

# Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## Annual Return for a Trade Union

Name of Trade Union:	BAKERS, FOOD & ALLIED WORKERS		
Year ended:	31st DECEMBER 2019		
List no:	55T		
Head or Main Office address:	STANBOROUGH HOUSE		
	GREAT NORTH ROAD		
	STANBOROUGH		
	WELWYN GARDEN CITY		
	HERTFORDSHIRE		
Postcode	AL8 7TA		
Website address (if available)	<a href="http://www.bfawu.org">www.bfawu.org</a>		
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:	SARAH WOOLLEY		
Telephone Number:	01707 260150		
Contact name for queries regarding the completion of this return	ADRIAN STEWART		
Telephone Number:	01707 260150		
E-mail:	info@bfawu.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](mailto:returns@certoffice.org)

For Unions based in Scotland: [ymw@tcyoung.co.uk](mailto: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	10,223	322			10,545
Female	6,265	197			6,462
Other					
<b>Total</b>	16,488	519			A 17,007

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

17,007

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

194

## 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
Exec. Council Member	L Dinning	L Burns	13 November 2019
Exec. Council Member	L Pepper	J Barnwell	07 May 2019
Exec. Council Member	D Byrne	N / A	30 April 2019
General Secretary	R Draper	S Woolley	01 May 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:





## Analysis of income from federation and other bodies and other income

(see notes 19 and 20)

Description	£
<b>Federation and other bodies</b>	
<b>Total federation and other bodies</b>	
<b>Any Other Sources</b>	
VAT Recoveries	34,230
Profit on disposal of investments	24,755
Loss on disposal of motor vehicles	-18,681
Increase in market value of investments	120,217
Investment income	30,641
Sundry commissions	2,684
Administration charge - political fund	20,000
Legal income - fee sharing	62,000
<b>Total other sources</b>	<b>275,846</b>
<b>Total of all other income</b>	<b>275,846</b>

## Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation – Employment Related Issues		<b>brought forward</b>	38,963
Legal defence costs incurred	10,752	Advisory Services	
Representation – Non Employment Related Issues		Other Cash Payments	
		Education and Training services	
		Training	32,661
		Health and Safety	19,930
Communications			
"Foodworker" printing and distribution	28,211	Negotiated Discount Services	
Dispute Benefits		Other Benefits and Grants (specify)	
		Sickness benefits	27,933
		Sundry grants	4,229
		Funeral grants	2,513
		Free Card grants	7,650
<b>carried forward</b>	38,963	<b>Total (should agree with figure in General Fund)</b>	133,879







(See notes 21 and 23)

Fund 8		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

Fund 9		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
	Interfund Transfers IN		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	Interfund Transfers OUT		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

## Political fund account

(see notes 24 to 33)

£

£

<b>Political fund account 1</b>		<b>To be completed by trade unions which maintain their own political fund</b>	
	<b>Income</b>	Members contributions and levies	31,610
		Investment income (as at page 12)	
Other income (specify)			
		Total other income as specified	
		Total income	31,610
<b>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</b>			
	<b>Expenditure A</b> (as at page i)		24,678
	<b>Expenditure B</b> (as at page ii)		
	<b>Expenditure C</b> (as at page iii)		
	<b>Expenditure D</b> (as at page iv)		
	<b>Expenditure E</b> (as at page v)		12,756
	<b>Expenditure F</b> (as at page vi)		540
	<b>Non-political expenditure</b> (as at page vii)		20,000
		Total expenditure	57,974
		Surplus (deficit) for year	-26,364
		Amount of political fund at beginning of year	61,742
		Amount of political fund at the end of year (as <u>Balance Sheet</u> )	35,378
		Number of members at end of year contributing to the political fund	16,507
		Number of members at end of the year not contributing to the political fund	500
		Number of members at end of year who have completed an exemption notice and do not contribute to the political fund	3
<b>Political fund account 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
<b>Income</b>	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	
<b>Expenditure</b>	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	













**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	£

Total expenditure

(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	£

Total expenditure

(c) the total amount of all other money expended	£
Administration charge to the General Fund	20,000

Total expenditure 20,000

**Total of all expenditures** 20,000

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

(see notes 34 and 35)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		1,396,915
Salaries and Wages included in above	1,036,760	
Auditors' fees		50,150
Legal and Professional fees		51,485
Occupancy costs		161,493
Stationery, printing, postage, telephone, etc.		58,257
Expenses of Executive Committee (Head Office)		284,117
Expenses of conferences		82,639
Other administrative expenses (specify)		
Computer and website expenses		128,203
Branch secretaries		101,356
Collectors Commission		77,881
Office Cleaning and Sundry		18,091
Investor Manager Charges		17,608
Promotion		6,500
Charitable Donations		455
<b>Other Outgoings</b>		
Interest Payable		16,450
Depreciation		16,754
VAT		114,764
Movement in defined benefit pension liability		26,000
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
tretert		
<b>Total</b>		<b>2,609,118</b>
Charged to:		
General Fund (Page 3)		2,582,087
BENEVOLENT FUND		606
NORTH EASTERN SOCIAL FUND		425
PENSION FUND		26,000
<b>Total</b>		<b>2,609,118</b>



# Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			2,280
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
			2,280
		Total investment income	2,280
		Credited to:	
		General Fund (Page 3)	2,280
		BENEVOLENT FUND	
		NORTH EASTERN SOCIAL FUND	
		PENSION FUND	
		Political Fund	
		Total Investment Funds	2,280



## Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year	211,611	33,884	470,029	30,534		746,058
Additions			5,813	11,708		17,521
Disposals				-42,242		-42,242
Revaluation/Transfers						
At end of year	211,611	33,884	475,842			721,337
<b>Accumulated Depreciation</b>						
At start of year	151,930	28,802	456,607	21,469		658,808
Charges for year	5,118	848	8,696	2,092		16,754
Disposals				-23,561		-23,561
Revaluation/Transfers						
At end of year	157,048	29,650	465,303			652,001
<b>Net book value at end of year</b>	54,563	4,234	10,539			69,336
<b>Net book value at end of previous year</b>	59,681	5,082	13,422	9,065		87,250

## Analysis of investments

(see notes 58 and 59)

<b>Quoted</b>	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
City Asset Managed Funds	1,305,675	
<b>Total quoted (as Balance Sheet)</b>	<b>1,305,675</b>	
Market Value of Quoted Investment		
<b>Unquoted</b>		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Unquoted Loans	300	
<b>Total unquoted (as Balance Sheet)</b>	<b>300</b>	
Market Value of Unquoted Investments	300	



# Summary sheet

(see notes 62 to 73)

	All funds except Political Funds	Political Funds £	Total Funds £
<b>Income</b>			
From Members	2,540,433	31,610	2,572,043
From Investments	2,280		2,280
Other Income (including increases by revaluation of assets)	275,846		275,846
<b>Total Income</b>	2,818,559	31,610	2,850,169
<b>Expenditure</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	2,869,912	57,974	2,927,886
<b>Funds at beginning of year</b> (including reserves)	-2,767,742	61,742	-2,706,000
<b>Funds at end of year</b> (including reserves)	-2,819,095	35,378	-2,783,717
<b>Assets</b>			
Fixed Assets			69,336
Investment Assets			1,305,975
Other Assets			456,600
		<b>Total Assets</b>	1,831,911
<b>Liabilities</b>		<b>Total Liabilities</b>	4,615,628
<b>Net Assets (Total Assets less Total Liabilities)</b>			-2,783,717

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

(see notes 74 to 80)

<b>Did the union hold any ballots in respect of industrial action during the return period?</b>	<input type="text" value="Yes"/>
If Yes How many ballots were held: <input style="width: 50px;" type="text" value="12"/>	
For each ballot held please complete the information below:	
<b>Ballot 1</b>	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
<b>Number of votes cast in the ballot</b>	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> <sup>1</sup>
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> <sup>2</sup>
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> <sup>3</sup>
	<b>1-3 should total "Number of votes cast"</b>
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 style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
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 style="width: 60px;" type="text"/>
<b>Ballot 2</b>	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
<b>Number of votes cast in the ballot</b>	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> <sup>1</sup>
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> <sup>2</sup>
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> <sup>3</sup>
	<b>1-3 should total "Number of votes cast"</b>
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 style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
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 style="width: 60px;" type="text"/>
<b>Ballot 3</b>	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
<b>Number of votes cast in the ballot</b>	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> <sup>1</sup>
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> <sup>2</sup>
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> <sup>3</sup>
	<b>1-3 should total "Number of votes cast"</b>
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 style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
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 style="width: 60px;" type="text"/>

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

## Information on Industrial Action Ballots

Name of Organisation:		BAKERS, FOOD & ALLIED WORKERS			Reporting Period	31-Dec-19		
Did the union hold any ballots in respect of industrial action during the return period?				<u>Yes</u>	For each ballot held please complete the information below			
If yes, how many ballots were held?								
Ballot	Number of individuals who were entitled to vote in the ballot	Number of votes cast in the ballot	Number of Individuals answering "Yes" to the question	Number of Individuals answering "No" to the question	Number of invalid or otherwise spoiled voting papers returned	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 226(2B) of the 1992 Act apply to this ballot?	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?
1	38	13	13	0	0	No	No	No
2	255	136	99	37	0	Yes	No	No
3	517	195	100	82	13	No	No	No
4	2	1	1	0	0	Yes	No	No
5	2	2	2	0	0	Yes	No	No
6	2	1	1	0	0	Yes	No	No
7	4	2	2	0	0	Yes	No	No
8	2	1	0	1	0	Yes	No	No
9	2	0	0	0	0	No	No	No
10	3	2	2	0	0	Yes	No	No
11	4	1	1	0	0	No	No	No
12	228	82	55	21	6	No	No	No

(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**

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**

### Information on Industrial Action

<b>Name of Organisation:</b>		BAKERS, FOOD & ALLIED WORKERS		<b>Reporting Period</b>	31/12/2019
<b>Did Union members take industrial action during the return period in response to any inducement on the part of the union?</b>			<u>Yes</u>	<b>If YES, for each industrial action taken please complete the information below</b>	
Industrial Action	Nature of the trade dispute for which action was taken	Dates of the industrial action taken	Number of days of industrial action	Nature of industrial action	Categories of nature of Trade Dispute
1	A,E	12/11/2019	1	Strike Action	<p>A: Terms and conditions of employment, or the physical conditions in which any workers are required to work</p> <p>B: Engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers</p> <p>C: Allocation of work or the duties of employment between workers or groups of workers</p> <p>D: Matters of discipline</p> <p>E: A worker's membership or non-membership of a trade union</p> <p>F: Facilities for officials of trade unions</p> <p>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</p>
2	A,E	12/11/2019	1	Strike Action	
3	A,E	12/11/2019	1	Strike Action	
4	A,E	12/11/2019	1	Strike Action	
5	A,E	12/11/2019	1	Strike Action	
6	A,E	12/11/2019	1	Strike Action	
7	A,E	12/11/2019	1	Strike Action	
8	A,E	12/11/2019	1	Strike Action	

## 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 SEE ATTACHED



**1. Accounting policies**

The following accounting policies have been applied consistently in dealing with the items that are considered material in relation to the Union's accounts.

- a) The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.
- b) Income and Expenditure is accounted for on the accruals basis, provision being made for contributions receivable for the period to 31st December, but not received by the year end and also for other accrued income and expenditure.
- c) Fixed assets are depreciated over their estimated useful life in equal annual instalments:

Freehold property	Fifty years from the date of purchase or valuation
Leasehold property	Forty years
Motor cars	Two years
Office furniture and equipment and computer equipment	Two and a half years
- d) Investments (Fixed asset investments) in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the income and expenditure account for the period.
- e) Pension costs (see note 6)
- f) Operating lease rentals are charged on a straight line basis over the lease term.
- g) Income received under the collective conditional fee agreements (CCFAs) is included in the accounts in full on legal defence and compensation claims settled in the Union's favour. The Union accounts for costs and disbursements as incurred and for refunded disbursements as received. Full provision is made for potential legal costs on continuing cases against income received under the CCFAs where the income exceeds the legal costs incurred under the agreements in accordance with the terms of the agreement.

A review of the reserve will be carried out on a regular basis and a transfer to the Union's general fund will be made where the income received under the CCFAs on a year by year basis is considered to be in excess of any estimated costs (based on the Union's past experience) that might arise on any outstanding legal cases.
- h) Government Grants received are netted off against the direct expenditure incurred on each of the projects. In the case of the Union Learning Fund, a grant has been provided to cover the full cost of the project. In the case of the Union Modernisation Fund the union operates a matched funding approach where 50% of the costs of the project are funded by the union. The cost to the union of this project is shown on the working expenses schedule (Schedule III).
- i) Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus or deficit for the year.
- j) Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities.

**2. Fixed Assets**

All freehold property is stated at cost less depreciation to date.

Movements on fixed assets are disclosed in Schedule IV.

**3. The Irish Union**

The Union is associated with the Bakers, Food and Allied Workers' Union in the Republic of Ireland. The accounts for the Irish Union are not consolidated, as this Union remains a separate legal entity. The Irish Union accounts for its own transactions, assets and liabilities, and submits audited statutory accounts to the Certification Officer of the Republic of Ireland.

**4. Contingent Liabilities**

As at the year end it is estimated that the Union was administering ongoing legal cases on behalf of its members. For cases lodged up until March 2013 cases continue to be handled on behalf of members on a conditional fee agreement. For cases lodged after this date the union is no longer entitled to notional insurance refunds although may receive legal income in relation to cases successfully dealt with by the acting solicitor.

In relation to the former conditional fee agreement, the Union was indemnified against the costs of lost legal cases to the extent that notional insurance refunds exceeded any costs incurred. Where notional insurance refunds exceeded costs incurred in the year, the excess was carried forward as a reserve against the potential cost of cases in progress at the year end. Under the new regime, any legal monies received are recognised in the year earned and no deferral is applied.

**5. Operating Lease Commitments**

At the Financial year end, The Union had future minimum lease payments under non-cancellable operating leases as follows:

	2019			2018		
	£	£	£	£	£	£
	Motor cars	Office equipment	Land and buildings	Motor cars	Office equipment	Land and buildings
Not later than one year	67,365	31,137	2,170	86,369	31,137	2,170
One to two years	33,650	16,587		47,570	31,137	
Two to five years	9,135	509		13,856	17,096	
The charge against income for the year was	95,104	31,137	4,340	112,974	31,137	6,440

**6. Pension costs**

The Union operates a UK registered trust based pension scheme that provides defined benefits. For service up to 31 May 2011, pension benefits are linked to members' final pensionable salaries and service to 31 May 2011 (or date of leaving if earlier). From 1 June 2011, pension benefits are built up on a Career Average Revalued Earnings (CARE) basis, where benefits are linked to members' salaries in each year and increased to retirement broadly in line with inflation.

The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the Union
- Deferred members: former active members of the Union and not yet in receipt of a pension
- Pensioner members: in receipt of pension.

**6. Pension costs (continued)**

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 December 2015. This valuation revealed a funding shortfall of £1.874 million. The Union agreed to pay annual contributions of 14.6% of members' pensionable salaries less the total amount of member contributions each year to meet the cost of future service accrual. In respect of the deficit in the Scheme as at 31 December 2015, the Union has agreed to pay £90,000 pa for 17 years and 10 months from 1 January 2017.

The Union will meet the cost of the death in service lump sum benefits, and administrative and other expenses incurred by Trustees, up to a maximum of £62,000 pa from 2017. The Union therefore expects to pay £265,000 to the Scheme during the accounting year beginning 1 January 2020, before the deduction of the overpaid contributions by the Union prior to 31 December 2019.

The results for the most recent formal actuarial valuation as at 31 December 2015 have been updated to 31 December 2019 by a qualified independent actuary. The assumptions used were as follows:

<b>Significant actuarial assumptions</b>	Year ended	
	31/12/19	31/12/18
	pa	pa
Discount rate	2.00%	2.80%
Retail prices inflation (RPI)	2.70%	3.20%
Consumer prices inflation (CPI)	2.00%	2.20%
<b>Other actuarial assumptions</b>		
Salary increases	1.70%	2.20%
Pension increases:		
Post 88 GMP	1.90%	2.00%
Pre 1 June 2011	2.70%	3.10%
Post 31 May 2011	2.00%	2.10%
CARE revaluation:		
Active members	2.70%	3.20%
Deferred members	2.00%	2.20%
Revaluation of deferred pensions in excess of GMP	2.70%	3.20%

**Mortality assumptions**

Description	Year ended 31/12/19	Year ended 31/12/18
- Mortality (pre-retirement)	As per post retirement	As per post retirement
- Mortality (pre-retirement)	S2PA CMI 2018 [1%] (yob) rated up by one year	S2PA CMI 2017 [1%] (yob) rated up by one year

**Life expectancies (in years)**

	Year ended 31/12/19		Year ended 31/12/18	
	Male	Female	Male	Female
For an individual aged 65 in 2018	20.50	22.30	20.90	22.80
At age 65 for an individual aged 45 in 2018	21.50	23.50	22.00	24.00

**6. Pension costs (continued)**

**Assets**

The fair value of the assets of the Scheme were:

<b>Asset class</b>	Year ended 31/12/19 Mkt value £'000	Year ended 31/12/18 Mkt value £'000
Equities/Growth Assets	5,344	4,640
Gilts	-	-
Liability driven investments	916	1,257
Trustee bank account	11	40
Sundry debtors & creditors	10	15
Owed to the Union	(20)	(20)
Insured annuities	115	112
	<u>6,376</u>	<u>6,044</u>

The return on the asset was:

<b>Asset class</b>	£'000	£'000
Interest income	164	154
Return on assets less interest income	451	(232)
Total return on assets	<u>615</u>	<u>(78)</u>

Over the accounting period, an allowance for GMP equalisation of £nil (2018: £52,000, 0.5% of the Scheme's defined benefit obligation) has been allowed for as a past service cost in the profit and loss account. There have been no other amendments, curtailments or settlements over the accounting period.

**7. Reconciliation of Movement in Members' Funds**

	<b>2019</b>	2018
	£	£
Member's Funds Brought Forward	(2,706,000)	(2,556,462)
Surplus/(Deficit) on General Fund	(27,111)	(33,430)
Movement ((deficit)/surplus) on Pension Fund Reserve	(26,000)	(120,000)
(Deficit)/surplus on Political Fund	(26,364)	8,757
(Deficit)/Surplus on Benevolent Funds	2,183	(5,077)
(Deficit)/Surplus on North Eastern Social Fund	(425)	212
Member's Funds Carried Forward	<u>(2,783,717)</u>	<u>(2,706,000)</u>

**8 Post balance sheet events**

The Covid-19 pandemic is considered to be a non adjusting post balance sheet event.

While the impact of the Covid-19 virus has been assessed by the Executive Council, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the union's activities, investments, its members and suppliers. However, taking into consideration the UK Government's response and the union's planning, the Executive Council have a reasonable expectation that the union will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

# Accounting policies

(see notes 84 and 85)

PLEASE SEE ATTACHED

## 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: 	Chairman's Signature: 
Name: SARAH WOOLLEY	Name: IAN HODSON (National President)
Date: 21 May 2020	Date: 21 May 2020

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

Signature(s) of auditor or auditors:

*Kreston Reeves LLP*

Name(s):

Kreston Reeves LLP

Profession(s) or Calling(s):

Statutory Auditors and Chartered Accountants

Address(es):

Springfield House

Springfield Road

Horsham

West Sussex

Postcode

RH12 2RG

Date

01.06.2020

Contact name for inquiries and telephone number:

01403 253282

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

## **Opinion**

We have audited the financial statements on pages 1 to 15 of Bakers, Food and Allied Workers Union (the 'Union') for the year ended 31 December 2019. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to 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 have 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 are responsible for the other information. The other information comprises the information included in the Annual Report of the Executive Council, other than the financial statements and our Auditors' 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.

## **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Union and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Council's report.

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Union has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures within the form AR21 of Officers' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement on page 16, the Executive Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the executive council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Council are 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 Executive Council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 Auditors' 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council.

- Conclude on the appropriateness of the Executive Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

### **Use of our report**

This report is made solely to the Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditors' 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.



Springfield House  
Springfield Road  
Horsham  
West Sussex, RH12 2RG

**Kreston Reeves LLP**  
Chartered Accountants  
& Statutory Auditors  
Date: 01.06.2020

## 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 reportign period proceding 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 inforamation 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	Kreston Reeves LLP
Name	Kreston Reeves LLP
Address	Springfield House, Springfield Road, Horsham, West Sussex, RH12 2RG
Date	01.06.2020
Contact name and telephone number	01403 253282

## Membership audit certificate

### Section two

For a trade union with no **more than 10,000 members** at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

**Yes / No**

If "No" Please explain below:

Signature	
Name	
Office held	
Date	