

## **NATIONWIDE GROUP STAFF UNION**

### **ACCOUNTING POLICIES**

#### **YEAR ENDED 31 DECEMBER 2023**

##### **Union Information**

The principal place of business for the Union is Middleton Farm House, 37 Main Road, Middleton Cheney, Oxfordshire, OX17 2QT, United Kingdom.

##### **Accounting Convention**

The financial statements have been prepared under the historical cost convention, modified to include equity investments held at fair value, and follow all applicable Accounting Standards.

These financial statements for the year ended 31 December 2023 are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Union. Monetary amounts in these financial statements are rounded to the nearest £.

Trade Unions are governed by the Trade Union and Labour Relations (Consolidation Act) 1992 (Amended). Under that Act the accounts of Trade Unions are required to give a true and fair view. Therefore, the accounts of the Union are prepared under FRS102.

The financial statements present information about the Trade Union as an individual undertaking. Including the subsidiary in a set of consolidated financial statements would not be material for giving a true and fair view.

However, as a Trade Union is not a company the Regulations that form the basis of disclosures under FRS102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the Union.

##### **Going Concern**

The National Executive Committee is monitoring transformation in the finance sector, resulting from changes to customer needs and the move to digital banking, which is impacting employment levels and therefore Union membership and income. Membership has increased over the last 12 months but the National Executive Committee considers that there will be on-going pressure on membership numbers from redundancies resulting from new business practices and streamlining. The National Executive Committee is confident that the Union has adequate resources to continue in operation for the foreseeable future. The National Executive Committee is embarking on a review of the Union's five-year strategic plan to determine necessary actions and options required to ensure the Union can fulfil its primary mission to promote and protect the interests of its members.

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#### **YEAR ENDED 31 DECEMBER 2023**

##### **Subscriptions**

Subscriptions are accounted for on an accruals basis.

##### **Commission Income**

Insurance Scheme Commission is accounted for on a cash received basis. Other commissions are accounted for on an accruals basis.

##### **Draw Income**

Draw income is accounted for in respect of those draws that have taken place in the year.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

##### **Financial Instruments**

The Union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs.

##### **Other financial assets**

Other financial assets, including investments in equity instruments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value recognised in the income and expenditure account, except that investments in equity instruments that are not publically traded and whose fair value cannot be measured reliably are measured at cost less impairment.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are initially recognised at transaction price.

##### **Defined Contributions Pension Plan**

Contained within administrative and service to member staff costs are fully paid defined pension contributions totalling £116,936 (2022: £110,725).

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#### **YEAR ENDED 31 DECEMBER 2023**

##### **Termination Benefits**

Termination benefits are recognised immediately as an expense when the union is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Tangible Fixed Assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on all tangible fixed assets (except freehold land) at rates estimated to write off the cost of each asset on a straight line basis over its expected useful life as follows:

Freehold building	-	2% per annum
Office equipment	-	10% per annum
Computer equipment	-	25% per annum

##### **Intangible Fixed Assets – Website**

Intangible fixed assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses.

Amortisation is provided at rates estimated to write off the cost of the website on a straight line basis over its expected useful life which is estimated to be 4 years.

##### **National Conference**

The costs of the biennial National Conference are accounted for over two years by providing for in advance and not solely in the year that the National Conference occurs on the basis that the Union under the terms of its constitution is required to hold a Conference every two years, it therefore regarded as an onerous contract

##### **Employee Benefits**

The costs of short-term employee benefits are recognised in the period in which the employee's services are received as a liability and an expense.

##### **Charitable Donations**

Charitable donations are accounted for when there is a commitment to pay the receipt.

##### **Charitable Fund**

At the Nationwide Group Staff Union Conference 2005, delegates voted for the Union to set up and maintain a Charitable Fund, allowing the Union to make charitable donations recognising the Union's wider responsibility to the national and international community.

## **NATIONWIDE GROUP STAFF UNION**

### **ACCOUNTING POLICIES**

#### **YEAR ENDED 31 DECEMBER 2023**

##### **Current Taxation**

Corporation tax is payable on all interest income, rental income and chargeable gains arising on the disposal of properties and investments but only to the extent that these exceed expenditure on provident benefits.

##### **Deferred Taxation**

Deferred tax liabilities arise in relation to the difference between the fair value investments and their original cost.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure account.

Unrealised valuation increases relating to investments would potentially give rise to chargeable gains on the sale of the asset, but any potential liability to tax is eliminated if the proceeds of sale are reinvested in other chargeable assets used for provident purposes. The tax on any proceeds which are not reinvested is reduced by indexation allowances and any balance can also be offset against expenditure on provident benefits. Deferred tax has not been provided for potential chargeable gains because the National Executive Committee is satisfied that proceeds of the sale of all related assets can be substantially reinvested, sufficient that any remaining balance can be offset against allowance or expenses. Therefore no unrealised gain at 31 December 2023 is expected to give rise to a liability to tax.

##### **Judgements and Key Sources of Estimation Uncertainty**

In the application of its accounting policies, the Union is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. All significant estimates and underlying assumptions are reviewed on an on going basis and the relevant carrying amounts of assets and liabilities are revised to reflect any changes.

As at 31 December 2023 the carrying amounts of the following assets and liabilities were subject to judgement or to estimation uncertainty:

- The fair value of unlisted equity investments are based on the latest purchase offer.
- The Union has an obligation to hold a Conference every two years under the terms of its constitution. It is therefore regarded as an onerous contract and the costs are spread over a two year period.

**NATIONWIDE GROUP STAFF UNION**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31 DECEMBER 2023**

<b>1</b>	<b>OTHER OPERATING INCOME</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<u>Other Income</u>		
	Advertising revenue	-	750
	Bank interest	6,529	1,447
	Insurance commission	4,318	5,042
	Other commission	1,997	2,668
		<u>12,844</u>	<u>9,907</u>
	<u>Investment Income</u>		
	Dividend income	4,128	2,889
		<u>4,128</u>	<u>2,889</u>
		<u>16,972</u>	<u>12,796</u>
<b>2</b>	<b>SERVICES TO MEMBERS</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Magazine costs	-	14,669
	Legal and professional	46,971	136,116
	TUC affiliation fee	37,085	36,183
	Postage	13,221	10,421
	Publications	1,089	3,940
	Staff costs	921,014	886,406
	Telephone	13,198	13,501
	Training	10,739	4,427
	Disciplinary and grievance meetings	4,141	1,691
	Website costs	8,314	6,301
	VAT Recovered	(9,742)	(14,157)
	Members benefits	8,276	9,413
		<u>1,054,306</u>	<u>1,108,911</u>

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**NOTES TO THE FINANCIAL STATEMENTS**

**AS AT 31 DECEMBER 2023**

<b>3</b>	<b>MEETING EXPENSES</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	National Conference	37,803	27,081
	National Executive	12,810	235
	TUC Meetings	3,340	3,818
	Other meetings	4,849	4,909
		<u>58,802</u>	<u>36,043</u>

<b>4</b>	<b>ADMINISTRATION EXPENSES</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Audit and accountancy	31,115	35,860
	Asset under construction	-	8,865
	Ballots	4,710	-
	Accountancy systems	17,030	16,662
	Bank and legal costs	4,031	3,884
	Printing and stationery	1,012	2,120
	Staff costs	133,965	120,048
	Sundry expenses	4,475	5,592
		<u>196,338</u>	<u>193,031</u>

The average monthly number of persons employed by the Union during the period was 20 (2022: 20).

<b>5</b>	<b>PREMISES AND EQUIPMENT COSTS</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Cleaning	5,086	4,121
	Insurance	6,901	4,367
	Rent and rates	12,616	10,107
	Repairs	1,590	2,077
	Utilities	8,687	6,385
	Other expenses	1,342	1,196
		<u>36,222</u>	<u>28,253</u>

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**AS AT 31 DECEMBER 2023**

<b>5</b>	<b>PREMISES AND EQUIPMENT COSTS (CONTINUED)</b>	<b>2023</b>		<b>2022</b>
		<b>£</b>		<b>£</b>
	EQUIPMENT COSTS			
	Maintenance and leasing			
	Motor	29,315		29,160
	Office and computer	53,276		41,483
		<u>82,591</u>		<u>70,643</u>
	DEPRECIATION	14,641		13,325
	AMORTISATION	7,862		13,389
		<u>141,316</u>		<u>125,610</u>
<b>6</b>	<b>TANGIBLE FIXED ASSETS</b>			
		<b>Land and buildings</b>	<b>Office equipment</b>	<b>Computer and software</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	<b>COST</b>			
	At 1 January 2023	295,526	55,318	180,025
	Additions	8,434	711	9,527
	Disposals		(1,979)	(1,979)
	At 31 December 2023	<u>303,960</u>	<u>54,050</u>	<u>189,552</u>
	<b>ACCUMULATED DEPRECIATION</b>			
	At 1 January 2023	106,787	45,640	174,719
	Charge for the year	4,079	1,822	8,740
	Disposals		(1,824)	(1,824)
	At 31 December 2023	<u>110,866</u>	<u>45,638</u>	<u>183,459</u>
	<b>NET BOOK VALUE</b>			
	At 31 December 2023	<u>193,094</u>	<u>8,412</u>	<u>6,093</u>
	At 31 December 2022	<u>188,739</u>	<u>9,678</u>	<u>5,306</u>

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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

**7 INTANGIBLE FIXED ASSETS**

	Website
COST	£
At 1 January 2023	71,192
Disposals	
At 31 December 2023	<u>71,192</u>
AMORTISATION	
At 1 January 2023	49,172
Charge for the year	7,862
At 31 December 2023	<u>57,034</u>
NET BOOK VALUE	
At 31 December 2023	<u>14,158</u>
At 31 December 2022	<u>22,020</u>

**8 INVESTMENTS**

	Listed Equities £	Unlisted Equities £	Total £
Market Value at 1 January 2023	842,055	288,943	1,130,998
Change in value in the year	47,849	-	47,849
Market Value at 31 December 2023	<u>889,904</u>	<u>288,943</u>	<u>1,178,847</u>



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**AS AT 31 DECEMBER 2023**

**9 CURRENT ASSET INVESTMENT**

The following are the amounts held by Union in deposit as Bonds at 31 December 2023:

	<b>Bonds £</b>	<b>Total £</b>
<b>Balance at 1 January 2023</b>	85,094	85,094
Interest received in the year	2,781	2,781
<b>Balance at 31 December 2023</b>	<u>87,875</u>	<u>87,875</u>

**10 DEBTORS**

	<b>2023 £</b>	<b>2022 £</b>
Prepayments	34,813	28,000
	<u>34,813</u>	<u>28,000</u>

**11 CREDITORS**

	<b>2023 £</b>	<b>2022 £</b>
Trade Creditors	14,502	6,337
Other creditors	28,657	31,441
Taxes & social security costs	30,049	22,813
Accruals & deferred income	29,155	54,200
	<u>102,363</u>	<u>114,791</u>

## NATIONWIDE GROUP STAFF UNION

### NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

#### 12 FINANCIAL COMMITMENTS

At 31 December 2023 the union was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2024:

	2023 £	2022 £
Operating leases which expire:		
Within one year	1,752	1,752
Between two and five years	-	1,752

#### 13 TRANSFER OF RESERVES

A decision was made in January 2024 to transfer 10% of the comprehensive results for the year ended 31 December 2023 to charitable reserves. The transfer will be made in the accounts for the year ended 31 December 2024.

#### 14 CONTROLLING INTEREST

NGSU has control of NGSU Asset Management Limited which is a dormant company limited by guarantee.

#### 15 CONTINGENT LIABILITIES

As explained in Current Taxation note, no tax liabilities are expected to arise on the realisation of unrealised valuation increases on investments. If the unrealised valuation increases at 31 December 2023 were all to give rise to chargeable gains the maximum liability to tax would be £56,951 (2022: £44,989)

##### 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.

The audit