

National Union of Mineworkers South Wales Area

Financial Statements

for the year ended 31 December 2020

National Union of Mineworkers South Wales Area

Chairman	K T Williams
Area Secretary	W Thomas
Executive Committee	M Parsons K T Williams
Trustees	G Rees D Lewis G Roberts
Auditors	R H Jeffs & Rowe Statutory Auditor and Chartered Accountants 27/28 Gelliwastad Road Pontypridd CF37 2BW

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
National Union of Mineworkers South Wales Area
Financial Statements for the year ended 31 December 2020**

Opinion

We have audited the financial statements of National Union of Mineworkers South Wales Area for the year ended 31 December 2020 which comprise the Income and Expenditure Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Income and Expenditure for the year then ended;
- * have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- * have been properly prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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

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

Other information

The committee are responsible for any other information. Our opinion on the financial statements does not cover any other information. We have nothing to report in this regard.

Matters on which the auditor is required to report by exception

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

- * 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 financial statements are not in agreement with the accounting records and returns; or
- * certain disclosures 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 the committee

As explained more fully in the committee's responsibilities statement set out in note 2 the committee 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 committee 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 committee are responsible for assessing the club'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 committee either intend to liquidate the club or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
National Union of Mineworkers South Wales Area
Financial Statements for the year ended 31 December 2020
(Continued)

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.

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:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- * Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Trade Union and Labour Relations (Consolidation) Act 1992., Tax and Pensions legislation.
- * Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include licencing laws, health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of Officers as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the club's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of report

This report is made solely to the society, 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 society'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 society and the society's members as a body, for our audit work, for this report, or for the opinions we have formed.



R H Jeffs & Rowe
Statutory Auditors &
Chartered Accountants
Pontypridd

29 June 2021

National Union of Mineworkers South Wales Area

**Income And Expenditure Account
for the year ended 31 December 2020**

2019			2020	
£	£		£	£
		Contributions		
	5,368	Contributions from Members		7,073
	2,893	Deduct Amounts Payable to Headquarters		3,633
	<u>2,475</u>			<u>3,440</u>
		Other Income		
97,194		Rent	152,353	
1,000		Room Hire	370	
1,556		Income from Quoted Investments	1,274	
20		Bank Interest	11	
29,639		Contributions from National	29,942	
104		Assisted Car Purchase Scheme Interest	22	
23,568		Property Management	-	
246		Contribution for Volunteer Workers	169	
32,109		Management Fees from Benevolent Fund	32,829	
-		Job Retention Scheme Funding	49,038	
	<u>185,436</u>			<u>266,008</u>
	187,911			269,448
		Expenditure		
		Salaries & Wages		
75,444		Clerical Staff and Officials	77,150	
23,824		Property Maintenance	24,348	
6,905		National Insurance	10,004	
3,696		Pension Contributions	3,867	
	<u>109,869</u>		<u>115,369</u>	
		Travelling		
455		Clerical Staff and Officials	44	
	<u>455</u>		<u>44</u>	
	<u>187,911</u>	Carried forward		<u>269,448</u>

National Union of Mineworkers South Wales Area

**Income And Expenditure Account
for the year ended 31 December 2020**

	2019		2020
£	£		£
	187,911	Brought forward	269,448
		Administration	
643		Printing and Stationery	1,604
3,974		Postage and Telephone	3,941
679		Bank Charges and Interest	702
3,804		Accountancy and Audit	3,804
49,902		Property Administration	103,932
748		Other Expenses	880
<u>59,750</u>			<u>114,863</u>
		Conferences, Committees & Arbitrations	
(922)		Conferences, Committees & Meetings	-
<u>922</u>			<u>-</u>
		Welfare, Education & Sundry	
246		Collection of Contributions	169
<u>246</u>			<u>169</u>
		Depreciation	
9,844		Freehold Premises	9,844
<u>9,844</u>			<u>9,844</u>
	<u>179,242</u>	Total Expenditure for the Year	<u>240,289</u>
	8,669	Net Surplus / (Deficit) before Taxation	29,159
	-	Taxation	-
829		Realised gain / (loss) on sale of investments	(229)
4,160		Unrealised gains / (losses) on investments	5,816
<u>13,658</u>		Net Surplus after Taxation	<u>34,746</u>
	96,222	Accumulated Surplus brought forward.	109,880
<u>109,880</u>		Accumulated Surplus carried to Balance Sheet	<u>144,626</u>

National Union of Mineworkers South Wales Area

**Balance Sheet
as at 31 December 2020**

2019			2020	
£	£		£	£
	270,437	Fixed Assets		260,593
		Investments and Loans		
	45,897	Fixed Interest Investments		50,418
	1,196	Assisted Car Purchase Scheme	5	-
	<u>317,530</u>			<u>311,011</u>
		Current Assets		
8,786		Debtors & Prepayments	7,300	
29,395		Bank Accounts	46,199	
			<u>53,499</u>	
		Current Liabilities		
27,860		Creditors and Accrued Charges	4	31,243
157,863		South Wales Area Benevolent Fund		128,533
-		Political Fund		-
				<u>159,776</u>
<u>185,723</u>				
	(147,542)	Net Current Liabilities		(106,277)
	<u>169,988</u>	Net Assets		<u>204,734</u>
		Capital Account		
96,222		Brought forward at 1 January 2020	109,880	
13,658		Surplus / (Deficit) for the year	34,746	
			<u>144,626</u>	
	109,880	Accumulated Surplus		144,626
	60,108	Revaluation Reserve		60,108
	<u>169,988</u>	Accumulated Fund		<u>204,734</u>

Approved by the Executive Council on 23 June 2021 and signed on their behalf by

W Thomas

Area Secretary

National Union of Mineworkers South Wales Area

POLITICAL FUND

**Income And Expenditure Account
for the year ended 31 December 2020**

2019			2020	
£	£		£	£
		Income		
	-	Contributions		-
		Expenditure		
-		Political Conferences & Delegations	-	
-		Fees to Divisional Labour Parties	-	
2		Remitted to National	-	
-	-		-	-
	(2)	Surplus / (Deficit) before Taxation		-
	-	Corporation Tax		-
	(2)	Surplus / (Deficit) for the Year after Taxation		-
	-		-	

Balance Sheet as at 31 December 2020

		Current Liability		
	-	Amount Invested in General Fund		-
	-		-	
		Reserves		
		Accumulated Fund		
2		Brought forward at 1 January 2020	-	
(2)		Surplus / (Deficit) for the year	-	
-	-		-	
	-	Accumulated Fund carried forward		-
	-		-	

National Union of Mineworkers South Wales Area

Notes to the Accounts

for the year ended 31 December 2020

Statutory Information

National Union of Mineworkers South Wales Area is a Trade Union, formed under the Trade Union and Labour Relations Act 1992, domiciled in England and Wales. The registered office is Woodland Terrace, Pontypridd.

1. Accounting Policies

- 1.1. The accounts have been prepared under the historical cost convention and in accordance with the provisions of FRS 102 Section 1A small entities. There were no material departures from that standard.
- 1.2. Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Freehold Premises	-	Over 50 years straight line excluding the value of the land. No depreciation is provided on freehold land.
Fixtures and Fittings	-	15% per annum on cost
Plant and equipment	-	25% on written down value
- 1.3. Income and Expenditure reflected in the Accounts is recognised on an accruals accounting basis.
- 1.4. Investments are included at fair market value. Gains are recognised in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when sold.
- 1.5. Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.
- 1.6. Contributions are made for all staff members who wish to participate in a pension scheme. Currently, the option available to all employees is the Government 'National Employment Savings Trust' (NEST) Scheme.
- 1.7. Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

1.8. Income

a) Contributions

In accordance with union rules the area receives from its members an agreed amount from which the union submits an agreed amount to the National Union of Mineworkers, the balance is retained by the area for its own use.

Contributions are included within the income and expenditure account when they become receivable

b) Donations

Donations are accounted for as and when they become legally available to the union for its own unrestricted use

c) Interest Received

Interest is included within the accounts on an accrual basis. Provision is made for any accrued interest due.

d) Rental Income

Rental income is included in the income and expenditure account in the year to which it relates.

National Union of Mineworkers South Wales Area

Notes to the Accounts

for the year ended 31 December 2020

2. Executive Committee Responsibilities

The Executive Committee is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the income and expenditure for that period. In preparing those financial statements, the Committee is required to:

Select appropriate accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Union will continue.

The Executive Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and to enable it to ensure that the financial statements comply with statutory requirements. It is also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Executive Committee confirm that as far as they are aware, there is no relevant audit information of which the Union's auditors are unaware. They have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the Union's auditors are aware of that information.

3. Tangible assets

	Freehold Premises	Fixtures & Fittings	Plant & Equipment	Total
Cost	£	£	£	£
At 1 January 2020				
At 31 December 2020	492,222	18,707	37,744	548,673
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1 January 2020	221,785	18,707	37,744	278,236
Charge for the year	9,844	-	-	9,844
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	231,629	18,707	37,744	288,080
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book Values				
At 31 December 2020	260,593	-	-	260,593
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	270,437	-	-	270,437
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A valuation of the Union's freehold buildings was carried out on 14th April 2010, which resulted in a valuation of £475,000

National Union of Mineworkers South Wales Area
Notes to the Accounts
for the year ended 31 December 2020

4 Related Party Disclosure

(a) National Union of Mineworkers

These accounts are prepared for the members' of the South Wales Area of the National Union of Mineworkers (N.U.M.). The Area is constituent association of the N.U.M., a trade union.

(b) Related Charities

The National Union of Mineworkers - South Wales Area is associated with a number of registered charities:

i. South Wales Area Miners' Benevolent Fund (Charity No. 500118). Included in creditors is a figure of £128,533 which was the balance owed to the charity as at 31st December 2020. Plans are in place to transfer some of the Union's property to the charity in order to clear this debt.

ii. South Wales Miners' Welfare Trust Fund Scheme (Charity No. 507439). Included in debtors is a figure of £212 which was the balance owed by the charity as at 31st December 2020.

(c) Analysis of Officials Salaries and Benefits

	<u>Gross</u> <u>Salary</u>	<u>Employer NI</u> <u>Contributions</u>	<u>Employer Pension</u> <u>Contributions</u>	<u>Benefits</u>	<u>Total</u>
Area Secretary	49,114	5,573	1,287	nil	55,974

(d) No other related party transactions took place during the year.

5. Capital Commitment

The Union has agreed to replace the heating system, which is expected to cost in excess of £50,000. The work commenced in December 2020 and is ongoing.

IRREGULARITY STATEMENT TO MEMBERS

Required by Section 32A(6)[a] of the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999.

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 rules of the Union and contemplates bringing civil proceedings against the Union or responsible officials or trustees, he should consider obtaining independent legal advice.