requirements.

Conclusions relating to Going Concern

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

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

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

Other Information

The National Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Senior Deputy General Secretary, 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 to the Communication Workers Union (continued)

Matters on which we are required to report by exception

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

- proper accounting records have not been kept in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the National Executive Council

As explained more fully in the Statement of Responsibilities of the Executive Council's, the National 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 National 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 National 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 National Executive Council 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. We gained an understanding of the legal and regulatory framework applicable to the Union and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Union that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Trade Union & Labour Relations Act 1992 and UK tax legislation.

In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

Independent Auditor's Report to the Communication Workers Union (continued)

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of National Executive Council meetings. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We also completed the following procedures:

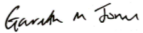
- Performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results through the timing of the recognition of income or the calculation of the cost recharge to its subsidiary company;
- Assessed the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of the defined benefit pension scheme liability and the carrying value of debtor balances.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Communication Workers Union, 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 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 as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

AF9E71C5233D451...

BDO LLP, Statutory Auditor
London, UK

Date: 09 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Membership audit certificate

made in accordance with section 24ZD of the Trade Union and Labour Relations (Consolidation) Act 1992

(See notes 97 to 103)

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21

Membership audit certificate

Section one

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

- 1 In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES


- 2 In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.

Membership audit certificate (continued)

Signature of assurer	
Name	Simon Hearn
Address	Civica Election Services, 33 Clarendon Road, London N8 0NW
Date	13/05/2021
Contact name and telephone number	Simon Hearn, Managing Director 020 8365 8909