

No. 390/24

13<sup>th</sup> December 2024

TO: ALL BRANCHES

Dear Colleagues,

## CWU CONSOLIDATED ACCOUNTS 2023

Please find attached a copy of the final CWU Consolidated Accounts for the financial year 2023.

Accordingly Branches are now invited to forward questions to the attached CWU Consolidated Accounts 2023 to arrive by no later than 12.00 noon on 2<sup>nd</sup> January 2025.

Please note all questions should be sent to the email address [sdgs@cwu.org](mailto:sdgs@cwu.org) **Please note, any emails sent to any other email address will not receive a response and will not be included in the published questions and answers.**

Any other queries on this LTB should be addressed to [sdgs@cwu.org](mailto:sdgs@cwu.org)

Yours sincerely,



**Tony Kearns**  
Senior Deputy General Secretary



2023 Accounts  
FINAL (signed).pdf



**COMMUNICATION WORKERS UNION**

Trade Union Number: 743T

**Annual Report and Financial Statements**  
For the Year Ended 31 December 2023



*The communications union*

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# Report of the Senior Deputy General Secretary

Presented here are the consolidated accounts for the Communication Workers Union (CWU) for 2023. This report will follow the same format as previous years in order to bring some consistency to how we present these accounts.

That being said I would also point out that some of the commentary included here will be similar to the commentary made in the financial report that was placed before the special rules conference held in April of this year. Again, this is to ensure that our messaging around our financial position remains consistent.

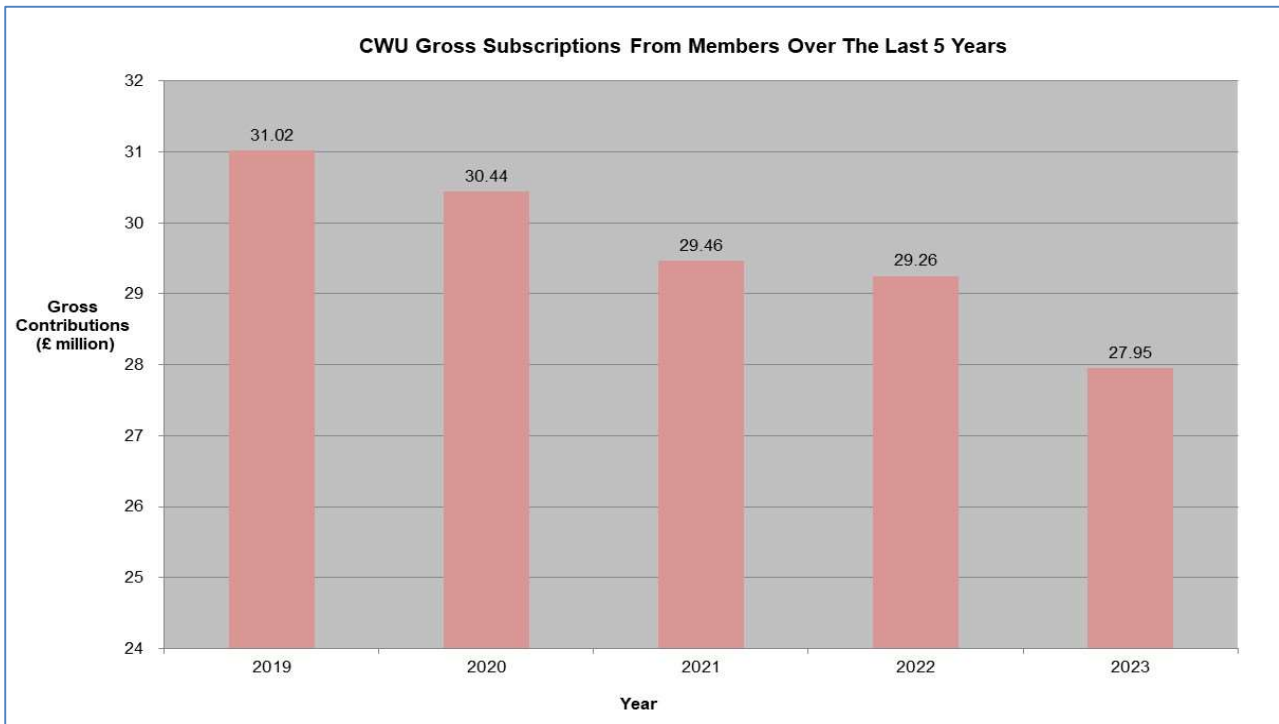
In the report to the 2022 accounts I referenced the impact the covid period had on financial performance, but positioned this against a different set of circumstances that occurred in 2022 and how this resulted in result in a different year-end financial performance. On the one hand we incurred costs at a level that we had not seen for a few years, coupled with large costs incurred because of the industrial action ballots and campaigning among our membership within RMG and BT/Openreach.

For 2023, whilst we did not incur the large industrial action costs of 2022, a starker reduction in membership numbers and increased day to day operating costs has led to the position we report here.

## Income

2023 saw a decrease in subscription income of £1,308,436. In 2022 it was down by £201,516 and given in 2021 it was down by £977,026. We are looking at position where income in 2023 was £2,486,978 less than it was just over 3 years ago. It does not really need spelling out the income reductions of this magnitude cannot continue in a membership-based organisation that relies on income in order to be able to operate efficiently.

The reason for this drop in income was that in 2023 membership dropped from 186,305 to 170,324. As I stated the last couple of years and make no apology for restating here the reality is that income continues to reduce by significant amounts.



## Operating Expenses

What you will see though (note 5 on page 15) is that we have taken a number of actions to reduce our expenditure during the 2023.

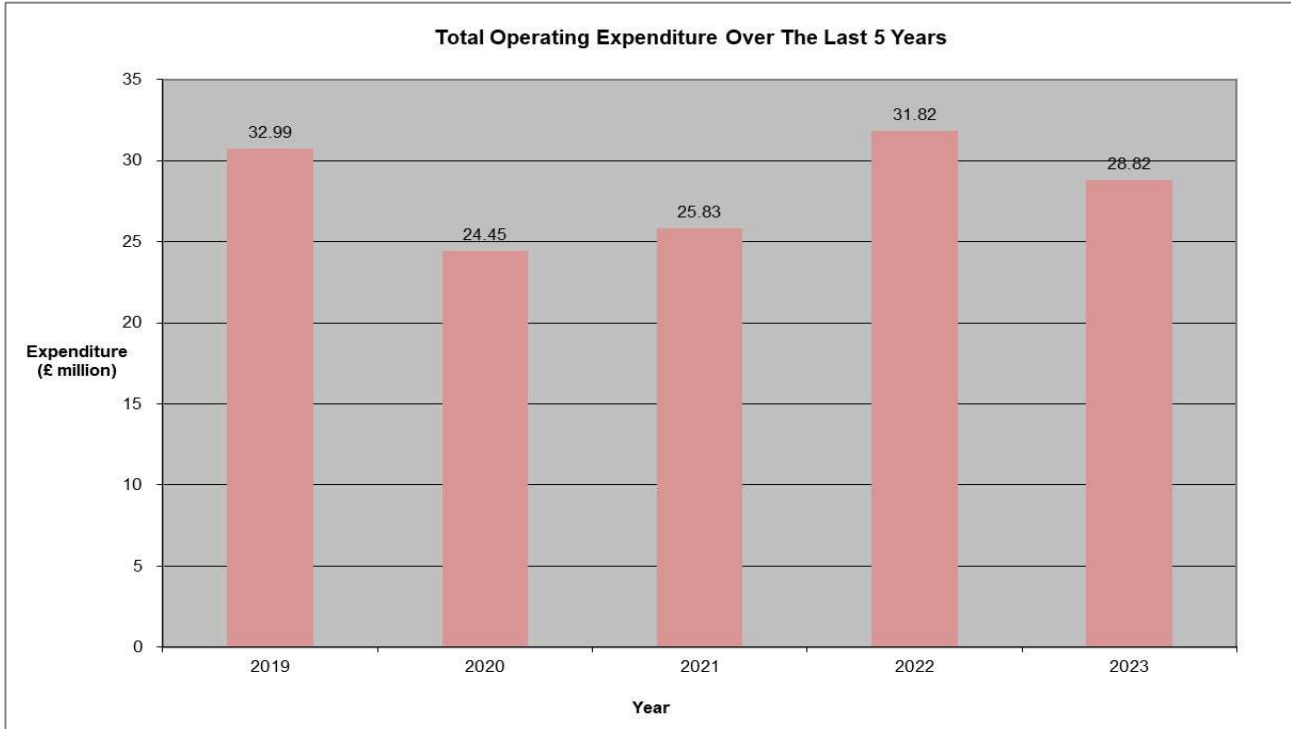
As I reported previously 2021 expenditure increased over the “pandemic” levels in 2020. Expenditure then rose further and quite dramatically in 2022. The substantive reason we were able to tolerate that level of expenditure was by utilising the cash we had built up through the pandemic years, 2020 and 2021.

## Report of the Senior Deputy General Secretary (continued)

### Operating Expenses (continued)

However, as can be seen from the accounts we have worked hard to bring down expenditure across CWU head office and this is reflected in the overall final performance whereby the “Net Deficit from Operations” is £199,357 compared with £2,040,720 in 2022 and the “Total Deficit on Ordinary Activities for the Year” is £814,632 compared with £2,582,308 in 2022.

Whilst we made some, not insignificant changes to reduce day to day expenditure during 2023 we are still operating on the basis that expenditure is outstripping income and we have to continue to change in order to deliver a sustainable CWU.



### Change

It is worth reminding everyone of the narrative that played out around the special rules conference that took place in April of this year. We reported to Branches that as a membership-based organisation it is crucial that we maintain and grow our membership base. As can be seen from the figures above there has been a significant marked decline in membership and thus, in turn, gross subscription income for the CWU.

At the end of 2019 the CWU had 196,173 members. At the time of writing this report the CWU has 166,805. This is a loss over that period of 29,368 members. To put that into perspective, in a year at the current average rate a member pays in subscriptions, that loss equates to just under £4.5 million of income.

Given that membership has continued to decline during 2024, albeit at a lesser rate than during 2023, it should be abundantly clear that such reductions in income present enormous challenges for the organisation and it is imperative that we all work together to address this issue.

If we are to look at the past trends and use these together with the current membership performance, this year it is clear that membership, and thus income, will continue to fall. As stated above there has been a slight slowing down in the rate of membership loss but losses they still are.

What this means in real terms is that for 2024 and beyond we will be running the organisation with in circa of £4.34 million less income than we were just 5 years ago. Left unaddressed this will continue to see losses within the CWU accounts. The current loss, as shown in these 2023 accounts, is a total comprehensive deficit of £3,749,632. This is an ongoing cycle of reduction that we have to face up to.

## Report of the Senior Deputy General Secretary (continued)

### Change (continued)

There are two ways to address this issue and both must be implemented without any further delay. Firstly, there is a need to recruit more members and that is why the NEC has alongside the industrial executives agreed a new approach to recruitment and organising. Designed not only to stem the flow of members out of the union but also to embed a new strategy that in the medium to longer term actually grows CWU membership in total and not just in one section or location.

The second way of addressing substantial income decline of the magnitude we have seen and the gap that creates between income and expenditure, is to reduce expenditure.

This is a challenge that everyone who wishes to see a sustainable and stand-alone CWU must accept and embrace. Doing this means accepting that current levels of funding into and within the CWU are no longer sustainable. It also means accepting structural change, difficult as that is. The reality is there is no future for the CWU without implementing both of these approaches, recruit better and reduce costs.

The changes agreed at the special rules conference in April represent an initial attempt to tackle that issue, but more work and more change will be required to rebuild our financial position going forward to one of sustainability.

### Future

Yet again these are a difficult set of accounts to present, the figures are a reflection of a number of issues that we have to address, namely declining income and a need to further reduce expenditure. We have no choice but to continue to restructure and to further change our rule book to allow us to do that, plus of course we need to recruit more workers into the CWU.

In order that we are able to address these issues it requires a change of mind-set throughout the entire Union. Holding onto structures because they've always been there or operating as a union because that is how we have always done so are both no longer viable propositions.

We now enter a crucial period, to build on the changes adopted in April this year that will go some way to reducing expenditure. Whilst at the same time halting membership decline, reversing the trend and increasing membership and thus income.

As we said when we positioned the changes we put to the conference in April, everyone, Lay Reps, Branches, Regions through to the NEC and Officers of the Union must all come together to acknowledge the difficulties we face, build upon the initial approach we agreed that addressed some, but not all, of our financial issues and work together through a second phase to secure the future of the CWU. Working together means everyone accepting change even if it impacts their current area of responsibility or their current place in the organisation.

Failing to grasp this concept and to take these measures would represent a collective failure on all our parts. We believe that we can harness the strength of collectivism that has seen us through many industrial and political fights over the years and use that collectivism to ensure we deliver our future to face up to the future industrial, economic and political challenges that will undoubtedly come our way again.

In solidarity,



**Tony Kearns**  
**Senior Deputy General Secretary**

Date: 6 December 2024

## Statement of Responsibilities of the National Executive Council

The legislation relating to trade unions requires the Union to submit a return for each calendar year to the Certification Office for Trade Unions and Employers' Associations. 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 Office for Trade Unions and Employers' Associations.

In relation to the CWU these requirements are the responsibility of the National Executive Council (NEC). The accounts of the Union have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the accounts, the NEC are required to:

- elect 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to do so.

The Executive Council are 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. The Union is also responsible for the maintenance and integrity of the corporate and financial information included on the Union's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in the other jurisdictions.

# Independent Auditor's Report to the members of the Communication Workers Union

## Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2023 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

We have audited the financial statements of the Communication Workers Union (the 'Union') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Funds and Reserves, the Statement of Cash Flows and notes to the financial statements, 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).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

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.

## Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the National Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Union's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the National Executive Council with respect to going concern are described in the relevant sections of this report.

## Other Information

The National Executive Council is responsible for the other information. The other information comprises the information included in the Report of the Senior Deputy General Secretary, other than the financial statements and our auditor's report thereon. 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. 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 themselves. 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.



# Independent Auditor's Report to the members of the Communication Workers Union (continued)

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters to which the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept in accordance with the requirements of the Act; or
- the Union has not maintained a satisfactory system of controls over its transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of the National Executive Council

As explained more fully in the Statement of Responsibilities of the Executive Council, the National Executive Council is 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 National Executive Council determines 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 Council 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 Council either intend 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 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.

## Extent to which the audit was capable of detecting irregularities, including fraud

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:

### *Non-compliance with laws and regulations*

We gained an understanding of the legal and regulatory framework applicable to the Union and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the Union that were contrary to these laws and regulations, including fraud. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Trade Union and Labour Relations (Consolidation) Act 1992, UK tax legislation and equivalent local laws and regulations.

Our procedures in respect of the above included:

- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations;
- review of legal expenditure accounts to understand the nature of expenditure incurred; and
- discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations.

# Independent Auditor's Report to the Communication Workers Union (continued)

## Extent to which the audit was capable of detecting irregularities, including fraud (continued)

### Fraud

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud and how management monitor these processes.

Audit procedures performed by the engagement team included:

- reading minutes of meeting of those charged with governance for any evidence of fraud or suspected fraud;
- in addressing the risk of fraud through management override of controls, we tested journal entries and other adjustments for inappropriate or unusual journals outside of our expectations, as well as for any significant transactions outside the normal course of business, taking into consideration the scope for management to manipulate financial results;
- Assessing the design and operating effectiveness of controls and procedures relevant to the preparation of the financial statements and the detection and prevention of irregularities and fraud;
- assessing the appropriateness of key estimates and judgements made by management and challenged the assumptions used in accounting estimates. We considered the key estimates to be the valuation of the defined benefit pension scheme liability and the carrying value of debtor balances.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

### Use of our Report

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

DocuSigned by:  
  
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Gareth M Jones FCA (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

Date: 06 December 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Statement of Comprehensive Income (SOCI) For the year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Income</b>			
Members' Subscriptions	5	27,950,905	29,259,341
Non-Membership Income	9	671,355	519,783
<b>Total Income</b>		<b>28,622,260</b>	<b>29,779,124</b>
<b>Expenses</b>			
General Fund	5	(27,763,824)	(29,516,375)
Pension Reserve	6	238,384	(558,057)
Other Designated Funds	7	(397,368)	(570,220)
Political Fund	8	(898,809)	(1,175,192)
<b>Total Expenses</b>		<b>(28,821,617)</b>	<b>(31,819,844)</b>
<b>Net Deficit from Operations</b>		<b>(199,357)</b>	<b>(2,040,720)</b>
<b>Other Income / (Expenses)</b>			
Revaluation Surplus / (Deficit) on Quoted Investments	19b	314,525	(373,986)
Revaluation Surplus on Unquoted Investments	19c	-	604,882
Deficit on Disposal of Fixed Assets		(1,800)	(484)
Pension Schemes Cost	6	(928,000)	(772,000)
<b>Total Deficit on Ordinary Activities for the Year</b>		<b>(814,632)</b>	<b>(2,582,308)</b>
<b>Other Comprehensive (Expense) / Income</b>			
Actuarial (Deficit) / Surplus on Post-employment Benefits	24	(3,474,000)	2,522,000
Change in Pension Assets not Recoverable in the Future	24	539,000	3,331,000
Actuarial (Deficit) / Surplus on Pension Schemes		(2,935,000)	5,853,000
<b>Total Comprehensive (Deficit) / Surplus for the Year</b>		<b>(3,749,632)</b>	<b>3,270,692</b>

The notes on pages 12 to 25 form part of these financial statements.

## Statement of Financial Position (SOF)

### For the year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Fixed Assets</b>			
Freehold Property	18	19,573,509	19,812,592
Other Fixed Assets	18	755,899	424,386
Investments and Long Term Loans	19	9,841,593	9,509,731
		<u>30,171,001</u>	<u>29,746,709</u>
<b>Current Assets</b>			
Debtors	20	4,483,847	4,055,269
Cash at Bank and in Hand	21	12,347,672	14,717,522
		<u>16,831,519</u>	<u>18,772,791</u>
<b>Current Liabilities</b>			
<b>Amounts falling due within one year</b>			
Creditors	22	(3,072,194)	(2,295,542)
		<u>13,759,325</u>	<u>16,477,249</u>
<b>Net Current Assets</b>			
		<u>43,930,326</u>	<u>46,223,958</u>
<b>Total Assets less Current Liabilities</b>			
Deficit of Defined Benefit Pension Schemes	24	(14,927,000)	(13,471,000)
		<u>29,003,326</u>	<u>32,752,958</u>
<b>Net Assets</b>			
<b>Represented by:</b>			
<b>Union Funds and Reserves</b>			
General Fund		18,288,257	20,710,752
Pension Reserve		(14,927,000)	(13,471,000)
Other Designated Funds		287,311	483,648
Property Reserve		22,460,630	22,442,816
Political Fund		2,894,128	2,586,742
<b>Total Union Funds and Reserves</b>		<u>29,003,326</u>	<u>32,752,958</u>

Movements in Union funds are set out in the Statement of Changes in Funds and Reserves on page 10.

The notes on pages 12 to 25 form part of these financial statements.

Approved and authorised for issue by:



**Tony Kearns**  
Senior Deputy General Secretary

Date 6 December 2024

## Statement of Changes in Funds and Reserves For the year ended 31 December 2023

### Total Union Funds and Reserves:

	2023 Total £	2022 Total £
Brought forward at 1 January	32,752,958	29,482,266
Deficit on Ordinary Activities for the Year	(814,632)	(2,582,308)
Total Transfers	-	-
Actuarial (Deficit) / Surplus on Defined Benefit Pension Schemes	(3,474,000)	2,522,000
Change in Non-recoverable Assets Defined Benefit Pension Schemes	539,000	3,331,000
<b>Carried forward at 31 December</b>	<b>29,003,326</b>	<b>32,752,958</b>

### Breakdown of Total Union Funds and Reserves:

General Fund:	Head Office	Branch	2023 Total £	2022 Total £
	£	£		
Brought forward at 1 January	14,720,067	5,990,685	20,710,752	23,954,043
(Deficit) / Surplus on Ordinary Activities for the Year	(453,550)	126,965	(326,585)	(1,214,830)
Transfers	(2,078,096)	(17,814)	(2,095,910)	(2,028,461)
<b>Carried forward at 31 December</b>	<b>12,188,421</b>	<b>6,099,836</b>	<b>18,288,257</b>	<b>20,710,752</b>

### Pension Reserve:

	2023 Total £	2022 Total £
Brought forward at 1 January	(13,471,000)	(20,010,000)
Deficit on Ordinary Activities for the Year	(689,616)	(1,330,057)
Actuarial (Deficit) / Surplus on Post-employment Benefits	(3,474,000)	2,522,000
Change in Non-recoverable Assets	539,000	3,331,000
Transfer from General Fund	2,168,616	2,016,057
<b>Carried forward at 31 December</b>	<b>(14,927,000)</b>	<b>(13,471,000)</b>

### Other Designated Funds:

	Defence	Scholarship	Welfare	2023 Total £	2022 Total £
	£	£	£		
Brought forward at 1 January	196,691	50,000	236,957	483,648	747,621
(Deficit) / Surplus on Ordinary Activities for the Year	(171,017)	875	64,325	(105,817)	(240,518)
Transfers To General Fund	-	(875)	(89,645)	(90,520)	(23,455)
<b>Carried forward at 31 December</b>	<b>25,674</b>	<b>50,000</b>	<b>211,637</b>	<b>287,311</b>	<b>483,648</b>

### Property Reserve Fund:

	Head Office	Branch	2023 Total £	2022 total £
	£	£		
Brought forward at 1 January	19,012,213	3,430,603	22,442,816	22,406,957
Transfer From General Fund	-	17,814	17,814	35,859
<b>Carried forward at 31 December</b>	<b>19,012,213</b>	<b>3,448,417</b>	<b>22,460,630</b>	<b>22,442,816</b>

### Political Fund:

	Head Office	Branch	2023 Total £	2022 Total £
	£	£		
Brought forward at 1 January	2,120,524	466,218	2,586,742	2,383,645
Surplus on Ordinary Activities for the Year	245,178	62,208	307,386	203,097
<b>Carried forward at 31 December</b>	<b>2,365,702</b>	<b>528,426</b>	<b>2,894,128</b>	<b>2,586,742</b>

The notes on pages 12 to 25 form part of these financial statements.

## Statement of Cash Flows

### For the year ended 31 December 2023

	Notes	2023 £	2022 £
<b>Cash Flows from Operating Activities:</b>			
Deficit on Ordinary Activities (page 8)		(814,632)	(2,582,308)
Adjustments for:			
(Surplus) / Deficit on Revaluation of Quoted Investments	19b	(314,525)	373,986
Surplus on Revaluation of Unquoted Investments	19c	-	(604,882)
Deficit on Disposal of Fixed Assets		1,800	484
Depreciation Charge	18	522,947	527,615
Net Impact of Pension Service Cost and Extra Contributions	6	(238,384)	558,057
Other Pension Costs	6	928,000	772,000
Pension Deficit Reduction Payments	24	(2,168,616)	(2,016,057)
Interest Received	9	(17,685)	(14,476)
Dividends Received		(58,366)	(40,857)
Increase in Debtors	20	(428,578)	(290,710)
Increase in Creditors	22	776,652	597,880
<b>Net Cash Used in Operating Activities</b>		<b>(1,811,387)</b>	<b>(2,719,268)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest Received	9	17,685	14,476
Dividends Received		58,366	40,857
Non-cash Distributions	19b	(50,984)	(3,397)
Purchase of Tangible Assets	18	(617,177)	(211,123)
Proceeds from Sale of Assets		-	1,558
Repayment of Long Term Loans	19a	33,647	10,683
<b>Net Cash Used in Investing Activities</b>		<b>(558,463)</b>	<b>(146,946)</b>
<b>Net Decrease in Cash and Cash Equivalents in the Year</b>		<b>(2,369,850)</b>	<b>(2,866,214)</b>
Cash and Cash Equivalents at 1 January		14,717,522	17,583,736
<b>Cash and Cash Equivalents at 31 December</b>		<b>12,347,672</b>	<b>14,717,522</b>
<b>Analysis of Changes in Cash and Cash Equivalents:</b>			
		2023 £	2022 £
Cash at 1 January	21	14,717,522	17,583,736
Cash Out Flow during the year		(2,369,850)	(2,866,214)
<b>Cash at 31 December</b>	21	<b>12,347,672</b>	<b>14,717,522</b>

The notes on pages 12 to 25 form part of these financial statements.

# Notes to the Financial Statements

## 1 Union Information

The CWU is a registered trade union (Trade Union number 743T) which was formed in 1995 through the merger of the Union of Communication Workers and the National Communications Union. The address of the registered office is 150 The Broadway, London, SW19 1RX.

## 2 Accounting Policies

### Basis of Preparation

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 financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

As a Trade Union is not a company the regulations that form the basis of disclosures under FRS 102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the CWU.

The financial statements have been prepared under historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements.

The financial statements are prepared in Sterling, which is the functional currency of the Union and rounded to the nearest whole pound.

### Going Concern

The financial statements of the Union have been prepared on the going concern basis and under the assumption that adequate cash resources will be available to cover the requirements for working capital and capital expenditure for at least the next twelve months. Scenario modelling has been carried out to understand the impact of varying degrees of income reduction on the solvency of the Union. Under all scenarios, the Union is shown to have sufficient funds to meet its cash flow obligations to beyond the end of 2025 and there are no concerns over the ability to continue in operation for at least twelve months from the date of approval of the financial statements.

### Income Recognition

- Members' subscriptions and other income is accounted for on an accrual basis and recognised in the period in which they are due.
- Government funding received to support Union education is recognised through the SOFP. The funding is received in arrears and netted off against expenses.
- Legal income is recognised in the period in which the legal defence and compensation claims are settled in the Union's favour, only at this stage can income be reliably measured.
- Investment income (dividends and distributions) is recognised in the accounts on a receipt basis.

### Expenses

All expenses are accounted for on an accruals basis and have been listed under headings that aggregate all costs relating to that category.

### Branch Accounts

The Union has a network of 129 Branches. Where audited year end returns have not yet been received from Branches, balances have been obtained from the bank as at year end and have been incorporated into the financial statements.

### Value Added Tax (VAT)

The Union is only able to partially recover VAT. The recoverable element is shown separately in Non-Membership Income (note 9). All income and expenditure is shown inclusive of VAT where applicable.

### Operating Leases

Operating lease rentals are charged to the SOCI account evenly over the term of the lease.

## Notes to the Financial Statements (continued)

### Fixed Assets, Depreciation, Amortisation and Impairment

All items of a capital nature with a value of over £1,000 either purchased individually or in bulk are capitalised at cost.

The Union has elected to adopt a deemed cost value for freehold property, less depreciation and impairment. The deemed cost used reflects what is considered to be the fair value of the property, being the open market value at 1 January 2014 on transition to FRS 102. Where no information was available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used.

The Union does not apply the revaluation policy to any tangible fixed assets.

Depreciation and amortisation is calculated to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. Land is not depreciated. The principal rates used are:

Buildings	50 years	Furniture and Other Equipment	4 years
Building Improvements	10 years	Special Case Equipment	25 years
Motor Vehicles	4 years	Computer Hardware and Software	3 and 5 years

Assets are reviewed for impairment whenever events or changes in circumstances such as planned disposals of properties, indicates that the carrying amount may not be recoverable. Any impairment is recognised in the SOCI in the year in which it occurs.

### Investments

Quoted investments are disclosed at mid-market values in the SOFP. Unquoted investments are disclosed at their original cost or, where available, at their estimated current value by an independent third party.

The investment held by the Union in the Elstead Hotel (Bournemouth) Limited has been written down to nil as the company is in a net liability position.

### Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

### Creditors

Creditors are recognised when goods or services have been delivered or provided prior to the financial year end but the invoice has not yet been received or paid. Creditors are measured on the basis of either the invoice or order value.

### Provisions

A provision exists when the Union has a liability that can be estimated reliably and for which there is an expectation that payment will be made. The provisions disclosed in note 22 relate to obligations to employees for an agreed pay deal, exceptional annual leave, voluntary redundancy agreements and pension salary top-up payments.

### Pension Costs

The Union operates three defined benefit pension schemes. The disclosures required to be made under Section 28 of FRS 102 are made in note 24. The current service costs, running costs, interest costs and the expected return on pension scheme assets are included in operating expenses. Actuarial gains or losses are shown under other comprehensive income and expenses.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method. Full actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit scheme liability is shown separately on the face of the SOFP.

### Corporation Tax

As an unincorporated association the CWU is liable to corporation tax on its investment income and realised gains on the disposal of properties and investments sold. As a trade union, relief is available in respect of provident benefits expenditure. Provident benefits comprise of payments as set out in the rules of the Union, which relate to death benefits and legal assistance, and a proportion of the costs of administrating the Union in relation to those benefits.



## Notes to the Financial Statements (continued)

### Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable income. 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 to the SOCI.

### 3 Accounting Estimates

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, income and expenses. The nature of estimation and judgement means that actual outcomes could differ from expectation. Significant areas of estimation and judgement include:

- Investments (note 19) - quoted investments are disclosed at mid-market values in the SOFP. Unquoted investments are disclosed at their original cost or current value as determined by the latest external transactional price in the SOFP.
- Current Tax - The Union is aware that additional corporation tax could be due if it was to dispose of all of the assets in any one particular year. At the 31 December 2023 the NEC assumed there was sufficient provident benefits available to mitigate any potential tax due. No provision has been made in the year for current tax.
- Deferred Tax - Where the proceeds of chargeable gains are not fully reinvested, no corporate tax liability is considered likely to arise due to the availability of sufficient excess expenses on provident benefits. In the opinion of the NEC the revaluation of properties and investments does not give rise to a corporate tax liability.
- Pension Costs (note 24) - Are determined using the actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases are used in calculating scheme assets and liabilities. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.
- Unionline (note 29) - The Union recharged Trade Union Legal LLP (trading as Unionline) during 2014 to 2018 for its share of the costs that it incurs on its legal activities. The recharge is an estimate of the current year charges based on the actual costs incurred in the prior year. As Unionline has yet to produce a cumulative surplus, there is a degree of uncertainty with regards to the recoverability of the full balance the Union is owed at the end of the year. As a result, the Union has included a provision against all of the recharge amounts owed.

### 4 Purpose of the Funds and Reserves

#### General Fund

Established to receive subscription income and all other receipts which are intended to use for general purposes and meet all normal expenses and outgoings of the Union.

#### Property Reserve

Established to account for any capital costs and surpluses or losses incurred in the future purchase or disposal of property. The balance of the reserve is equated to the total costs or valuation of land and buildings less any bank loans secured.

#### Political Fund

Established by CWU Union Rule 12 to provide funds for campaigns which could include the furtherance of the political objectives to which section 72 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies. Subscribing members who have not opted out, contribute 20p per week of the full subscription fee to the Political Fund.

#### Branch Fund

Established by CWU Union Rule 11.6 to provide funds for CWU branches, based on 29% of their branch membership income and 27% of retired membership income received by head office.

#### Defence Fund

Established to provide funds for special campaigns including disputes. The fund receives 1% of the gross branch rebate each month.

## Notes to the Financial Statements (continued)

### National Welfare Fund

Established to support members in times of financial hardship. The opening fund balance is set to the prior year total income received.

### Scholarship Fund

Established to support members in gaining higher education qualifications. The fund balance remains at an agreed level of £50,000.

### Pension Reserve

Established to account for FRS 102 revaluations on pension assets and liabilities.

5 General Fund	Note	Head Office £	Branch £	Total 2023 £	Total 2022 £
<b>Membership Income</b>					
Members' Subscriptions		27,952,867	(1,962)	27,950,905	29,259,341
Allocated to Branch Fund		(7,334,781)	7,334,781	-	-
Allocated to Other Designated Funds	7	-	(123,404)	(123,404)	(224,806)
Allocated to Political Fund	8	(1,206,157)	-	(1,206,157)	(1,376,905)
Available Operating Income		19,411,929	7,209,415	26,621,344	27,657,630
<b>Non-Membership Income</b>	9	398,793	104,377	503,170	413,503
<b>Total Income</b>		<u>19,810,722</u>	<u>7,313,792</u>	<u>27,124,514</u>	<u>28,071,133</u>
<b>Expenses</b>					
Benefits to Members	10	(1,563,423)	(420,978)	(1,984,401)	(1,539,650)
Membership Representation	11	(743,469)	(2,665,962)	(3,409,431)	(3,700,743)
Membership Engagement	12	(936,782)	(351,801)	(1,288,583)	(1,620,263)
Conferences and Executive	13	(822,375)	(66,428)	(888,803)	(2,058,056)
Affiliations and Donations	14	(854,136)	(319,202)	(1,173,338)	(1,309,879)
Central Administration	15	(1,159,580)	(1,514,923)	(2,674,503)	(3,082,520)
Property Costs	16	(1,948,360)	(904,652)	(2,853,012)	(2,937,883)
Employment Costs	17	(12,548,872)	(942,881)	(13,491,753)	(13,267,381)
<b>Operating Expenses</b>		<u>(20,576,997)</u>	<u>(7,186,827)</u>	<u>(27,763,824)</u>	<u>(29,516,375)</u>
<b>Net (Deficit) / Surplus from Operations</b>		<u>(766,275)</u>	<u>126,965</u>	<u>(639,310)</u>	<u>(1,445,242)</u>
<b>Other Income / (Expense)</b>					
Revaluation Surplus / (Deficit) of Quoted Investments		314,525	-	314,525	(373,986)
Revaluation Surplus of Unquoted Investments		-	-	-	604,882
Deficit on Disposal of Fixed Assets		(1,800)	-	(1,800)	(484)
<b>Total Deficit / (Surplus) on Ordinary Activities for the Year</b>		<u>(453,550)</u>	<u>126,965</u>	<u>(326,585)</u>	<u>(1,214,830)</u>
<b>6 Pension Reserve</b>					
				<b>2023</b>	<b>2022</b>
				£	£
<b>Expenses</b>					
Net Impact of Service Cost and Extra Contributions	24			(238,384)	558,057
<b>Other Expenses</b>					
Other Pension Costs	24			928,000	772,000
<b>Net Pension Costs relating to the Defined Benefit Pension Schemes</b>				<u>689,616</u>	<u>1,330,057</u>

## Notes to the Financial Statements (continued)

7 Other Designated Funds	Defence £	Scholarship £	Welfare £	2023 £	2022 £
<b>Income</b>					
Allocated from General Fund (Branch)	79,039	-	44,365	<b>123,404</b>	224,806
<b>Non-Membership Income (Note 9)</b>					
Commissions	-	875	1,512	<b>2,387</b>	13,909
Donations	-	-	165,760	<b>165,760</b>	90,987
	-	875	167,272	<b>168,147</b>	104,896
<b>Total Income</b>	<u>79,039</u>	<u>875</u>	<u>211,637</u>	<u><b>291,551</b></u>	<u>329,702</u>
<b>Expenses</b>					
Industrial Action Ballots	(250,056)	-	-	<b>(250,056)</b>	(546,420)
Grants to Members	-	-	(147,312)	<b>(147,312)</b>	(23,800)
<b>Total Expenses</b>	<u>(250,056)</u>	<u>-</u>	<u>(147,312)</u>	<u><b>(397,368)</b></u>	<u>(570,220)</u>
<b>Total (Deficit) / Surplus on Ordinary Activities for the Year</b>	<u>(171,017)</u>	<u>875</u>	<u>64,325</u>	<u><b>(105,817)</b></u>	<u>(240,518)</u>
<b>8 Political Fund</b>				<b>2023</b> £	2022 £
<b>Income</b>					
Members' Subscriptions				<b>1,331,438</b>	1,421,905
Administration Recharge				<b>(125,281)</b>	(45,000)
Allocated from General Fund				<b>1,206,157</b>	1,376,905
<b>Non-Membership Income (Note 9)</b>					
Other Sources				<b>38</b>	1,384
<b>Total Income</b>				<u><b>1,206,195</b></u>	<u>1,378,289</u>
<b>Expenses</b>					
Labour party Affiliation Fees				<b>(414,543)</b>	(452,700)
Regional Affiliation Fees				<b>(9,543)</b>	(8,000)
Campaigns				<b>(24,352)</b>	(109,235)
General Election				<b>(28,650)</b>	(1,500)
Delegations to National Conferences				<b>(183,903)</b>	(241,758)
Delegations to Regional Conferences				<b>(7,166)</b>	(4,999)
Net Expenditure at Branches				<b>(116,664)</b>	(152,187)
Parliamentary Panel				<b>(13,834)</b>	(17,500)
Printing and Postage				<b>(9)</b>	(548)
Travel and Meeting Expenses				<b>(1,533)</b>	(2,610)
Donations				<b>(49,000)</b>	(152,850)
General Expenses				<b>(46,743)</b>	(30,594)
Depreciation to Furniture, Equipment and Computers				<b>(2,263)</b>	(220)
Bank Charges				<b>(606)</b>	(491)
<b>Total Expenses</b>				<u><b>(898,809)</b></u>	<u>(1,175,192)</u>
<b>Total Surplus on Ordinary Activities for the Year</b>				<u><b>307,386</b></u>	<u>203,097</u>
<b>Allocated to:</b>					
Political Fund - Head Office				<b>245,178</b>	160,989
Political Fund - Branch				<b>62,208</b>	42,108
				<u><b>307,386</b></u>	<u>203,097</u>

## Notes to the Financial Statements (continued)

### 9 Non-Membership Income

	General	Political	Other Designated Funds	2023	2022
	£	£	£	£	£
Long-term Loan and Bank Interest	17,647	38	-	17,685	14,476
Dividends and Non-cash Distributions	109,350	-	-	109,350	44,254
Rent and Room Hire	52,448	-	-	52,448	39,659
Commissions	-	-	2,387	2,387	13,909
Union Services and Merchandise	104,439	-	-	104,439	116,387
VAT Recoverable	170,723	-	-	170,723	170,057
Donations	32,820	-	165,760	198,580	115,186
Other Sources	15,743	-	-	15,743	5,855
	<u>503,170</u>	<u>38</u>	<u>168,147</u>	<u>671,355</u>	<u>519,783</u>

### 10 Benefits to Members

	Head Office	Branch	2023	2022
	£	£	£	£
Death Benefits	485,791	-	485,791	446,835
Legal and Medical Services	154,604	5,399	160,003	174,011
Employment Tribunals	163,057	-	163,057	187,649
Education	198,676	74,504	273,180	147,146
Benefits Package	10,987	-	10,987	10,870
Helplines	112	-	112	150
Awards	2,334	-	2,334	8,924
CWU Magazines, TV & App.	547,862	-	547,862	455,496
Members Welfare	-	341,075	341,075	108,569
	<u>1,563,423</u>	<u>420,978</u>	<u>1,984,401</u>	<u>1,539,650</u>

### 11 Membership Representation

	Head Office	Branch	2023	2022
	£	£	£	£
Travel , Mileage, Hotels, Subsistence:				
Committees	72,883	-	72,883	64,059
Representatives	516,864	-	516,864	523,994
Branch Organisation & Recruitment	-	2,665,962	2,665,962	2,891,975
All Other Commitments	130,179	-	130,179	187,456
Other Expenses	23,543	-	23,543	33,259
	<u>743,469</u>	<u>2,665,962</u>	<u>3,409,431</u>	<u>3,700,743</u>

### 12 Membership Engagement

	Head Office	Branch	2023	2022
	£	£	£	£
Ballots	242,495	70,838	313,333	101,831
Campaigning	518,373	-	518,373	1,023,780
Other National Activity Costs	46,124	-	46,124	4,476
Publicity and Merchandise	129,790	280,963	410,753	490,176
	<u>936,782</u>	<u>351,801</u>	<u>1,288,583</u>	<u>1,620,263</u>

### 13 Conference and Executive

	Head Office	Branch	2023	2022
	£	£	£	£
CWU Conferences	(99)	36,757	36,658	1,444,931
Other Conference Delegates Fees	198,435	29,671	228,106	133,466
Executive Council	466,603	-	466,603	422,594
Election Costs	157,436	-	157,436	57,065
	<u>822,375</u>	<u>66,428</u>	<u>888,803</u>	<u>2,058,056</u>

## Notes to the Financial Statements (continued)

14 Affiliations and Donations	Head Office	Branch	2023	2022
	£	£	£	£
Trade Union Congress	564,504	-	<b>564,504</b>	563,369
Scottish Trades Union Congress	32,810	-	<b>32,810</b>	31,106
Irish Congress of Trade Unions	22,441	-	<b>22,441</b>	19,906
UNI Global Union	148,860	-	<b>148,860</b>	285,175
Other Affiliations	65,014	57,986	<b>123,000</b>	92,520
Donations	20,507	261,216	<b>281,723</b>	317,803
	<u>854,136</u>	<u>319,202</u>	<u><b>1,173,338</b></u>	<u>1,309,879</u>

15 Central Administration	Head Office	Branch	2023	2022
	£	£	£	£
Computer Costs	265,321	234,736	<b>500,057</b>	585,534
Printing, Stationery and Postage	65,986	604,779	<b>670,765</b>	908,500
Telephones	136,062	671,127	<b>807,189</b>	730,269
Research Library	34,827	-	<b>34,827</b>	29,124
Bad Debts	14,371	-	<b>14,371</b>	15,829
Legal, Professional and Audit Fees	643,013	4,281	<b>647,294</b>	813,264
	<u>1,159,580</u>	<u>1,514,923</u>	<u><b>2,674,503</b></u>	<u>3,082,520</u>

16 Property Costs	Head Office	Branch	2023	2022
	£	£	£	£
Rent, Rates and Insurances	626,228	392,411	<b>1,018,639</b>	962,412
Light and Heating	149,712	125,132	<b>274,844</b>	233,600
Maintenance and Hire Costs	688,709	189,896	<b>878,605</b>	1,049,025
Cleaning and Security	160,240	-	<b>160,240</b>	165,451
Depreciation	323,471	197,213	<b>520,684</b>	527,395
	<u>1,948,360</u>	<u>904,652</u>	<u><b>2,853,012</b></u>	<u>2,937,883</u>

17 Employment Costs	Head Office	Branch	2023	2022
	£	£	£	£
Salaries	8,092,042	-	<b>8,092,042</b>	7,181,552
National Insurance and Government Levies	743,738	-	<b>743,738</b>	779,511
Employers Pension Future Service Cost	1,020,767	-	<b>1,020,767</b>	1,450,122
Employers Pension Administration	858,042	-	<b>858,042</b>	974,104
Trade Union Leave	1,474,442	-	<b>1,474,442</b>	1,446,225
Branch Support	-	942,881	<b>942,881</b>	1,004,983
Agency Staff	322,533	-	<b>322,533</b>	403,636
Personnel Costs	37,308	-	<b>37,308</b>	27,248
	<u>12,548,872</u>	<u>942,881</u>	<u><b>13,491,753</b></u>	<u>13,267,381</u>

## Notes to the Financial Statements (continued)

18 Fixed Assets	Freehold Property Head Office	Freehold Property Branch	Total
Freehold Property:	£	£	£
<b>Cost</b>			
Brought forward 1 January	19,012,213	3,430,605	22,442,818
Additions and Improvements	-	17,812	17,812
Disposals	-	-	-
<b>Carried forward at 31 December</b>	<b>19,012,213</b>	<b>3,448,417</b>	<b>22,460,630</b>
<b>Depreciation</b>			
Brought forward at 1 January	1,931,641	698,585	2,630,226
Depreciation for year	158,853	98,042	256,895
Revaluation	-	-	-
Disposals	-	-	-
<b>Carried forward at 31 December</b>	<b>2,090,494</b>	<b>796,627</b>	<b>2,887,121</b>
<b>Net Book Value</b>			
<b>At 31 December 2023</b>	<b>16,921,719</b>	<b>2,651,790</b>	<b>19,573,509</b>
At 31 December 2022	17,080,572	2,732,020	19,812,592

Freehold property including branch funds comprises of 19 properties.

An £11 million insolvency charge is held over freehold property 150 The Broadway until 31 March 2027 (UCW Pensions 2001 scheme £7.5 million; NCU SS scheme £1 million; CWU 2000 Pension scheme £2.5 million).

An £100k option agreement is held over branch freehold property 302a Barlow Moor Road until 23 December 2023.

Other Fixed Assets:	Office Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£
<b>Cost</b>				
Brought forward 1 January	1,026,238	1,988,801	7,704	3,022,743
Additions	129,052	470,313	-	599,365
Funded Assets	21,664	-	-	21,664
Disposals	(1,800)	(6,856)	-	(8,656)
<b>Carried forward at 31 December</b>	<b>1,175,154</b>	<b>2,452,258</b>	<b>7,704</b>	<b>3,635,116</b>
<b>Depreciation</b>				
Brought forward at 1 January	867,067	1,723,746	7,544	2,598,357
Depreciation for year	58,907	206,985	160	266,052
Funded Assets	21,664	-	-	21,664
Disposals	-	(6,856)	-	(6,856)
<b>Carried forward at 31 December</b>	<b>947,638</b>	<b>1,923,875</b>	<b>7,704</b>	<b>2,879,217</b>
<b>Net Book Value</b>				
<b>At 31 December 2023</b>	<b>227,516</b>	<b>528,383</b>	<b>-</b>	<b>755,899</b>
At 31 December 2022	159,171	265,055	160	424,386

Funded assets represent assets that are purchased with government grants and supplier contract hardware funds.

## Notes to the Financial Statements (continued)

<b>19 Investments and Long Term Loans</b>	<b>2023</b>	2022
	£	£
Long Term Loans - Secured (19a)	33,288	66,935
Quoted Investments at Market Value (19b)	5,097,818	4,732,309
Unquoted Shares at Market Value or Cost (19c)	<u>4,710,487</u>	<u>4,710,487</u>
	<u><b>9,841,593</b></u>	<u><b>9,509,731</b></u>
<b>19a Long Term Loans Secured</b>	<b>2023</b>	2022
	£	£
Union Officers:		
A Furey	33,288	41,879
D Bowman	-	25,056
	<u><b>33,288</b></u>	<u><b>66,935</b></u>
Movement during the year:	<b>2023</b>	2022
	£	£
Brought Forward at 1 January	66,935	77,618
Long term loans repaid	<u>(33,647)</u>	<u>(10,683)</u>
Carried Forward at 31 December	<u><b>33,288</b></u>	<u><b>66,935</b></u>
<b>19b Quoted Investments at Market Value</b>	<b>2023</b>	2022
	£	£
Movement during the year:		
Brought Forward Value at 1 January	4,732,309	5,102,898
Non-Cash Distributions in Year	50,984	3,397
Revaluation Surplus / (Deficit) in Year	<u>314,525</u>	<u>(373,986)</u>
Carried Forward at 31 December	<u><b>5,097,818</b></u>	<u><b>4,732,309</b></u>
The total quoted shares held by the Union at the 31 December 2023:		
• 1,683,748 shares in Aberdeen Sustainable Fund at £1.74 per share.		
• 1,809,160 shares in Aberdeen Money Market Fund at £1.20 per share.		
The total original cost of quoted investments was £2,769,582 (2022: £2,769,582). This is based on the number of shares held at year end by the weighted average price of shares purchased. Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.		
<b>19c Unquoted Investments at Market Value or Cost</b>	<b>2023</b>	2022
	£	£
Movement during the year:		
Brought Forward Value at 1 January	4,710,487	4,105,605
Revaluation Surplus in Year	-	604,882
Carried Forward at 31 December	<u><b>4,710,487</b></u>	<u><b>4,710,487</b></u>

The total unquoted shares held by the Union at the 31 December 2023:

- 1,061,196 shares in Unity Trust Bank at £4.42 per share.
- 20,000 shares in Peoples Press Printing Society Ltd at cost of £1 per share.
- 10,000 shares in Elstead Hotel (Bournemouth) Ltd at £1 per share.
- 10 shares in Union Network International at £20,000 per share.

The total original cost of unquoted investments was £1,484,200 (2022: £1,484,200). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

### Union Network International

A full provision of £201,606 (2022: £201,606) has been made against the cost of the unquoted shares in the headquarters building of Union Network International as recovery of the amount invested is not envisaged.

## Notes to the Financial Statements (continued)

### Unionline

At 31 December 2023 the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial corporate partner of Trade Union Legal LLP, trading as Unionline. Further details of Unionline transactions have been given in note 29.

### Elstead Hotel (Bournemouth) Limited

CWU holds 100% share capital in the Elstead Hotel (Bournemouth) Limited, a hotel and conference centre in Bournemouth. This has been fully provided for in these accounts. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of Elstead Hotel (Bournemouth) Limited would have not a material impact on the financial statements.

The draft accounts of Elstead Hotel (Bournemouth) Limited as at 31 December 2023 show a loss of £313,274 (2022: £181,909) and shareholders' funds at that date of a negative equity of £1,491,061 (2022: £1,177,787).

The Union's interest is represented by a debenture of £480,000 secured by a floating charge over the assets of the company and £10,000 ordinary shares of £1 each fully paid. As the company is in a net liability position, the Union's investments (debenture and shares) has been provided for to a nil amount.

Further details of Elstead Hotel (Bournemouth) Limited related party transactions have been given in note 29.

<b>20 Debtors</b>	<b>2023</b>	<b>2022</b>
	£	£
Members' Subscriptions	1,927,660	2,059,507
Salary Debtors	21,938	24,656
Other Debtors	1,752,637	1,460,722
Prepayments	781,612	510,384
	<u>4,483,847</u>	<u>4,055,269</u>
<b>21 Cash at Bank and In Hand</b>	<b>2023</b>	<b>2022</b>
	£	£
General Fund - Head Office	3,064,218	6,020,857
General Fund - Branches	6,410,543	6,092,442
Political Fund	2,872,911	2,604,223
	<u>12,347,672</u>	<u>14,717,522</u>
<b>22 Creditors</b>	<b>2023</b>	<b>2022</b>
	£	£
Trade Creditors	1,024,748	1,106,626
Salary Creditors	254,957	185,693
Accruals and Deferred Income	955,290	505,497
Provisions and Other Creditors	837,199	497,726
	<u>3,072,194</u>	<u>2,295,542</u>
<b>23 Operating Leases</b>		
At 31 December 2023 CWU had future minimum lease payments under non-cancellable operating leases as set out below.	<b>2023</b>	<b>2022</b>
	£	£
Within One Year	742,145	1,015,331
Within Two to Five Years	1,150,699	719,193
Greater than Five Years	216,215	-
	<u>2,109,059</u>	<u>1,734,524</u>

During the year, amounts payable under operating leases of £789,149 (2022: £1,049,334) were charged to the SOCI.



## Notes to the Financial Statements (continued)

### 24 Employers Pension Costs

The CWU operates three defined benefit pension schemes in the UK, the CWU 2000 Pension Scheme, UCW 2001 Pension Scheme and NCU Staff Superannuation Scheme.

The schemes are separately administered by trustees and contributions are paid to the schemes in accordance with the Schedule of Contributions agreed between the trustees and the Union.

In 2018 the Union closed the three defined benefit schemes to future accrual and opened a CARE section within the CWU 2000 Pension scheme. The CARE section provides benefits for employees based on career average salary and is open to all employees.

The actuarial valuations have been updated to 31 December 2023, by an independent qualified actuary in accordance with FRS 102. As required by FRS 102, the value of the defined benefits has been measured using the projected unit method. The combined valuations of the schemes are detailed below.

<b>Amounts Payable to the Schemes' by the Union in Accordance with Actuarial Advice</b>	<b>2023</b>	2022
Staff Superannuation Schemes	<b>£'000</b>	£'000
Normal Contributions	<b>1,194</b>	1,655
Pension Deficit Reduction Payments	<b>2,169</b>	2,016
	<b><u>3,363</u></b>	<u>3,671</u>

<b>The Major Assumptions used by the Actuaries for the Schemes</b>	<b>31 December 2023</b>	31 December 2022
	%	%
Discount Rate	<b>4.6-4.7</b>	4.7-4.9
Inflation Rate	<b>3.1-3.2</b>	2.7 - 3.2
Rate of Salary Increases	<b>2.7</b>	2.7 - 2.8
Allowance for Future Deferred Revaluation	<b>2.7-3.1</b>	2.7 - 3.2
Allowance for Future Pension Increases	<b>2.7-3.3</b>	2.7 - 3.3

<b>The Current Allocation of the Schemes Assets</b>	<b>31 December 2023</b>	31 December 2022
	<b>£'000</b>	£'000
Cash	<b>1,556</b>	2,174
Corporate Bonds	<b>8,003</b>	-
Diversified Alternatives	<b>6,383</b>	7,459
Equities	<b>2,507</b>	-
Insurance Policy	<b>20,462</b>	19,336
Liability-driven Investments (LDI)	<b>25,947</b>	24,127
Multi Asset Funds	<b>18,086</b>	26,232
Property	<b>2,393</b>	2,696
<b>Fair Value of Schemes' Assets</b>	<b><u>85,337</u></b>	<u>82,024</u>
Irrecoverable Surplus	<b>(2,224)</b>	(2,637)
<b>Net Fair Value of Schemes Assets</b>	<b><u>83,113</u></b>	<u>79,387</u>

## Notes to the Financial Statements (continued)

	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Changes in Fair Value of Schemes Assets</b>		
Opening Fair Value	<b>82,024</b>	117,605
Interest Income on Schemes Assets	<b>3,850</b>	2,101
Administration Expenses Paid	<b>(332)</b>	(426)
Remeasurement Gain / (Loss) - Return on Schemes Assets	<b>1,626</b>	(36,557)
Contributions paid by the Union	<b>3,363</b>	3,666
Contributions paid by Scheme Members	<b>490</b>	503
Benefits Paid	<b>(5,684)</b>	(4,868)
<b>Closing Fair Value of the Schemes Assets</b>	<b>85,337</b>	82,024
Irrecoverable Surplus	<b>(2,224)</b>	(2,637)
<b>Net Fair Value of the Schemes Assets</b>	<b>83,113</b>	79,387
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Changes in Present Value of Schemes Obligations</b>		
Opening Obligation	<b>92,858</b>	131,752
Union's Part of Current Service Cost	<b>956</b>	2,208
Interest Cost on Obligation	<b>4,320</b>	2,342
Contributions paid by Scheme Members	<b>490</b>	503
Actuarial Loss / (Gain)	<b>5,100</b>	(39,079)
Benefits Paid	<b>(5,684)</b>	(4,868)
<b>Closing Obligation</b>	<b>98,040</b>	92,858
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>The following amounts have been included within</b>		
<b>Operating Expenditure under FRS 102</b>		
Union's Part of Current Service Cost	<b>956</b>	2,208
Service Cost and Extra Contributions	<b>(1,194)</b>	(1,650)
<b>Total Operating (Income) / Charge</b>	<b>(238)</b>	558
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>The following amounts have been included within</b>		
<b>Other Expenditure under FRS 102</b>		
Expected Return (Interest Income) on Schemes Assets	<b>3,850</b>	2,101
Interest Cost on Obligation	<b>(4,320)</b>	(2,342)
Restricted Interest Income	<b>(126)</b>	(105)
Administration Expenses Paid	<b>(332)</b>	(426)
<b>Other Pension Costs</b>	<b>(928)</b>	(772)
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>The following amounts have been recognised</b>		
<b>outside of the profit and loss under FRS 102</b>		
Actuarial (Loss) / Gain on Post-employment Benefits	<b>(3,474)</b>	2,522
Change in Assets not Recoverable in the Future	<b>539</b>	3,331
<b>Actuarial (Loss) / Gain Recognised in Other Comprehensive Income</b>	<b>(2,935)</b>	5,853
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>The following amounts have been recognised in the</b>		
<b>SOFP under FRS 102</b>		
Present Value of Schemes Obligation	<b>(98,040)</b>	(92,858)
Fair value of Schemes Assets	<b>83,113</b>	79,387
<b>Pension Deficit</b>	<b>(14,927)</b>	(13,471)

## Notes to the Financial Statements (continued)

### 25 Provision for Employers Pension Costs

The current triennial valuations for all three schemes are prepared to 31 December 2020. They reported a combined total pension deficit of £34.26 million. In accordance with each schemes Schedule of Contributions the Union has the following future commitments:

#### CWU 2000 Pension Scheme

The CWU is expected to pay future accrual benefits of 24.5% per annum of pensionable pay less the contributions paid by active members under the salary sacrifice arrangement. In addition, under the recovery plan the Union is required to pay £850,000 per annum, payable from the 1 May 2022 to 31 December 2027.

#### UCW 2001 Pension Scheme

The CWU is expected to pay nil future accrual benefits. Under the recovery plan CWU is required to pay £1.2 million per annum, payable from the 1 January 2020 to 31 December 2031, increasing in line with CPI inflation, with the first increase on 1 January 2022.

#### NCU Staff Superannuation Scheme

Covering the period 1 April 2019 to 31 March 2024 the CWU is expected to pay nil future accrual benefits and under the recovery plan paid a single lump sum of £65,000 in 2022.

### 26 Cash Commitment for Employers Pension Costs

The accounts as presented show the financial position of the pension schemes' as prescribed under current accounting regulations FRS 102. The assumptions used in calculating the FRS 102 pension scheme valuations, as disclosed in note 24, are agreed between the employer and the scheme's actuaries each year. The pension deficit that is agreed between the actuary and schemes' trustees triennially (every 3 years) is considered by CWU as more relevant to the organisation. As this is the deficit which the employer then agrees the repayment of the pension deficit with the pension regulator and is a real cash flow commitment.

<b>The difference in these two valuations are demonstrated by:</b>	<b>£'000</b>
FRS 102 deficit as included in the annual accounts (Note 24)	<b>(14,927)</b>
Triennial valuation deficit (committed funding obligation)	<b>(34,260)</b>
Additional value of the triennial debt that is not depicted in the annual accounts	<b>(19,333)</b>

This difference is not to say that the annual accounts are wrong, as they comply with current accounting regulations. But the Union was of the opinion that the annual accounts as currently presented does not help its members understand the size of financial liabilities as measured on a triennial basis. As a result an amended Balance Sheet which includes an adjustment (shown in a separate column) for the difference in the two methods of calculating the pension liability has been shown over the page.

It is important to note that the triennial valuation deficit is based on calculations by the scheme actuaries the last time it was valued at 31 December 2020 and not 31 December 2023. It is this debt that the Union needs to finance and agree with the pensions regulator and in the amended balance sheet, the Union is £19.33m worse off than the audited accounts show.

It is the ongoing funding of this deficit that really concerns the Union and the Balance Sheet as presented in accordance with accounting regulations, does not help its members and users of these accounts understand the challenging financial position that the Union faces.

## Notes to the Financial Statements (continued)

### Amended SOFP for the Year Ended 31 December 2023:

	As per page 9 2023 £	Adjustment £	As Amended 2023 £
<b>Tangible Fixed Assets</b>	30,171,001	-	<b>30,171,001</b>
<b>Current Assets</b>	16,831,519	-	<b>16,831,519</b>
<b>Current Liabilities: Creditors Falling Due Within One Year</b>	<u>(3,072,194)</u>	-	<u><b>(3,072,194)</b></u>
<b>Net Current Assets</b>	13,759,325	-	<b>13,759,325</b>
<b>Total Assets less Current Liabilities</b>	<u>43,930,326</u>	<u>-</u>	<u><b>43,930,326</b></u>
Deficit of Defined Benefit Pension Schemes	(14,927,000)	(19,333,000)	<b>(34,260,000)</b>
<b>Net Assets</b>	<u>29,003,326</u>	<u>(19,333,000)</u>	<u><b>9,670,326</b></u>
<b>Represented by Union Funds and Reserves:</b>			
General Fund	18,288,257	-	<b>18,288,257</b>
Pension Reserve	(14,927,000)	(19,333,000)	<b>(34,260,000)</b>
Other Designated Funds	287,311	-	<b>287,311</b>
Property Reserve	22,460,630	-	<b>22,460,630</b>
Political Fund	2,894,128	-	<b>2,894,128</b>
<b>Total Union Funds and Reserves</b>	<u>29,003,326</u>	<u>(19,333,000)</u>	<u><b>9,670,326</b></u>

### 27 Contingent Liabilities

The Union had £nil amount at 31 December 2023.

### 28 Key Management Personnel

Key management personnel is defined as the roles of General Secretary and Senior Deputy General Secretary. The total employment cost for these roles paid in the year was £275,263 (2022: £269,142) and includes gross pay, employers pension contributions and employers national insurance.

### 29 Related Party Transactions

#### Unionline

Intercompany transactions at the reporting date:

£236,135 (2022: £222,769) Other Debtors, note 20 relating to an unsecured loan at a commercial rate of interest.  
£5,365,219 (2022: £5,365,219) Other Debtors, note 20 relating to the recharge of legal activities.

#### Elstead Hotel (Bournemouth) Limited

Intercompany transactions at the reporting date:

£1,299,270 (2022: £1,035,270) Other Debtors note 20, relating to rent, management fees and a loan.

#### CWU Humanitarian Aid

CWU Humanitarian Aid is a registered charity that is administered by CWU Officials. During the year the Union donated £20,332 (2022: £69,478) to the charity.

### 30 Subsequent events

Following planning permission being granted by Bournemouth council we are now progressing with the sale of The Elstead Hotel. The current timescale envisaged for this is to exchange contracts by the second week of January 2025 with the sale being completed by the second week of March 2025.

The sale agreed is for a price of £2m. A £100k non-refundable deposit was paid to the CWU in 2023. This leaves £1.9m to be paid. Between now and the completion date we are working on identifying what the level of debt in the business will be (HMRC and utility companies) as well as staff redundancy costs. Once we have completed that exercise we will have a clearer idea of how much cash will be returned to the CWU.