

STATEMENT TO MEMBERS ISSUED IN CONNECTION WITH THE UNION'S ANNUAL RETURN FOR PERIOD ENDED 31 DECEMBER 2019 AS REQUIRED BY SECTION 32A OF TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

The total income of the union for the period was £43,575k. This amount included payments of £37,854k in respect of membership income of the union. The union's total expenditure for the period was £46,518k. In respect of the union's political fund, its total income was £1,947k and total expenditure was £2,522k. The General Secretary of the union was paid £116,284 in respect of salary and £40,258 in respect of benefits including employer pension contributions and the provision of a car.

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

Opinion

We have audited the financial statements of the Union of Shop, Distributive and Allied Workers ("the Union") for the year ended 31 December 2019 which comprise the Income and Expenditure Account, Statement of Other Comprehensive Income, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies.

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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Union in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Union's Executive Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the Union or to cease its operations, and as they have concluded that the Union's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Executive Council's conclusions, we considered the inherent risks to the Union's business model, and analysed how those risks might affect the Union's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they

were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Union will continue in operation.

Matters on which we are required to report by exception

Under the Trade Union and Labour Relations (Consolidation) Act 1992 we are required to report to you if, in our opinion:

- the Union has not kept proper accounting records in accordance with the requirements of section 28 of the Act; or
- the Union has not maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28 of the Act; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects.

Executive Council's responsibilities

The Union's Executive Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

We have been appointed as auditor under section 35 of the Trade Union and Labour Relations (Consolidation) Act 1992 and report in accordance with that Act.

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Union's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members, as a body, for our audit work, for this report, or for the opinions we have formed.

ANTONY WHITTLE (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

10 June 2020

Irregularity statement

A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.

Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of the rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

Political Fund Notice

Every member of the Union has a right to be exempt from contributing to the Union's Political Fund or, for those members joining on or after 1 March 2018, the right to withdraw their opt-in to the Political Fund. A form of exemption notice can be obtained by or on behalf of any member either by application at, or by post or email from, the head office of the Union or from the Certification Office for Trade Unions and Employers' Associations, Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX. This form, when filled in, or a written request to the like effect, should be sent to the Central Treasurer at the Union's head office or emailed to politicalfundnotification@usdaw.org.uk.