



ARC Update

Statement to members

ARC STATEMENT TO MEMBERS

ISSUED IN CONNECTION WITH THE UNION'S ANNUAL RETURN FOR PERIOD ENDED 31 DECEMBER 2021 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 £201,941. This amount included payments of £193,319 in respect of membership income of the union. The union's total expenditure for the period was £35,124.

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 2021 show a surplus of £166,817. This surplus is mainly attributable to a decrease in legal costs due to lower employment tribunal cases compared to previous year, decrease in Committee and Officers' expenses and AGM costs due to the pandemic and there being no paper editions of the ARC news during 2021.

Our net assets have increased by £166,817 to £566,233. This reflects our investments at cost of £319,765 rather than their value at 31 December 2021 of £1,181,027. 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 decreased marginally compared to 2020 notwithstanding the increase in membership during 2021. We continue with our ongoing drive to increase our membership density across the section. As in previous years our subscription income is a percentage of members' subscriptions remitted to us by the FDA under the Transfer of engagement dating back to ARC becoming a section of the FDA. Each of us pays our monthly subscriptions to FDA who retain the balance in accordance with the Transfer Agreement to pay for staff and other establishment costs. Following a rule change at ADC 2017 the rebate fell from 30% of subscriptions in 2017 to 25% in 2018 but was increased to 30% in 2019 and 2020 due to the fall in ARC's net assets during 2018 and 2019 but has now been reduced again to 25% in 2021 due to the increase in ARC's net assets during 2020 and 2021.

Last year there were no Conference costs incurred as a result of cancellation due to the pandemic. The Conference costs this year relates to a virtual AGM that was held in 2021.

Committee and officers' expenses fell in 2021 compared to 2020 and remain significantly lower than in previous years. Centre expenses have continued to fall. Centre expenses includes expenses incurred by members, other than committee members, on casework. All committee members' expenses are included within committee and officers' expenses, including significant expenditure on casework.

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 ballot in 2020 requiring administration by Popularis, but no postal ballots were required during the 2021 year.

Our legal fees remain low during 2021 and are now comprised mainly of cases dealing with disability discrimination and unfair dismissal. We have a number of cases in the Employment Tribunal during 2022, so costs may remain significant but are likely to be less than previous years.

Our spending on ARC News has reduced again in 2021 as we reduce the number of paper editions over previous years. However we continue to seek economies in the production of ARC News and are using the ARC website and email 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 Orcom Civvals Audit Limited. This report is set out in the Trustees' report presented to Conference, a copy of the AR21 return, including the accounts is attached.

**Jawad Raza
Secretary
June 2022**