

NATIONWIDE GROUP STAFF UNION
ACCOUNTS
YEAR ENDED 31 DECEMBER 2018



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NATIONWIDE GROUP STAFF UNION

ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

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STATEMENT OF RESPONSIBILITIES OF THE NATIONAL EXECUTIVE COMMITTEE

The legislation relating to trade unions requires the Union to submit a return for each calendar year to the Certification Officer. This 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 its transactions for the year then ended. The accounts set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Officer.

In relation to the Nationwide Group Staff Union these requirements to prepare accounts that give a true and fair view is the responsibility of the National Executive Committee. The National Executive Committee is responsible for preparing the accounts in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In so doing the National Executive Committee is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on the going concern basis unless it is inappropriate to do so.

The National Executive Committee is responsible for keeping proper accounting records and establishing and maintaining a satisfactory system of control over its records and transactions in order to comply with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). 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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE
NATIONWIDE GROUP STAFF UNION**

Opinion

We have audited the financial statements of the Nationwide Group Staff Union ["The Union"] for the year ended 31 December 2018 which comprise the Income and Expenditure account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 December 2018 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 the 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 ISA's (UK) require us to report to you where:

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

Other information

The National Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. Our opinion of 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 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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE
NATIONWIDE GROUP STAFF UNION**

Matters on which we are required to report by exception

The Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you if, in our opinion:

- A satisfactory system of control over transactions has not been maintained; or
- The Union has not kept proper accounting records; or
- The financial statements are not in agreement with the books of account; or
- We have not received all the information and explanations we need for our audit.

We have nothing to report in this regard.

Responsibilities of the National Executive Committee

As explained more fully in the Statement of Responsibilities of the National Executive Committee, the National Executive Committee is responsible for the preparation of financial statements and being satisfied that they give a true and fair view, and for such internal control as the National Executive 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 National Executive Committee is 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 National Executive Committee either intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

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 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.

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

Use of our report to the members of The Union

This report is made solely to the Union's members, as a body. Our audit work has been undertaken so that we might state to the Union'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 Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

HW Fisher & Co

H W FISHER & COMPANY
Chartered Accountants
Statutory Auditor

Acre House
11 - 15 William Road
London NW1 3ER
United Kingdom

Date: *10 April 2019*

NATIONWIDE GROUP STAFF UNION
 INCOME AND EXPENDITURE ACCOUNT
 COMBINED FUNDS
 YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Note	£	£
INCOME:			
Subscriptions		1,326,481	1,291,136
Other operating income	1	126,824	121,388
Charitable donations received (see page 6)		-	826
		<u>1,453,305</u>	<u>1,413,350</u>
EXPENDITURE			
Services to members	2	997,967	930,475
Meeting expenses	3	108,357	93,942
Administration expenses	4	135,327	129,635
Premises and equipment costs	5	136,934	136,922
Donations (see page 6)		6,500	12,750
		<u>1,385,085</u>	<u>1,303,724</u>
OPERATING SURPLUS		68,220	109,626
UNREALISED GAIN/(LOSS) ON INVESTMENTS		(11,233)	23,221
COMPREHENSIVE RESULT FOR THE YEAR		<u>56,987</u>	<u>132,847</u>
RESERVES BROUGHT FORWARD		1,418,388	1,285,541
RESERVES CARRIED FORWARD		<u>1,475,375</u>	<u>1,418,388</u>

NATIONWIDE GROUP STAFF UNION
 INCOME AND EXPENDITURE ACCOUNT
 GENERAL FUND
 YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Note	£	£
INCOME:			
Subscriptions		1,326,481	1,291,136
Other operating income	1	126,824	121,388
		<u>1,453,305</u>	<u>1,412,524</u>
EXPENDITURE			
Services to members	2	997,967	930,475
Meeting expenses	3	108,357	93,942
Administration expenses	4	135,327	129,635
Premises and equipment costs	5	136,934	136,922
		<u>1,378,585</u>	<u>1,290,974</u>
OPERATING SURPLUS		74,720	121,550
UNREALISED (LOSS)/GAIN ON INVESTMENTS	8	(11,233)	23,221
COMPREHENSIVE RESULT FOR THE YEAR		<u>63,487</u>	<u>144,771</u>
RESERVES BROUGHT FORWARD		1,404,507	1,259,736
TRANSFER TO THE CHARITABLE FUND		-	-
RESERVES CARRIED FORWARD		<u>1,467,994</u>	<u>1,404,507</u>

NATIONWIDE GROUP STAFF UNION
 INCOME AND EXPENDITURE ACCOUNT
 CHARITABLE FUND

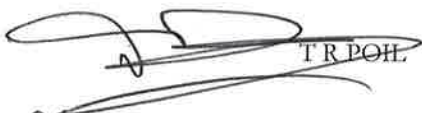
	2018	2017
	£	£
INCOME:		
Donations received	-	826
Transfer from General Fund	-	-
	-	826
EXPENDITURE		
Donations made	6,500	12,750
	6,500	12,750
COMPREHENSIVE RESULT FOR THE YEAR	(6,500)	(11,924)
RESERVES BROUGHT FORWARD	13,881	25,805
RESERVES CARRIED FORWARD	7,381	13,881

NATIONWIDE GROUP STAFF UNION

BALANCE SHEET

YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	6		209,626		207,325
Intangible fixed assets	7		16,187		3,712
Fixed Asset Investments	8		869,971		731,204
CURRENT ASSETS					
Debtors and prepayments	9	28,022		31,615	
Cash at bank and in hand		500,011		552,623	
		<u>528,033</u>		<u>584,238</u>	
CURRENT LIABILITIES					
Creditors and accruals	10	(148,442)		(108,091)	
NET CURRENT ASSETS					
			<u>379,591</u>	<u>476,147</u>	
			<u>1,475,375</u>	<u>1,418,388</u>	
Represented by :					
RESERVES					
General Fund			1,467,994		1,404,507
Charitable Fund			7,381		13,881
			<u>1,475,375</u>	<u>1,418,388</u>	


T R POHL

GENERAL SECRETARY


B CUBBON

PRESIDENT

Approved: 10 April 2019

NATIONWIDE GROUP STAFF UNION

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2018

	2018	2017
Note	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating surplus	68,220	109,626
Adjustments for:		
Amortisation of intangible fixed assets	4,408	3,075
Depreciation of tangible fixed assets	10,326	20,541
Decrease/(increase) in trade and other receivables	3,593	(372)
Increase/(decrease) in trade and other payables	40,351	(39,036)
	<u>126,898</u>	<u>93,834</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of tangible fixed assets	(20,841)	(3,600)
Disposal of tangible fixed assets	8,214	-
Purchases of intangible fixed assets	(16,883)	-
Purchase of investments	(150,000)	-
	<u>(179,510)</u>	<u>(3,600)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		
	(52,612)	90,234
Cash and cash equivalents at beginning of year	552,623	462,389
CASH AND CASH EQUIVALENTS AT END OF YEAR	12 <u>500,011</u>	<u>552,623</u>

NATIONWIDE GROUP STAFF UNION

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

Accounting Convention

The accounts have been prepared under the historical cost convention and follow all applicable Accounting Standards.

These financial statements for the year ended 31 December 2018 are prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. On transition to FRS 102 there were no adjustments that affected the financial position and financial performance previously stated.

The financial statements are prepared in sterling, which is the functional currency of the Trade 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 Trade Unions are prepared under FRS102.

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

Going Concern

The Union consider that there are no material uncertainties about the Union's ability to continue as a going concern.

Subscriptions

Subscriptions are accounted for on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term investments with original maturities of three months or less, and bank overdrafts.

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 which are not subsidiaries, 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.

NATIONWIDE GROUP STAFF UNION

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

The investment property has been valued internally by the National Executive Committee.

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.

Commission Income

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

Defined Contributions Pension Plan

Contained within administrative and service to member staff costs are fully paid defined pension contributions totalling £104,826.

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.

Depreciation

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	-	25% per annum
Computer equipment	-	25% per annum

Intangible Fixed assets - Website

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 deemed 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.

NATIONWIDE GROUP STAFF UNION

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

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 of properties and investments and their original cost less any indexation applicable.

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.

The Union has adopted a reinvestment policy whereby all realised proceeds on disposal of properties and investments are reinvested into other chargeable assets, thereby eliminating any current tax liability and thereby the need for the recognition of a deferred tax liability. Where the proceeds are not fully reinvested no current tax liability is considered likely to arise due to expenditure on provident benefits exceeding any chargeable gains that might arise.

NATIONWIDE GROUP STAFF UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

1	OTHER OPERATING INCOME	2018	2017
		£	£
	<u>Other Income</u>		
	Advertising revenue	-	1,800
	Bank interest	1,651	1,344
	Overstatement of bank interest in previous years	-	(2,412)
	Draws and lotteries:		
	Draw income	360,057	357,263
	Prizes awarded	(270,021)	(268,000)
	Insurance commission	20,286	23,112
	Other commission	3,224	7,470
	Overstatement of commission in previous years	-	(9,568)
		<u>115,197</u>	<u>111,009</u>
	<u>Investment Income</u>		
	Flat rental	9,826	8,571
	Dividend income	1,801	1,808
		<u>11,627</u>	<u>10,379</u>
		<u>126,824</u>	<u>121,388</u>
2	SERVICES TO MEMBERS	2018	2017
		£	£
	Magazine costs	37,811	34,940
	Legal and professional	31,175	19,478
	TUC affiliation fee	35,259	35,051
	Postage	10,108	9,670
	Publications	3,101	3,054
	Staff costs	842,366	800,056
	Telephone	14,226	15,522
	Training	6,167	9,623
	Disciplinary and grievance meetings	9,461	6,525
	Website costs	19,954	9,378
	VAT Recovered	(18,818)	(16,095)
	Members benefits	7,157	-
	Other expenses	-	3,273
		<u>997,967</u>	<u>930,475</u>

NATIONWIDE GROUP STAFF UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

3 MEETING EXPENSES	2018	2017
	£	£
National Conference	35,000	26,052
Area Council	28,529	23,593
National Executive	7,476	4,928
TUC Meetings	3,286	1,959
Other meetings	34,066	37,410
	<u>108,357</u>	<u>93,942</u>
4 ADMINISTRATION EXPENSES	2018	2017
	£	£
Audit and accountancy	25,200	18,000
Ballots	10,770	18,624
Accountancy systems	4,421	3,221
Bank and legal costs	4,175	4,140
Printing and stationery	4,781	1,513
Staff costs	83,936	84,044
Sundry expenses	2,044	93
	<u>135,327</u>	<u>129,635</u>
5 PREMISES AND EQUIPMENT COSTS	2018	2017
	£	£
PREMISES COSTS		
Cleaning	6,583	4,787
Insurance	4,189	3,881
Rent and rates	12,444	12,258
Repairs	8,326	3,227
Utilities	5,894	5,657
Flat expenses	1,561	4,328
	<u>38,997</u>	<u>34,138</u>
EQUIPMENT COSTS		
Maintenance and leasing		
Motor	43,978	45,550
Office and computer	31,258	33,618
	<u>75,236</u>	<u>79,168</u>
DEPRECIATION	18,293	20,541
AMORTISATION	4,408	3,075
	<u>136,934</u>	<u>136,922</u>

NATIONWIDE GROUP STAFF UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

6 TANGIBLE FIXED ASSETS	Land and buildings £	Office equipment £	Computer and software £	Total £
COST				
At 1 January 2018	282,203	35,547	159,705	477,455
Additions	-	11,436	9,405	20,841
Disposals	-		(8,214)	(8,214)
At 31 December 2018	<u>282,203</u>	<u>46,983</u>	<u>160,896</u>	<u>490,082</u>
ACCUMULATED DEPRECIATION				
At 1 January 2018	87,908	33,844	148,378	270,130
Charge for the year	3,644	3,543	11,106	18,293
Relating to disposals			(7,967)	(7,967)
At 31 December 2018	<u>91,552</u>	<u>37,387</u>	<u>151,517</u>	<u>280,456</u>
NET BOOK VALUE				
At 31 December 2018	<u>190,651</u>	<u>9,596</u>	<u>9,379</u>	<u>209,626</u>
<i>At 31 December 2017</i>	<u>194,295</u>	<u>1,703</u>	<u>11,327</u>	<u>207,325</u>
7 INTANGIBLE FIXED ASSETS				
Website				
COST				
At 1 January 2018	£ 12,300			
Additions	16,883			
At 31 December 2018	<u>29,183</u>			
AMORTISATION				
At 1 January 2018	8,588			
Charge for the year	4,408			
At 31 December 2018	<u>12,996</u>			
NET BOOK VALUE				
<i>At 31 December 2018</i>	<u>16,187</u>			
<i>At 31 December 2017</i>	<u>3,712</u>			

NATIONWIDE GROUP STAFF UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

8 INVESTMENTS

	Equity Investments £	Investment Property £	Total £
Market Value at 1 January 2018	524,204	207,000	731,204
Acquisitions at cost	150,000	-	150,000
Change in value in the year	(11,233)	-	(11,233)
Market Value at 31 December 2018	<u>662,971</u>	<u>207,000</u>	<u>869,971</u>

9 DEBTORS

	2018 £	2017 £
Other debtors	-	29
Prepayments	28,022	31,586
	<u>28,022</u>	<u>31,615</u>

10 CREDITORS

	2018 £	2017 £
Other creditors	69,408	71,997
Taxes & social security costs	22,890	21,194
Accruals & deferred income	56,144	14,900
	<u>148,442</u>	<u>108,091</u>

11 FINANCIAL COMMITMENTS

At 31 December 2018 the union was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2019:

	2018 £	2017 £
Operating leases which expire:		
Within one year	25,621	38,414
Between two and five years	<u>9,329</u>	<u>34,951</u>

NATIONWIDE GROUP STAFF UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

12	COMPONENTS OF CASH AND CASH EQUIVALENTS	2018	2017
		£	£
	Cash	500,011	552,623
	Overdraft	-	-
	Cash equivalents	-	-
		<u>500,011</u>	<u>552,623</u>

13 CONTROLLING INTEREST

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

INFORMATION TO BE PROVIDED TO MEMBERS UNDER THE
TRADE UNION AND LABOUR RELATIONS
(CONSOLIDATION) ACT 1992 (AMENDED)

Under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended), the Union is required to circulate all members with details of the salary and benefits provided to the General Secretary, the President and all members of the National Executive Committee. The President and members of the National Executive Committee do not receive any salary from the Union or any benefits. They are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union as is the General Secretary. The details in respect of the General Secretary are as follows:

Salary	£133,656
Benefits:	
Pension Contributions (The Union makes contributions of 15% of salary on behalf of all staff)	£20,048
Car and other allowances	£9,893

We are also required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to circulate the following declaration to all members. The wording is as prescribed by the Act.

"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 concerns 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."