

Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for a Trade Union

Name of Trade Union:	Union of Shop, Distributive and Allied Workers			
Year ended:	31 December 2020			
List no:	382T			
Head or Main Office address:	Voyager			
	2 Furness Quay			
	Salford			
Postcode	M50 3XZ			
Website address (if available)	www.usdaw.org.uk			
Has the address changed during the year to which the return relates?	Yes	<input checked="" type="checkbox"/>	No <input type="checkbox"/>	('X' in appropriate box)
General Secretary:	Paddy Lillis			
Telephone Number:	0161 224 2804			
Contact name for queries regarding the completion of this return	Nick Walker			
Telephone Number:	0161 224 2804			
E-mail:	nick.walker@usdaw.org.uk			

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification 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	175,880	7,317			183,197
Female	210,427	9,226			219,653
Other	104	4			108
Total	386,411	16,547			A 402,958

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

399,578

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

20,165

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

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	£000
Federation and other bodies	
Total federation and other bodies	
Any Other Sources	
Grant Income from the Department for Education	878
Magazine Sales and Advertising	227
Affinity Partners' Commission	156
Other	745
Total other sources	2,006
Total of all other income	2,006

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£000
Representation – Employment Related Issues		brought forward	306
	306	Advisory Services	
		n/a	
Representation – Non Employment Related Issues		Other Cash Payments	
		Education and Training services	
Communications		Negotiated Discount Services	
Dispute Benefits		Other Benefits and Grants (specify)	
		Sickness	160
		Maternity/Paternity	32
		Death	267
		Disablement	10
		Convalescent Homes	3
carried forward	306	Total (should agree with figure in General Fund)	778

(See notes 21 and 23)

Fund 2		Fund Account	
Name:	Branch Funds	£000	£000
Income			
	From members		3,956
	Investment income (as at page 12)		
	Other income (specify)		30
		Total other income as specified	30
		Total Income	3,986
		Interfund Transfers IN	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		1,875
		Total Expenditure	1,875
		Interfund Transfers OUT	31
		Surplus (Deficit) for the year	2,111
		Amount of fund at beginning of year	8,915
		Amount of fund at the end of year (as Balance Sheet)	10,995
		Number of members contributing at end of year	406,862

Fund 3		Fund Account	
Name:	Divisional Recruitment Funds	£000	£000
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
		Interfund Transfers IN	31
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		29
		Total Expenditure	29
		Interfund Transfers OUT	
		Surplus (Deficit) for the year	-29
		Amount of fund at beginning of year	33
		Amount of fund at the end of year (as Balance Sheet)	35
		Number of members contributing at end of year	

(See notes 21 and 23)

Fund 8		Fund Account	
Name:		£000	£000
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

Fund 9		Fund Account	
Name:		£000	£000
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

Political fund account

(see notes 24 to 33)

£000

£000

Political fund account 1		To be completed by trade unions which maintain their own political fund	
	Income		
	Members contributions and levies		1,838
	Investment income (as at page 12)		
Other income (specify)			
	Total other income as specified		
	Total income		1,838
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)		1,208
	Expenditure B (as at page ii)		
	Expenditure C (as at page iii)		45
	Expenditure D (as at page iv)		
	Expenditure E (as at page v)		29
	Expenditure F (as at page vi)		
	Non-political expenditure (as at page vii)		26
	Total expenditure		1,308
	Surplus (deficit) for year		530
	Amount of political fund at beginning of year		719
	Amount of political fund at the end of year (as <u>Balance Sheet</u>)		1,249
	Number of members at end of year contributing to the political fund		350,667
	Number of members at end of the year not contributing to the political fund		52,291
	Number of members at end of year who have completed an exemption notice and do not contribute to the political fund		
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))	£000
Labour Party Leadership	Labour Party	Labour Party	40
UK General Election December 2019	Labour Party	Labour Party	5
Total			45

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	£000

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	£000

Total expenditure

(c) the total amount of all other money expended	£000
Miscellaneous	26

Total expenditure 26

Total of all expenditures 26

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

(see notes 34 and 35)

		£000
Administrative Expenses		
Remuneration and expenses of staff		20,993
Salaries and Wages included in above	13,723	
Auditors' fees		64
Legal and Professional fees		527
Occupancy costs		1,341
Stationery, printing, postage, telephone, etc.		2,288
Expenses of Executive Committee (Head Office)		41
Expenses of conferences		232
Other administrative expenses (specify)		
Recruitment and Development		-660
Union Learning Costs		1,148
Affiliation Fees		1,813
Journal Costs		511
Travel Costs		396
Campaign Costs		109
Profit on Sale of Motor Vehicles		-122
Other Outgoings		
Depreciation		1,716
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Investment movement		238
tretert		
Total		30,635
Charged to:		
General Fund (Page 3)		28,731
Branch Funds		1,875
Divisional Recruitment Funds		29
Total		30,635

Analysis of officials' salaries and benefits

(see notes 36 to 46 below)

Office held	Gross Salary £000	Employers N.I. contributions £000	Benefits		Total £000	
			Pension Contributions £000	Other Benefits		
				Description		Value £000
General Secretary	112,800	12,966	23,560	Company car benefit charge	17,182	166,509
President	9,887	326				10,213
Brian Loughhead	2,108					2,108
Elliot Osborne	1,657					1,657
Simon Vincent	3,062	17				3,079
John Barstow	1,456					1,456
Jean Hession	2,159					2,159
Brenda Shaw	1,707					1,707
Jacqueline Thurgood	2,259	10				2,269
Michael Dixon	1,556					1,556
Andrea Watts	1,757					1,757
Kate MacLeod & Deborah Wilson	1656.6 each 3313.20 total					3,313
Jane Jones	2,510					2,510
Christopher Winwood	1,456					1,456
Richard Venton	1,305	10				1,315

Analysis of investment income

(see notes 47 and 48)

	Political Fund £000		Other Fund(s) £000
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			37
Other investment income (specify)			
Pooled Investment Vehicles			784
			821
		Total investment income	821
		Credited to:	
		General Fund (Page 3)	821
		Branch Funds	
		Divisional Recruitment Funds	
		Political Fund	
		Total Investment Funds	821

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £000	Motor Vehicles £000	Not used for union business £000	Total £000
	Freehold £000	Leasehold £000				
Cost or Valuation						
At start of year	13,638		698	2,407		16,743
Additions	14,760		213	638		15,611
Disposals			-510	-517		-1,027
Revaluation/Transfers						
At end of year	28,398		401	2,528		31,327
Accumulated Depreciation						
At start of year	11,049		557	786		12,392
Charges for year	982		103	631		1,716
Disposals			-510	-329		-839
Revaluation/Transfers						
At end of year	12,031		150	1,088		13,269
Net book value at end of year	16,367		251	1,440		18,058
Net book value at end of previous year	2,589		141	1,621		4,351

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £000	Political Fund £000
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Pooled Investment Vehicles	71,849	
Total quoted (as Balance Sheet)	71,849	
Market Value of Quoted Investment	71,849	
Unquoted		
Equities		
Unquoted Equities	5,215	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Total unquoted (as Balance Sheet)	5,215	
Market Value of Unquoted Investments	5,215	

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £000	Political Funds £000	Total Funds £000
Income			
From Members	37,478	1,838	39,316
From Investments	821		821
Other Income (including increases by revaluation of assets)	2,036		2,036
Total Income	40,335	1,838	42,173
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	41,125	1,308	42,433
Funds at beginning of year (including reserves)	56,940	719	57,659
Funds at end of year (including reserves)	56,150	1,249	57,399
Assets			
Fixed Assets			18,058
Investment Assets			77,064
Other Assets			8,482
		Total Assets	103,604
Liabilities		Total Liabilities	46,205
Net Assets (Total Assets less Total Liabilities)			57,399

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £000	Political Funds £000	Total Funds £000
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
Total Income			
Expenditure (including decreases by revaluation of assets)			
Total Expenditure			
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
Assets			
Fixed Assets			
Investment Assets			
Other Assets			
		Total Assets	
Liabilities		Total Liabilities	
Net Assets (Total Assets less Total Liabilities)			

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="button" value="Yes"/>
If Yes How many ballots were held: <input style="width: 50px;" type="text" value="1"/>		
For each ballot held please complete the information below:		
Ballot 1		
Number of individual who were entitled to vote in the ballot	<input style="width: 50px;" type="text" value="313"/>	
Number of votes cast in the ballot	<input style="width: 50px;" type="text" value="210"/>	
Number of Individuals answering "Yes" to the question	<input style="width: 50px;" type="text" value="125"/> ¹	
Number of individuals answering "No" to the question	<input style="width: 50px;" type="text" value="85"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 50px;" type="text"/>	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="button" value="Yes"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="button" 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 style="width: 50px;" type="text"/>	
Ballot 2		
Number of individual who were entitled to vote in the ballot	<input style="width: 50px;" type="text"/>	
Number of votes cast in the ballot	<input style="width: 50px;" type="text"/>	
Number of Individuals answering "Yes" to the question	<input style="width: 50px;" type="text"/> ¹	
Number of individuals answering "No" to the question	<input style="width: 50px;" type="text"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 50px;" type="text"/>	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 style="width: 50px;" type="text"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 50px;" 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: 50px;" type="text"/>	
Ballot 3		
Number of individual who were entitled to vote in the ballot	<input style="width: 50px;" type="text"/>	
Number of votes cast in the ballot	<input style="width: 50px;" type="text"/>	
Number of Individuals answering "Yes" to the question	<input style="width: 50px;" type="text"/> ¹	
Number of individuals answering "No" to the question	<input style="width: 50px;" type="text"/> ²	
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 50px;" type="text"/>	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 style="width: 50px;" type="text"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 50px;" 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: 50px;" type="text"/>	

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.

Capital Commitments

At 31 December 2020, the Union had capital commitments totalling £2,454k (2019: £nil) in relation to the fit out of the new office building.

Accounting Policies for the Year Ended 31 December 2020

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

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'). The presentation currency of these financial statements is sterling.

The financial statements are prepared on the historical cost basis except for Investments and Pension Scheme Assets which are stated at fair value unless they cannot be reliably measured.

Income is recorded on an accruals basis.

Expenditure is charged to the Income and Expenditure Account on an accruals basis including irrecoverable VAT.

Going Concern

The Executive Council has considered the future performance of the Union and its ability to continue as a going concern. It has considered severe but plausible downside sensitivity scenarios, including the potential impact of the outbreak of Coronavirus (COVID-19) on the operational and financial performance of the Union. As part of this analysis, management has considered mitigating actions within their control should these scenarios occur around liquidating funds from fixed asset investments and other measures to protect cash balances. These forecasted cash flows, considering the ability and intention of the Executive Council to implement mitigating actions should they need to, provide sufficient headroom in the forecast period.

The Executive Council is therefore satisfied that, for the foreseeable future, the Union can meet its projected expenditure and working capital requirements. The Union currently enjoys a stable membership base and holds sufficient cash and liquid assets to draw upon. Consequently, the financial statements have been prepared on a going concern basis.

Members' Contributions

Members' contributions are recognised on an accruals basis (ie when deducted from members' salaries).

Legal Costs

The Union is at any time involved in numerous legal cases on behalf of its members. There is an inherent risk that substantial costs and disbursements could be incurred on any case. Legal costs and disbursements are charged to the financial statements as incurred, together with an estimate for additional costs or recoveries which they reasonably believe may occur in the following or subsequent years.

Corporation Tax

Taxation for the year is chargeable on investment income, capital gains and other non-trading taxable income, less provident benefits, and on any trading profits. There is no charge for the year as provident benefits exceed the investment income and capital gains, and there are no profitable trading activities.

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets as follows:

Freehold Land	Nil
Buildings	5%
Fixtures and Fittings	20%
Motor Vehicles	25%
Computer Equipment	33.3%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income. Assets are reviewed for impairment whenever events or changes in circumstances, such as planned disposal of properties indicate that the carrying amount may not be recoverable.

General Revenue Account

All monies received on behalf of the Union in respect of contributions, donations or otherwise, form one central Fund (the General Revenue Account) for general purposes and a separate Fund for political purposes.

Branch Revenue Account

In accordance with the Union's Rule Book, each branch is allocated a proportion of the industrial contributions paid by the members of that branch to provide a fund (the Branch Revenue Account) from which to meet the expenses incurred in connection with the work of the branch.

Federation Funds

In accordance with the Union's Rule Book, branches may form Federations. Federation funds are drawn from annual affiliation fees levied upon participating branches and from grants made from the General Revenue Account at the discretion of the Executive Council.

Political Funds

The objects of the Union include the furtherance of political objects. Monies received on behalf of the Political Fund are credited directly to the Fund. Any payments in respect of such objects are made directly out of the Political Fund.

Political Funds Account No.2

In accordance with the Union's Rule Book, the Political Fund of the Union is divided into two accounts, Account No.1 and Account No.2, the latter of which is created by the allocation of the amount prescribed by the Rule Book from the political contribution paid by the political members of each branch.

Accounting Policies for the Year Ended 31 December 2020 (continued)

Divisional Recruitment Fund

The objects of the Union include the recruitment of new members in each of the Union's seven Divisions. A fund for this purpose is comprised of donations made voluntarily by Branches.

Union Learning Fund

The objects of the Union include the provision of learning facilities for members to bridge skills gaps. Grants are received from the Department for Education in respect of expenditure on this fund.

Post-Retirement Benefits

The Union operates a staff superannuation scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Union.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme deficit is recognised in full. The movement in the deficit is split between operating charges, finance items and actuarial gains and losses in the statement of other comprehensive income.

Unpaid Pension Contributions

Any unpaid contributions to the scheme which are payable as at the balance sheet date are recognised as a creditor due within one year.

Investments

Investments are stated at fair value unless they cannot be reliably measured in which case investments are held at cost. Any movement in the fair value of investments is accounted for in the Income and Expenditure Account.

Leases

Operating lease rentals are charged to the Statement of Comprehensive Income in equal instalments over the period of the lease.

Accounting Estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Union. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The main areas where judgements and estimates may have a significant effect on the amounts included in the financial statements are:

Defined benefit pension scheme – the cost of the defined benefit pension scheme 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. Management has taken advice from independent qualified actuaries in setting the actuarial assumptions but variations in these assumptions may significantly impact the value of the defined benefits obligations.

Listed investments and Unity Trust Bank Plc – the basis of calculation and assumption used for market value.

Tangible assets – the basis of calculation and assumption used to perform revaluation and useful economic life of assets used in calculating depreciation. The Union reviews non-current assets each year for impairment, in line with accounting standards.

Accounting policies

(see notes 84 and 85)

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:		
				(or other official whose position should be stated)	
Name:	Paddy Lillis - General Secretary		Name:	Nick Walker - Central Treasurer	
Date:	01 June 2021		Date:	01 June 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	X	No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes	X	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes	X	No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes	X	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes	X	No	
A member statement is: (see Note 80)	Enclosed	X	To follow	
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	X	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes	X	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)

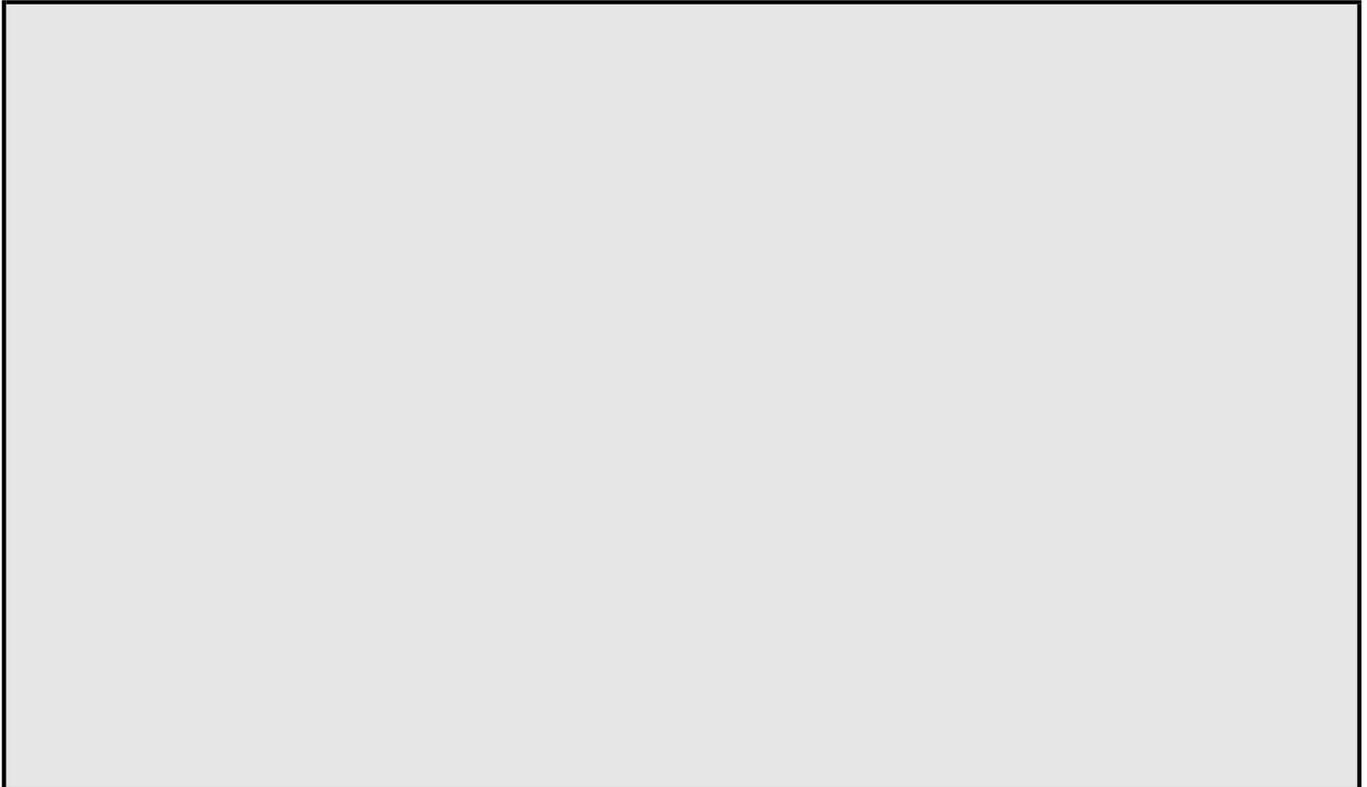
Please explain in your report overleaf or attached

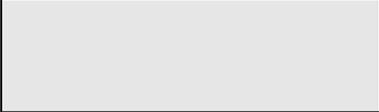
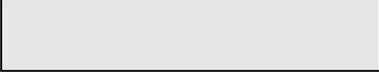
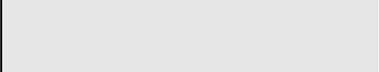
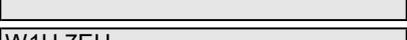
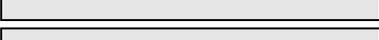
3. Your auditors or auditor must include in their report the following wording:

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)



Signature(s) of auditor or auditors:		
Name(s):	BDO LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	55 Baker Street	
	London	
		
		
Postcode	W1U 7EU	
Date	01-Jun-21	
Contact name for inquiries and telephone number:	Gareth Jones 0207 486 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 Union of Shop, Distributive and Allied Workers

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 surplus for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 Union of Shop, Distributive and Allied Workers ("the Union") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Executive Council with respect to going concern are described in the relevant sections of this report.

Other information

The Executive Council is responsible for the other information. The other information comprises the information included in the General Secretary's Report on the Union Finances, 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 Union of Shop, Distributive and Allied Workers

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 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 Executive Council

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

In preparing the financial statements, the Executive Council is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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. 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.

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, UK tax legislation and equivalent local laws and regulations.

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 Executive Council meetings, legal reports provided to the Executive Council and correspondence between the Union and its solicitors.

Independent Auditor's Report to the Union of Shop, Distributive and Allied Workers

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 Union of Shop, Distributive and Allied Workers, 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:

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BDO LLP, Statutory Auditor
London, UK

Date 01 June 2021

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	
Name	Simon Hearn
Address	Civica Election Services, 33 Clarendon Road, London N8 0NW
Date	07/04/2021
Contact name and telephone number	Simon Hearn, Managing Director 020 8365 8909

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	