

INDEPENDENT PILOTS ASSOCIATION
(Trade Union)
FINANCIAL STATEMENTS
30th JUNE 2022

INDEPENDENT PILOTS ASSOCIATION
FINANCIAL STATEMENTS
YEAR ENDED 30th JUNE 2022

Contents	Page
Executive Council and Other Information	1
The Executive Council's Report and Statement to Members	2
Independent Auditor's Report to the Members	4
Statement of Income and Retained Earnings	9
Statement of Financial Position	10
Notes to the Financial Statements	11
The following pages do not form part of the financial statements	
Detailed Income Statement	16
Notes to the Detailed Income Statement	17

INDEPENDENT PILOTS ASSOCIATION
EXECUTIVE COUNCIL AND OTHER INFORMATION

EXECUTIVE COUNCIL

Chairman	L Morgan
Treasurer	N Baker
Voting Members	M Bairstow (Appointed July 2021) N Baker E Curnow (Appointed July 2021) D Hart S Hayman P Howard R Lotinga (Resigned October 2021) L Morgan P Petitt J West

OTHER INFORMATION

General Secretary	P Flower
Trustees	G Baczkowski (Resigned October 2021) S Cannon (Appointed October 2021) I Gibbs (Resigned October 2021) S Griffiths (Appointed October 2021) P Jackson (Resigned October 2021) R Lotinga (Appointed October 2021) T Storer
Head Office	2nd Floor 38-42a South Road Haywards Heath West Sussex RH16 4LA
Auditor	PRB Accountants LLP Chartered accountants & statutory auditor Kingfisher House Hurstwood Grange Hurstwood Lane Haywards Heath West Sussex RH17 7QX

INDEPENDENT PILOTS ASSOCIATION

THE EXECUTIVE COUNCIL'S REPORT AND STATEMENT TO MEMBERS

YEAR ENDED 30th JUNE 2021

Income and Expenditure

The total income of the Union for the period was £127,838. This amount included payments of £127,838 in respect of Membership of the Union. The Union's total expenditure for the period was £111,144. The Union does not maintain a political fund.

Salary Paid to the General Secretary and/or Members of the Executive Council

The General Secretary of the Union was paid £17,724 in respect of salary and £30,098 in respect of benefits for the year.

Irregularity Statement

A Member who is concerned that some irregularity may be occurring, or has 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 may apply for material assistance from the Commissioner for the Rights of Trade Union Members and should, in any case, consider obtaining independent legal advice.

Statement of Responsibilities of the Executive Council

The Trade Union and Labour Relations (consolidation) Act 1992 (amended) requires the Union to submit a return each year to the Certification Officer. The return contains accounts which must give a true and fair view of the state of affairs of the Union at the year-end and of the surplus or deficit of the Union for that period. The financial statements set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Officer.

The requirement to prepare financial statements that give a true and fair view is the responsibility of the Executive Council. The Executive Council is responsible for preparing the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing these financial statements, the Executive Council are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standard have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business.

INDEPENDENT PILOTS ASSOCIATION

THE EXECUTIVE COUNCIL'S REPORT AND STATEMENT TO MEMBERS

(continued)

YEAR ENDED 30th JUNE 2021

The Executive Council are responsible for keeping adequate accounting records that are sufficient to show and explain the Union's transactions and disclose with reasonable accuracy at any time the financial position of the Union. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, as well as establishing and maintaining a satisfactory system of control of the Union's accounting records, its cash holdings and all its receipts and remittances.

In so far as the Executive Council is aware:

- there is no relevant audit information of which the Union's auditor is unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Union's auditor is aware of that information.

10 Oct 2022

This report was approved for issue on and signed on behalf of the Union by:

L Morgan

L Morgan
Chairman

P Flower

P Flower
General Secretary

Registered office:
2nd Floor
38-42a South Road
Haywards Heath
West Sussex
RH16 4LA

INDEPENDENT PILOTS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT PILOTS ASSOCIATION

YEAR ENDED 30th JUNE 2022

Opinion

We have audited the financial statements of Independent Pilots Association (the 'Union') for the year ended 30th June 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 30th June 2022 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 (amended).

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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Executive Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT PILOTS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT PILOTS ASSOCIATION *(continued)*

YEAR ENDED 30th JUNE 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Executive Council are responsible for the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Union and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Council's report.

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (consolidation) Act 1992 (amended) 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Executive Council

As explained more fully in the Executive Council's Report, the Executive Council 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 Executive Council 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 Executive Council are 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 members either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT PILOTS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT PILOTS ASSOCIATION *(continued)*

YEAR ENDED 30th JUNE 2022

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:

We have considered the following facts in evaluating whether the audit was capable of detecting irregularities and fraud.

- The audit was conducted using a proprietary audit pack. The pack is designed to detect fraud and irregularities
- PRB Accountants LLP have been registered as statutory auditors since 2001, and are experienced auditors
- Materiality was calculated and used for identifying key audit areas, setting sample sizes and evaluating errors
- Analytical review of the profit and loss was performed at the planning stages and throughout the audit to help identify any irregularities
- PRB Accountants LLP staff members regularly take part in continuing professional development courses to expand their knowledge and to keep up to date with changes to legislations
- A pre-audit discussion was held with the client to discuss any changes to the entity for and after the financial year end including accounting systems, turnover of key staff, instances of actual, suspected or alleged fraud, non-compliance with laws and regulations

INDEPENDENT PILOTS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT PILOTS ASSOCIATION *(continued)*

YEAR ENDED 30th JUNE 2022

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT PILOTS ASSOCIATION

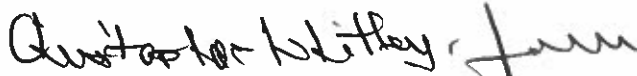
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT PILOTS ASSOCIATION *(continued)*

YEAR ENDED 30th JUNE 2022

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Executive Council, as a body, in accordance with the Trade Union and Labour Relations (consolidation) Act 1992 (amended). Our audit work has been undertaken so that we might state to the Executive Council 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 Executive Council as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Whitley-Jones FCA (Senior Statutory Auditor)

Date:

11/10/22

For and on behalf of:

PRB Accountants LLP - Chartered Accountants and Statutory Auditors

Kingfisher House

Hurstwood Grange

Hurstwood Lane

Haywards Heath

West Sussex

RH17 7QX

INDEPENDENT PILOTS ASSOCIATION
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 30th JUNE 2022

	Note	2022 £	2021 £
Turnover		127,838	116,491
Gross surplus		<u>127,838</u>	<u>116,491</u>
Administrative expenses		<u>111,144</u>	<u>105,126</u>
Operating surplus		16,694	11,365
Other interest receivable and similar income		<u>1</u>	<u>1</u>
Surplus before taxation	6	16,695	11,366
Tax on profit		<u>-</u>	<u>-</u>
Surplus for the financial year and total comprehensive income		<u>16,695</u>	<u>11,366</u>
Retained earnings at the start of the year		<u>75,578</u>	<u>64,212</u>
Retained earnings at the end of the year		<u>92,273</u>	<u>75,578</u>

All the activities of the Union are from continuing operations.

INDEPENDENT PILOTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

30th JUNE 2022

	Note	2022 £	£	2021 £
Fixed assets				
Tangible assets	7		1,295	636
Current assets				
Debtors	8	2		—
Cash at bank and in hand		159,822		146,355
		<u>159,824</u>		<u>146,355</u>
Creditors: amounts falling due within one year	9	<u>68,846</u>		<u>71,413</u>
Net current assets			<u>90,978</u>	<u>74,942</u>
Total assets less current liabilities			<u>92,273</u>	<u>75,578</u>
Net assets			<u>92,273</u>	<u>75,578</u>
Capital and reserves				
Surplus and deficit account			<u>92,273</u>	<u>75,578</u>
Members funds			<u>92,273</u>	<u>75,578</u>

10 Oct 2022

These financial statements were approved for issue on, and are signed on behalf of the Union by:

L Morgan

L Morgan
Chairman

P Flower

P Flower
General Secretary

INDEPENDENT PILOTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30th JUNE 2022

1. General information

The address of the head office is 2nd Floor, 38-42a South Road, Haywards Heath, West Sussex, RH16 4LA.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

INDEPENDENT PILOTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30th JUNE 2022

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings - 7 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of persons employed by the union during the year amounted to 1 (2021: 1).

The aggregate payroll costs of the above were:

	2022	2021
	£	£
Wages and salaries	39,540	41,912
Social Security Costs	4,321	4,570
	<u>43,861</u>	<u>46,482</u>

INDEPENDENT PILOTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30th JUNE 2022

5. Transactions with members of the executive council and general secretary

During the year, the Union paid the following amounts to Members of the Executive Council, General Secretary, included in salaries, in the Statement of Income and Retained Earnings:

	2022	2021
	£	£
P Flower	<u>17,724</u>	<u>41,912</u>

6. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	<u>140</u>	<u>122</u>

7. Tangible assets

	Fixtures and fittings £	Total £
Cost		
At 1st July 2021	4,664	4,664
Additions	<u>799</u>	<u>799</u>
At 30th June 2022	<u>5,463</u>	<u>5,463</u>
Depreciation		
At 1st July 2021	4,028	4,028
Charge for the year	<u>140</u>	<u>140</u>
At 30th June 2022	<u>4,168</u>	<u>4,168</u>
Carrying amount		
At 30th June 2022	<u>1,295</u>	<u>1,295</u>
At 30th June 2021	<u>636</u>	<u>636</u>

8. Debtors

	2022	2021
	£	£
Other debtors	<u>2</u>	<u>-</u>

INDEPENDENT PILOTS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 30th JUNE 2022

9. Creditors: amounts falling due within one year

	2022	2021
	£	£
Corporation tax	3	3
Social security and other taxes	-	1,425
Other creditors	<u>68,843</u>	<u>69,985</u>
	<u>68,846</u>	<u>71,413</u>

10. Other related party transactions

During the year, the Union received its Subscription Income of £127,838 (2021: £116,491) via the Independent Pilots Association, a company limited by guarantee, which is affiliated to the Union. At the year end the Union owed £67,480 (2021: £68,841) to the Independent Pilots Association in respect of recharges.

11. Legal defence fund

The Union maintains its own legal defence fund for the benefit of members. This is maintained as part of the general fund and reviewed by the Executive Council on a quarterly basis.

INDEPENDENT PILOTS ASSOCIATION

DETAILED INCOME STATEMENT

YEAR ENDED 30th JUNE 2022

	2022 £	2021 £
Turnover		
Member subscriptions	127,838	116,491
Gross profit	<u>127,838</u>	<u>116,491</u>
Overheads		
Administrative expenses	111,144	105,126
Operating surplus	<u>16,694</u>	<u>11,365</u>
Other interest receivable and similar income	1	1
Surplus before taxation	<u>16,695</u>	<u>11,366</u>

INDEPENDENT PILOTS ASSOCIATION

NOTES TO THE DETAILED INCOME STATEMENT

YEAR ENDED 30th JUNE 2022

	2022	2021
	£	£
Administrative expenses		
Wages and salaries	17,724	41,912
Staff national insurance contributions	1,937	4,570
Staff pension contributions	30,098	2,497
Insurance	–	92
Travel and subsistence	1,817	144
Telephone	290	301
Computer expenses	2,849	1,454
Staff training	1,200	–
Sundry expenses	362	340
Advertising	690	–
Legal and professional fees	53,407	53,094
Accountancy fees	600	600
Depreciation of tangible assets	140	122
Bank charges	30	–
	<u>111,144</u>	<u>105,126</u>
Other interest receivable and similar income		
Interest on bank deposits	<u>1</u>	<u>1</u>