



ARC Update

Statement to members

ARC STATEMENT TO MEMBERS

ISSUED IN CONNECTION WITH THE UNION'S ANNUAL RETURN FOR PERIOD ENDED 31 DECEMBER 2020 AS REQUIRED BY SECTION 32A OF TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

Income and Expenditure

The total income of the union for the period was £214,036. This amount included payments of £196,723 in respect of membership income of the union. The union's total expenditure for the period was £71,177.

Political Fund

The union no longer has a Political Fund.

Salary and Benefits

ARC has not provided any member of the Executive, the President or the Secretary with a salary or any benefits during the year.

Honorary Treasurer's Report

The accounts for the year ended 31 December 2020 show a surplus of £142,859. This surplus is mainly attributable to a significant decrease in legal costs following the end of the Equal Pay Claim and to the decrease in Committee and Officers' expenses and AGM costs due to the pandemic. Expenses are expected to return to normal levels once the pandemic subsides and union activities return to pre-pandemic levels.

Our net assets have increased by £142,859 to £399,416. This reflects our investments at cost of £311,143 rather than their value at 31 December 2020 of £1,018,108. This difference between value and costs provides us with additional reserves to deal with unforeseeable events.

We continue to seek ways of increasing our income and ensuring we continue getting best value for the expenditure we incur.

Subscription income has increased compared to 2019 and we will continue with our ongoing drive to increase our membership density across the section.

Our subscription income was increased in 2019 to 30% of members' subscriptions remitted to us by the FDA under the Transfer of engagement dating back to us becoming a section of the FDA but will revert to 25% from 2021 as a result of the increase of the Section's net assets during 2020. Each of us pays our monthly subscriptions to FDA who retain 70% in accordance with the Transfer Agreement to pay for staff and other established costs.

No Conference costs were incurred in 2020 as a result of cancellation due to the pandemic. Conference costs will decrease compared to 2019 when we hold future events outside London during the next few years.

Committee and officers' expenses fell in 2020 compared to 2019 due to the pandemic. Centre expenses have also continued to fall. Centre expense includes expenses incurred by members, other than committee members, on case working. All committee members' expenses are included within committee and officers' expenses, including significant expenditure on case working.

Committee and officers' expenses are the most significant element of our expenditure and committee members endeavour to keep these as low as possible.

There was one postal ballot in 2020 requiring administration by Popularis.

Our legal fees have decreased significantly during 2020 following the end of our Equal Pay fight. We have also had a number of cases in the Employment Tribunal during 2020 and continue to have during 2021, however our Equal Pay claim mentioned above has ended so legal costs are expected to be significantly lower in 2021 compared to 2019.

Our spending on ARC News decreased as we now use the ARC website and electronic methods as our main conduit for communications with members.

Accounting Policies

The Trade Union and Labour Relations (Consolidation) Act 1992 requires ARC to prepare financial statements for each accounting year, which give a true and fair view. In preparing these financial statements ARC is required to:

- keep proper accounting records in respect of the transactions and the assets and liabilities of the Union

- establish and maintain a satisfactory system of control of the Union's accounting records, cash holding and all receipts and remittances
- ensure that such records are maintained so as to give a true and fair view of the statement of affairs of the Union and to explain its transactions.
- provide members with a statement of income and expenditure for the year.

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/she should consider obtaining independent legal advice.

Independent Auditors' report to the Members of The Association of Revenue & Customs

Full audited financial statements that comprise the income and expenditure account, the balance sheet and the related notes, prepared under the accounting policies and signed off by our auditors Civvals Limited. This report is set out in the Trustees' report presented to Conference, a copy of the AR21 return, including the accounts is attached with this email.

Jawad Raza
Secretary
July 2021