

No. 270/26

9 October 2026

To All Branches

Dear Colleagues

CWU CONSOLIDATED ACCOUNTS 2025

Please find attached a copy of the CWU Consolidated Accounts for the financial year 2025.

Whilst these accounts are for the financial year 2025, Branches will be aware that many of the difficult restructuring decisions have now been implemented with the benefits being realised, although there are some areas of this activity still to be completed.

This work remains vital to securing a sustainable future for the CWU and our aim of ensuring we remain a standalone union.

Branches are now invited to forward questions to the attached CWU Consolidated Accounts for 2025 to arrive at e-mail address financedept@cwu.org by no later than 1200 noon on Thursday 22 October 2026. **Please note, any e-mails 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 dwilshire@cwu.org

Yours sincerely



Nabih Fonkwe
Head of Finance



Dave Ward
General Secretary



CWU ACCOUNTS
2025 - SIGNED.pdf

2022



COMMUNICATION WORKERS UNION
(Trade Union Number: 743T)
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 December 2025



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Introduction to the 2025 Financial Statements

Dear Member,

Following the cyber-attack in 2024 which left the union in a deficit position and a prolonged recovery, the union continued to improve its cyber security resilience and awareness. This year 2025, the union has been concentrating on its long-term financial sustainability which will continue into 2026/2027. We are actively focusing on:

- Improving subscription income by working on recruiting more members in existing branches and acquiring new membership in our growth areas.
- Working on aligning current fees to fully reflect the service delivery of the union. Agreeing on rate increases which are commensurate with the growing cost of services.
- Working to reduce the overall expenditure of the union by continuing to restructure where possible to generate cost reductions and improve performance overall.
- Continuously reviewing and monitoring our operational costs to improve efficiency and identifying duplication without compromising on the quality of services we provide to our members.

The year 2025 was significant in being one where the cost reductions due to the first phase of our restructuring schedule began to be realised, including a reduction in the number of our non-industrial field operations roles. The restructuring programme has led to reduced duplication and a cost reduction and re-alignment in the following areas.

- the National officer roles
- the regional official positions following election
- the organising roles
- conference and delegation costs and a further reduction to result from the introduction of biennial conference.

There are other areas that are still under review and will support the Unions financial strategy. These include; travel and subsistence policies which has commenced, and a review of the employer branch where talks are ongoing. Budget monitoring will form a key part of the ongoing scrutiny of the union at headquarters.

The new CWU organising strategy was implemented and the indications are that this has started to have an impact, with the long established rate of membership decline beginning to slow. There are still ongoing challenges to be faced however, due to the major operational changes in Royal Mail Group and the impact of AI in Telecoms. Our tech workers Branch UTAW continues to grow steadily.

To continue to prepare for the future, further cost savings are being made following the decisions taken at the Special Restructuring Conference in June 2025. These costs reductions are to be made at the CWU Headquarters, movement to a Biennial Conference and through a review of our National and Branch structure. We aim to implement these without a reduction to the service provided to our members.

Financial results for the year ended 31 December 2025

CWU Income and expenditure performance in 2025 showed a net deficit of £1.39m (2024: £1.37m deficit).

The deficit for 2025 is due to a provision of £2.26m which we had to make against monies owed to us by our subsidiary company. The Elstead Hotel (Bournemouth) Limited. Before this provision, the Union was in a surplus of £0.88m.

In July 2026 (after the period to which these accounts relate), the sale of the hotel to a third party stalled again for the third time since 2021 and the monies we were expecting to receive in the most recent offer failed to materialise.

These monies would have represented a gain on the book value of the hotel and offset some of the amounts we were owed after supporting the hotel financially in past years.

What this now means is that in 2025 because of the cumulative materiality of the amount owed by the Hotel we are showing a net deficit in our year end position, rather than the surplus we were expecting. However, we are in discussions with other interested parties and, when the hotel is finally sold, we will then record a gain. Our accountants have explained to us although the “net” effect might be minimal, in accordance to UK accounting standards, we need to report the transaction in this way, with the provision in one financial year but the surplus on disposal of the property in another year when the asset is sold.

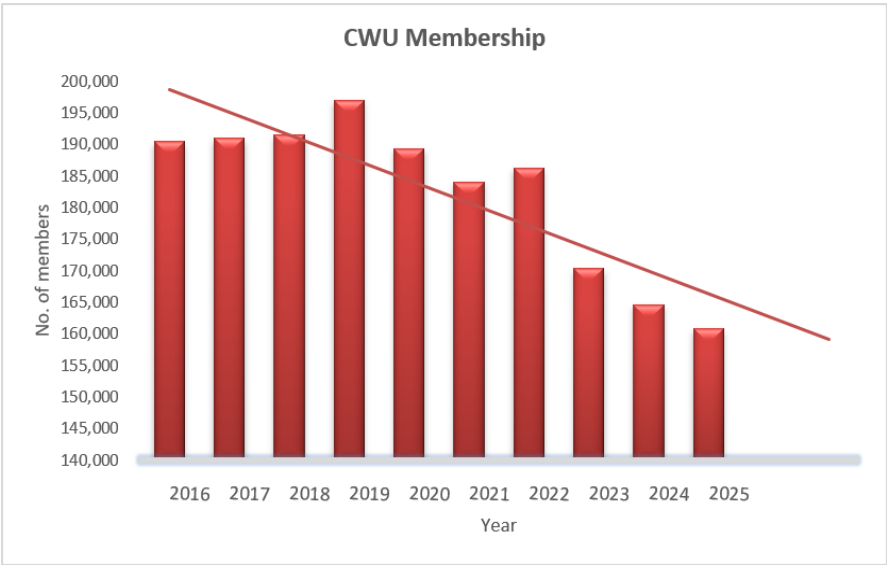
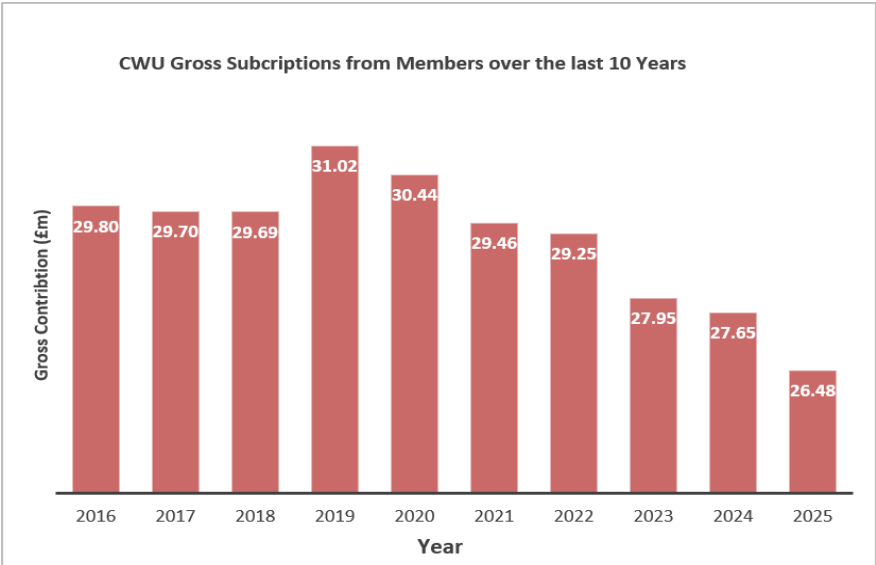
Operating Income

The total operating income for the year is £26.8m

The income for the year decreased by £1.2m (4.36%) from £28.0m in 2024 to 26.8m in 2025. The reduction is due mainly to a decrease in membership income of 4.23% and non-membership income makes up the remaining 0.13% of the reduction.

The membership subscription income decreased by £1.2m (4.23%) due to the net loss of 3,825 members (2.3%) from prior year. As subscription income is directly linked to our membership, the only way to increase our income is to either recruit more members or raise subscription rates to align with inflation.

Other income, not from member subscriptions, has decreased by £0.05m (14.7%), influenced by a variety of factors including the reduction of VAT reclaimed, a reduction in merchandise sales, reduction in dividends from investments and less donations received by the union during the period.



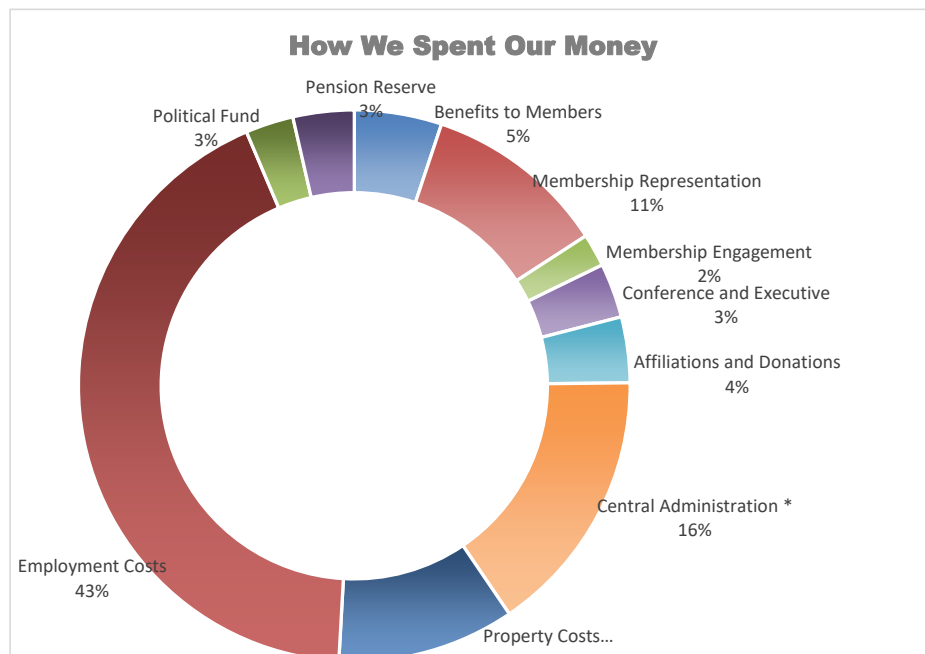
Operating Expenditure

The total operating expenditure for the year is £28.2m

As already stated, the Union has been concentrating on its long-term financial sustainability and part of this has been to focus on reducing total expenditure and continually monitor operating costs. This strategy has resulted in decreasing expenditure by £3.5m when compared to 2024.

This reported reduction in costs has unfortunately now been offset by the late provision required for £2.26m against the monies owed to us by our subsidiary company, The Elstead Hotel (Bournemouth) Limited, as a result of the financial support we gave toward the running cost of the hotel in the past years, pending its sale. As a result, the final net reported reduction in operating expenditure became £1.2m which still represents very good progress, but not the £3.5m favourable result we were expecting.

The cost reduction is due mainly to General fund activities down by £2.1m; HQ cost reduction across departments, conference cost decreased by circa £0.9m, coupled with the fact that there was no cost relating to a cyber-attack in 2025. The cost of Political fund activities down by £0.99m which adds to the overall improved performance of the union.



* Included in central Administration there an equivalent of 7% (£2.26m) cost relating to Eltstead Hotel (Bournemouth) Limited

- Ordinary activities show a deficit of £0.45m (including Elstead Provision - surplus of £1.81m) which was £0.69m surplus in 2024, so should have been a £1.12m (163%) increase in surplus.

This is mainly due to the surplus on operations of £0.88m (before the Elstead provision) in 2025 and a deficit of £1.37m in 2024 as explained above.

Quoted investment shows an increased dividend of £0.46m in (2024: £0.26). Unquoted investment increased in value by £2.1m (2024: £2.7m).

Pension scheme expense increased to £1.7m (2024: £1.2m).

Included in other income was a surplus on disposal of fixed assets at Scotland No. 2 Branch of £0.12m (2024: £0.24).

- The total comprehensive surplus after pension and investment movement improved £3.4m (2024: £2.78m) i.e. £0.59m (a £2.85m (102%) excluding Elstead Provision) increase. This was driven mainly by actuarial surplus on post-employment benefits £5.2m (2024: £0.92m).

- The total net assets of the union as at 31 December 2025 was £35.2m, an increase of £3.4m (11%) from 31 December 2024 of £31.8m.

Introduction to the 2025 Financial Statements (continued)

Conferences

The CWU held a Special Restructuring and Special Rules Revision Conference in June 2025 to agree the further restructuring measures needed to reduce expenditure and thereby ensure the CWU remains as a stand-alone Union. The total cost of the Conferences was £0.95m in 2025 and conference cost in 2024 was £1.87m.

Though the union undertook a full General and Industrial Conference in 2026, it is important to note that the CWU has taken action on the significant costs incurred by holding a Conference on an annual basis. Our Special Conference agreed to move to biennial Conferences following the 2026 Conference, meaning we will be able essentially to reduce our annual expenditure. Alongside this, the CWU will explore alternative methods of policy discussion and decision making, in order to promote a democratic and sustainable CWU.

Following 2026 general conference, the next Biennial Conference will be held in 2028

Political Fund

Political fund expenditure was not as high in 2025 compared to 2024 with circa £0.84m being spent in 2025 meaning a decrease of £0.99m from 2024. This was mainly due to not having to conduct a political fund ballot in 2025.

Unionline

Following the Memorandum of Understanding (MOU) agreement reached by the union with GMB in 2024, the union received an additional £0.19m (2024: £0.70m) of funds from Unionline which has been allocated against outstanding management charges. Prior years charges has been provided for as bad debt pending conclusion of the review. CWU continue to work with GMB, in line with the MOU, to ensure future costs split are carried out on a fair basis. The union legal services are under review to ensure we are working in the most effective way to deliver improved services to members.

PM Law, a separate law firm which provided client support services to Unionline is under SRA investigation and has now closed for business. The SRA is still investigating the alleged misappropriation of client funds and ensuring legal services can continue. Unionline continue to operate normally and provide services to union members. The CWU is taking all necessary steps to protect the interest of its members during this time.

Pension Reserve

The CWU has three pension schemes which were independently valued by the scheme trustees and actuary in accordance with FRS 102. The valuation can be volatile year on year depending on economic and financial factors during the period. The current obligation in 2025 as per the actuary report for the three CWU pension schemes stands at £6.3m (2024: £11.4m). The next independent valuation of the schemes is due in December 2026.

Funds and Reserves

The CWU funds and reserves show a total of £41.4m (2024: £43.2m) from which the pension scheme deficit of £6.3m (2024: £11.4m) has been offset, resulting in a net assets position of £35.2m (2024 £31.8m).

Union Funds and Reserves were as follows:

	2025	2024
	£m	£m
General Fund	16.45	18.68
Property Fund	22.46	22.18
Political Fund	2.29	2.14
Other Designated Fund	0.24	0.18
Pension Fund	(6.29)	(11.40)
Total Funds and Reserves	35.15	31.78

Political funds do not form part of the General funds as these have been received from members to support political activities. Other designated funds include the defence fund (£159k), scholarships fund (£50k), and the welfare fund (£30k).

Looking into the Future

The future of CWU depends on the quality of services we provide to our members. We can only do this by building an infrastructure that is 'fit for purpose'.

The Union continues to have a strong commitment to restructuring to ensure we remain an effective and influential standalone Union, with a streamlined structure to support these goals. We are continuing with the sale of our two property assets and together with the remaining restructuring strands, this will ensure we are able to line up with our membership levels and income. Our members continue to face daily issues within the workplace and with our Governance board continuing to monitor our ongoing strategy, we will ensure the Union continues to be able to offer them support as well as ensuring the Union is operating as a going concern.

While we recognise the challenges that the entire UK trade union movement are facing particularly the sector that we are in, we will continue with our industrial work in order to secure the future of CWU. We consistently look at growth areas as well as working in partnership with our key partners; Royal Mail, BT, VMO2, Financial services and the Tech sector. Each of our constituencies where we have members face their own challenges. However, we are planning to mitigate these challenges by planning ahead and being proactive in our approach:

Constituency Updates and Future Plans

Postal

With letters continuing to decline along with the impact of customers downtrading to cheaper letter products, Royal Mail is at a crossroads. Whilst parcel volumes are growing, revenue from parcels is decreasing due to virtually all Royal Mail's competition operating on a bogus self-employed model. This model allows competitors to undercut Royal Mail in the growth part of the industry and threaten its future survival.

We continue to work with Royal Mail to build a stronger alliance. We have just concluded a two-part agreement with Royal Mail on the Universal Service model to be deployed that is crucial to the future of the business, as well as on the first step in equalising new entrants' pay, terms and conditions. The agreement was endorsed by our members when the ballot closed on 29th May, so, our key priorities over the next 12 months will be as follows:

- Ensure that the Universal Service changes restore quality of service and any job losses are resolved through voluntary means.
 - Increase new entrant membership from 54% to 80%. The increase in new entrant members will be complimented by agreeing the next step and a plan for full equalisation by no later than January 2027. At that time, we will revisit the lower subscription fee for new entrants.
 - Campaign for a level playing field across the industry to stop the bogus self-employed model, as well as seeking reforms to the Postal Regulator Ofcom.
 - Develop a wider growth strategy going beyond just growth in parcels, by looking at Royal Mail using its unique reach to go into areas which benefit the whole of the UK, with such issues as social requirements and community wealth building.
 - Ensuring that a genuine reset of both employee and industrial relations happens in every workplace in the UK.
- Following the agreement being endorsed on 29 May, Royal Mail have agreed to pay the wages, pension and annual leave costs of seven of our Postal Executive members. This would achieve the mandate of the CWU restructuring conference in July 2025 which required a cost reduction of the Postal Executive of 50%. However, the intention is to use the negotiations on a new Industrial Relations Framework, which will commence in November this year, to try and go further.

Telecoms and Financial Services

Artificial Intelligence (AI) and digital technologies are being introduced into our recognised industries and will have a significant impact on employment levels, job design and workforce structures. Santander, VMO2, BT and EE are increasingly implementing AI-enabled systems to automate customer interactions, streamline operations, optimise workflows and reduce operational costs. Together with the continued rollout of fibre and the digital network infrastructure the nature of work within telecommunications is also changing, with implications for engineering roles, legacy network functions, skills requirements and over time the workforce size. There is a growing risk that automation and algorithmic management could reduce headcount and restructure roles, although at this stage we are unable to quantify precisely how many members may ultimately be affected.

These developments could have implications for union membership such as reductions in workforce size, changes to work structures and potentially increased outsourcing to other countries which can provide AI-enabled services. This is why our AI project is seeking early involvement in discussions around workplace technology aimed at ensuring workers have a meaningful voice in shaping their working lives and a fair share in any benefits. In parallel, our shorter working week campaign seeks a meaningful reduction in working time so that the benefits of technological advancement are shared more fairly, and the impact on jobs is mitigated.

We are currently seeking to extend our recognition with Virgin Media O2 (VMO2) which could lead to potentially 15,000 new memberships.

We have held talks with senior management in both companies about extending the recognition to the whole of Virgin Media. In VMO2 the company have agreed to share a communication with employees identifying the CWU as the union of choice. We hope that this will lead to further growth in membership.

We are currently scoping several alternative network providers to determine the potential for organising and recruitment.

In addition, we are exploring the potential expansion and growth of our recognised sectors' collective bargaining units to maximise opportunities created by the Employment Rights Act.

UTAW

The Technology sector of the union has been one of significant membership growth in recent years and the goal is to continue this trend. We will continue to pursue a number of high-profile union recognition campaigns, together with growing our grassroots union activity in small medium enterprises. This will mean planned investment in scaling membership sustainably, creating the right blend of training and support for volunteers, as well as supplementing this through paid employment for CWU Tech staff.

We continue to review the strategic direction of the Tech sector of the union and in the coming year will we proactively continue to promote our Technology sector through the media, as well as through industrial and academic publications and events.

Conclusion

The finances of the Union continue to be one of our strategic objectives. We continue to review our financial control and streamlining processes to support the Union to return to a profitable footing or a breakeven position at the very least. We have introduced budgetary control and monitoring at departmental levels at the Headquarters and working towards introduce a simple and effective systems that will support branches to monitor the branch finances more efficiently. We are continually reviewing our Union structure to ensure it is 'fit for purpose' and capable of delivering good operational values that will effectively serve our members.

The year to date performance to August 2026 shows an operational income and expenditure (excluding pension movement) surplus of circa £2.4m that is a positive movement of £0.7m when compared to August 2026 phased budget, and an even bigger surplus movement of £1.6m compared to August 2025.

The sale of 150 The Broadway (HQ) and The Elstead Hotel (Bournemouth) Limited continue to be our priority and the action taken by the executive committee and the governance team will provide an opportunity for a full range of options to be considered that will deliver a favourable position for both properties and the Union's finances.

A robust recruitment strategy is a key element to ensuring our finances are in good shape going forward. Despite the challenges the Union continues to face through both internal and external pressures, increasing our membership numbers in each constituency remains a prime focus of our Union. We aim to start seeing upward trend in membership numbers and income as we review the existing organising and recruitment strategy as well as simplifying the existing subscription plans and rates.

Through regular strategic meetings recruitment plans have been developed and continue to be adopted, to target the non-members in both our traditional industries and outside in non-core areas.

In the non-core areas, we continue to analyse the success in the technology sector and what this means in terms of best practice. The new access arrangements can only help in this regard.

We are progressing with a detailed data driven approach in our traditional recruitment areas, meaning we will be able to prioritise and target recruitment in certain parts of the country and in individual workplaces. Alongside this we are developing core-principles to be adopted for recruitment and are filtering these down through every level of the organisation.

We believe this will not only aid our representatives in the recruitment of non-members but will also give others confidence to become representatives with a recruitment mentality. It remains important for every CWU representative and member to have a recruitment mindset.

The NEC will be regularly documented to outline the ongoing programme of work and consider improvement opportunities.

Alongside this we are examining our subscription rate levels to ensure they remain both fair and continue to represent value for all.

Coupled with our recruitment agenda, we have started to implement the restructuring changes that will ensure we can fully meet our challenges. There are additional restructuring work streams to be introduced that will see us reduce costs further, realign resource and improve efficiency. These programmes of work will ensure we remain a going concern and maintain our status as a stand-alone Union.

In solidarity,



Dave Ward
General Secretary

Date: 08.10.26

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:

- 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; 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

Report on the audit of the financial statements

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 2025 and of its deficit and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted

We have audited the financial statements of the Communication Workers Union ("the Union") for the year ended 31 December 2025 which comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Funds and Reserves
- the Statement of Cashflows
- notes 1 to 30 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 Financial Reporting Standard 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Union's ability to continue as a going concern.

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 Annual Report and Financial Statements 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 course of 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 ("the Act") 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.

In forming our opinion, we are required to have regard to your duty as members of National Executive Council of the Union not to approve the financial statements unless you are satisfied that they give a true and fair view.

Responsibilities Of The National Executive Council

As explained more fully in the Statement of Responsibilities of the National 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.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Union and management.

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

Based on:

- Our understanding of the Union and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Union's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be applicable accounting framework, UK GAAP, the Trade Union and Labour Relations (Consolidation) Act 1992, and UK tax legislation.

The Union is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be corporate and VAT legislation, employment taxes, health and safety legislation, and the Bribery Act 2010

Our procedures in respect of the above included:

- Enquiries of management whether there were any litigations and claims;
Enquiries of the legal team of the Union;
- 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; and
Review of legal expenditure accounts to understand the nature of expenditure incurred.

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

Fraud:

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control and the posting of inappropriate journal entries, in particular those that impact revenue.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Testing a sample of journal entries throughout the year outside of the pre-defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including provisions against debtors.

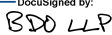
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 Council's website at: 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 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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BDO LLP, Statutory Auditor
London, UK

Date: 08.10.26

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

Statement of Comprehensive Income (SOCl)

For the year ended 31 December 2025

	Notes	2025 £	2024 £
Income			
Members' Subscriptions	5	26,479,413	27,648,159
Non-Membership Income	9	305,014	357,374
Total Income		26,784,427	28,005,533
Expenses			
General Fund	5	(27,944,462)	(27,862,291)
Pension Reserve	6	637,128	356,176
Other Designated Funds	7	(23,300)	(36,300)
Political Fund	8	(839,474)	(1,832,109)
Total Expenses		(28,170,108)	(29,374,524)
Net Deficit from Operations		(1,385,681)	(1,368,991)
Other Income / (Expenses)			
Revaluation Surplus on Quoted Investments	19b	460,983	264,049
Surplus on Disposal of Quoted Investments	19b	-	3,614
Revaluation Surplus on Unquoted Investments	19c	2,058,720	2,748,497
Surplus on Disposal of Fixed Assets		117,056	239,565
Closure of Union Learning Funds		-	3,828
Pension Schemes Expense	6	(1,706,000)	(1,204,000)
Total (Deficit) / Surplus on Ordinary Activities for the Year		(454,922)	686,562
Other Comprehensive Income			
Actuarial Surplus on Post-employment Benefits	24	5,199,000	923,000
Change in Pension Assets not Recoverable in the Future	24	(1,374,000)	1,171,000
Actuarial Surplus on Pension Schemes		3,825,000	2,094,000
Total Comprehensive Surplus for the year		3,370,078	2,780,562

The notes on pages 15 to 29 form part of these financial statements.

Statement of Financial Position (SOFP)

For the year ended 31 December 2025

	Notes	2025 £	2024 £
Fixed Assets			
Freehold Property	18	19,217,958	19,122,139
Other Fixed Assets	18	532,757	640,415
Investments and Long Term Loans	19	15,528,246	12,965,996
		35,278,961	32,728,550
Current Assets			
Debtors	20	2,405,703	4,383,004
Cash at Bank and in Hand	21	6,027,377	9,102,769
		8,433,080	13,485,773
Current Liabilities			
Amounts falling due within one year			
Creditors	22	(2,272,075)	(3,031,435)
		6,161,005	10,454,338
Net Current Assets		41,439,966	43,182,888
Total Assets less Current Liabilities		(6,286,000)	(11,399,000)
Deficit of Defined Benefit Pension Schemes	24		
		35,153,966	31,783,888
Net Assets			
Represented by:			
Union Funds and Reserves			
General Fund		16,453,038	18,679,898
Pension Reserve		(6,286,000)	(11,399,000)
Other Designated Funds		239,236	179,740
Property Reserve		22,457,862	22,182,192
Political Fund		2,289,830	2,141,058
Total Union Funds and Reserves		35,153,966	31,783,888

Movements in Union funds are set out in the Statement of Changes in Funds and Reserves on page 13.

The notes on pages 15 to 29 form part of these financial statements.

Approved and authorised for issue by:



Dave Ward
General Secretary

Date: 08.10.26

Statement of Changes in Funds and Reserves

For the year ended 31 December 2025

Total Union Funds and Reserves:

	2025 Total £	2024 Total £
Brought forward at 1 January	31,783,888	29,003,326
(Deficit) / Surplus on Ordinary Activities for the Year	(454,922)	686,562
Actuarial Surplus on Defined Benefit Pension Schemes	5,199,000	923,000
Change in Non-recoverable Assets Defined Benefit Pension Schemes	(1,374,000)	1,171,000
Carried forward at 31 December	35,153,966	31,783,888

Breakdown of Total Union Funds and Reserves:

General Fund:	Head Office £	Branch £	2025 Total £	2024 Total £
Brought forward at 1 January	14,121,974	4,557,924	18,679,898	18,288,257
Surplus / (Deficit) on Ordinary Activities for the Year	1,752,453	(1,346,771)	405,682	2,219,690
Transfers	(2,969,872)	337,330	(2,632,542)	(1,828,049)
Carried forward at 31 December	12,904,555	3,548,483	16,453,038	18,679,898

Pension Reserve:

	2025 Total £	2024 Total £
Brought forward at 1 January	(11,399,000)	(14,927,000)
Deficit on Ordinary Activities for the Year	(1,068,872)	(847,824)
Actuarial Surplus on Post-employment Benefits	5,199,000	923,000
Change in Non-recoverable Assets	(1,374,000)	1,171,000
Transfer from General Fund	2,356,872	2,281,824
Carried forward at 31 December	(6,286,000)	(11,399,000)

Other Designated Funds:

	Defence £	Scholarship £	Welfare £	2025 Total £	2024 Total £
Brought forward at 1 January	98,261	50,000	31,479	179,740	287,311
Surplus / (Deficit) on Ordinary Activities for the Year	60,849	-	(1,353)	59,496	67,766
Transfers To General Fund	-	-	-	-	(175,337)
Carried forward at 31 December	159,110	50,000	30,126	239,236	179,740

Property Reserve Fund:

	Head Office £	Branch £	2025 Total £	2024 Total £
Brought forward at 1 January	19,012,213	3,169,979	22,182,192	22,460,630
Transfer From General Fund	613,000	(337,330)	275,670	(278,438)
Carried forward at 31 December	19,625,213	2,832,649	22,457,862	22,182,192

Political Fund:

	Head Office £	Branch £	2025 Total £	2024 Total £
Brought forward at 1 January	1,812,211	328,847	2,141,058	2,894,128
Surplus / (Deficit) on Ordinary Activities for the Year	78,727	70,045	148,772	(753,070)
Carried forward at 31 December	1,890,938	398,892	2,289,830	2,141,058

The notes on pages 15 to 29 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 £	2024 £
Cash Flows from Operating Activities:			
(Deficit) / Surplus on Ordinary Activities (page 8)		(454,922)	686,562
Adjustments for:			
Revaluation Surplus on Quoted Investments	19b	(460,983)	(264,049)
Surplus on Disposal of Quoted Investments	19b	-	(3,614)
Revaluation Surplus on Unquoted Investments	19c	(2,058,720)	(2,748,497)
Surplus on Disposal of Fixed Assets		(117,056)	(239,565)
Depreciation Charge	18	516,195	540,701
Net Impact of Pension Service Cost and Extra Contributions	6	(637,128)	(356,176)
Other Pension Costs	6	1,706,000	1,204,000
Pension Deficit Reduction Payments	24	(2,356,872)	(2,281,824)
Interest Receivable	9	(3,483)	(4,807)
Dividends Receivable	9	(178,610)	(74,284)
Decrease in Debtors	20	1,977,301	100,843
Decrease in Creditors	22	(759,360)	(40,759)
Net Cash Used in Operating Activities		<u>(2,827,638)</u>	<u>(3,481,469)</u>
Cash Flows from Investing Activities:			
Interest Received	9	3,483	4,807
Dividends Received	9	178,610	74,284
Non-cash Distributions	19b	-	(116,612)
Purchase of Tangible Assets	18	(777,356)	(196,271)
Proceeds from Sale of Tangible Assets		390,056	461,989
Sale of Investments	19b	-	180,000
Purchase of Investments	19b	(51,267)	(180,000)
Repayment of Long Term Loans	19a	8,720	8,369
Net Cash (Used in) / From Investing Activities		<u>(247,754)</u>	<u>236,566</u>
Net Decrease in Cash and Cash Equivalents in the Year		<u>(3,075,392)</u>	<u>(3,244,903)</u>
Cash and Cash Equivalents at 1 January		<u>9,102,769</u>	<u>12,347,672</u>
Cash and Cash Equivalents at 31 December		<u>6,027,377</u>	<u>9,102,769</u>
Analysis of Changes in Cash and Cash Equivalents:			
		2025 £	2024 £
Cash at 1 January	21	9,102,769	12,347,672
Cash Outflow during the year		(3,075,392)	(3,244,903)
Cash at 31 December	21	<u>6,027,377</u>	<u>9,102,769</u>

The notes on pages 15 to 29 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 December 2027 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. Income is recognised in the SOCI in the period in which the members' subscription covers.
- Government funding received to support Union education is recognised through the SOFP. The funding is received in arrears and netted off against expenses. During the year no funding has been received.
- 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. All expenditure are accounted for in the SOCI in the period it relates to match the income generated during the period.

Branch Accounts

The Union has a network of 119 Branches and 10 Regional Offices. 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 fair value, unless an accurate determination of their fair value is not possible, in which case they are recorded at historical cost less any impairment.

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 (note 19).

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.

Within creditors, there cost to cover for the union's accruals that can be reliably estimated and for which there is an expectation that payment will be made. for example salary accruals have been accounted for to cover staff exceptional annual leave 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 administering the Union in relation to those benefits.

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.

Notes to the Financial Statements (continued)

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.
- CWU's investment in Unity Trust Bank plc is an unquoted equity instrument for which no active market exists. The valuation is classified as a Level 3 fair value measurement due to the use of significant unobservable inputs. The valuation has been derived based on the latest in-year transaction price, issued by the bank under a rights issue. Management consider that there is no material difference between this price and fair value at the balance sheet date.
- 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 2025 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. After negotiations in 2024, a repayment of £190k (2024: £700k) was made which has now been offset against accumulated recharges.
- Holiday Pay form part of creditors balance that was provided to cover for exceptional annual leave that staff could not take during busy period for the union. It was agreed that staff are owed these leave and will be paid or taken in proceeding years.

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. From 1 September 2024, the rebate is based on 23% of the branch membership income received by the CWU HQs General Fund excluding retired Members. The branch will receive 23% for retired members with the condition that the branch has a Retired Members section established.

Defence Fund

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

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.

Notes to the Financial Statements (continued)

Scholarship Fund

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

4 Purpose of the Funds and Reserves (continued)

Pension Reserve

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

5	General Fund	Note	Head Office £	Branch £	Total 2025 £	Total 2024 £
	Membership Income					
	Members' Subscriptions		26,481,849	(2,436)	26,479,413	27,648,159
	Allocated to Branch Fund		(6,107,714)	6,107,714	-	-
	Allocated to Other Designated Funds	7	-	(79,311)	(79,311)	(95,972)
	Allocated to Political Fund	8	(988,246)	-	(988,246)	(1,078,289)
	Available Operating Income		19,385,889	6,025,967	25,411,856	26,473,898
	Non-Membership Income	9	249,756	51,773	301,529	348,530
	Total Income		19,635,645	6,077,740	25,713,385	26,822,428
	Expenses					
	Benefits to Members	10	(851,926)	(677,313)	(1,529,239)	(1,778,259)
	Membership Representation	11	(800,097)	(2,403,670)	(3,203,767)	(3,707,167)
	Membership Engagement	12	(325,036)	(250,530)	(575,566)	(677,708)
	Conferences and Executive	13	(697,200)	(255,907)	(953,107)	(1,866,940)
	Affiliations and Donations	14	(888,772)	(261,365)	(1,150,137)	(1,006,423)
	Central Administration	15	(3,497,536)	(1,180,769)	(4,678,305)	(2,940,107)
	Property Costs	16	(2,122,587)	(981,241)	(3,103,828)	(3,004,145)
	Employment Costs	17	(11,609,797)	(1,140,716)	(12,750,513)	(12,881,542)
	Total Operating Expenses		(20,792,951)	(7,151,511)	(27,944,462)	(27,862,291)
	Net Deficit from Operations		(1,157,306)	(1,073,771)	(2,231,077)	(1,039,863)
	Other Income / (Expense)					
	Revaluation Surplus of Quoted Investments		460,983	-	460,983	264,049
	Surplus on Disposal of Quoted Investments		-	-	-	3,614
	Revaluation Surplus of Unquoted Investments		2,058,720	-	2,058,720	2,748,497
	Surplus / (Deficit) on Disposal of Fixed Assets		390,056	(273,000)	117,056	239,565
	Closure of Union Learning Funds		-	-	-	3,828
	Total Surplus / (Deficit) on Ordinary Activities for the Year		1,752,453	(1,346,771)	405,682	2,219,690
6	Pension Reserve	Note			2025 £	2024 £
	Expenses					
	Net Impact of Service Cost and Extra Contributions	24			(637,128)	(356,176)
	Other Expenses					
	Other Pension Costs	24			1,706,000	1,204,000
	Net Pension Costs relating to the Defined Benefit Pension Schemes				1,068,872	847,824

Notes to the Financial Statements (continued)

7 Other Designated Funds	Defence	Scholarship	Welfare	2025	2024
	£	£	£	£	£
Income					
Allocated from General Fund (Branch)	60,849	-	18,462	79,311	95,972
Non-Membership Income (note 9)					
Commissions	-	-	1,306	1,306	1,300
Donations	-	-	2,179	2,179	6,794
	-	-	3,485	3,485	8,094
Total Income	60,849	-	21,947	82,796	104,066
Expenses					
Grants to Members	-	-	(23,300)	(23,300)	(36,300)
Total Expenses	-	-	(23,300)	(23,300)	(36,300)
Total Surplus / (Deficit) on Ordinary Activities for the Year	60,849	-	(1,353)	59,496	67,766

8 Political Fund	2025	2024
	£	£
Income		
Members' Subscriptions	1,126,582	1,203,570
Administration Recharge	(138,336)	(125,281)
Allocated from General Fund	988,246	1,078,289
Non-Membership Income (note 9)		
Other Sources	-	750
Total Income	988,246	1,079,039
Expenses		
Labour party Affiliation Fees	(416,946)	(415,859)
Regional Affiliation Fees	(9,854)	(16,634)
Campaigns and Elections Expenses	(12,518)	(281,986)
General Election Donations	-	(18,586)
CWU Members Ballot (held every 10 years)	-	(373,151)
Delegations to National Conferences	(215,816)	(226,989)
Delegations to Regional Conferences	(6,973)	(4,696)
Expenditure at Branches	(85,163)	(405,995)
Parliamentary Panel	(11,167)	(12,167)
Printing and Postage	(696)	(122)
Travel and Meeting Expenses	(7,141)	(11,335)
Donations	(10,650)	(32,700)
General Expenses	(55,044)	(25,196)
Depreciation to Furniture, Equipment and Computers	(6,977)	(6,076)
Bank Charges	(529)	(617)
Total Expenses	(839,474)	(1,832,109)
Total Surplus / (Deficit) on Ordinary Activities for the Year	148,772	(753,070)
Allocated to:		
Political Fund - Head Office	78,727	(553,491)
Political Fund - Branch	70,045	(199,579)
	148,772	(753,070)

Notes to the Financial Statements (continued)

9 Non-Membership Income

	General	Political	Other Designated Funds	2025	2024
	£	£	£	£	£
Long-term Loan and Bank Interest	3,483	-	-	3,483	4,807
Dividends and Non-cash Distributions	178,610	-	-	178,610	190,896
Rent and Room Hire	45,284	-	-	45,284	36,748
Commissions	-	-	1,306	1,306	1,300
Union Services and Merchandise	712	-	-	712	14,670
VAT Recoverable	68,531	-	-	68,531	90,409
Donations	2,468	-	2,179	4,647	10,742
Other Sources	2,441	-	-	2,441	7,802
	<u>301,529</u>	<u>-</u>	<u>3,485</u>	<u>305,014</u>	<u>357,374</u>

10 Benefits to Members

	Head Office	Branch	2025	2024
	£	£	£	£
Death Benefits	13,004	559,911	572,915	554,819
Legal and Medical Services	191,828	7,154	198,982	323,627
Employment Tribunals	174,810	18	174,828	180,816
Education	221,986	75,638	297,624	325,321
Benefits Package	12,174	-	12,174	11,537
Helplines	89	-	89	99
Awards	1,234	10,540	11,774	20,297
CWU Magazines, TV & Mobile App	236,801	-	236,801	338,261
Members Welfare	-	24,052	24,052	23,482
	<u>851,926</u>	<u>677,313</u>	<u>1,529,239</u>	<u>1,778,259</u>

11 Membership Representation

	Head Office	Branch	2025	2024
	£	£	£	£
Travel , Mileage, Hotels, Subsistence:				
Committees	132,539	-	132,539	104,673
Representatives	509,902	-	509,902	519,220
Branch Organisation & Recruitment	-	2,403,670	2,403,670	2,926,828
All Other Commitments	129,780	-	129,780	131,857
Other Expenses	27,876	-	27,876	24,589
	<u>800,097</u>	<u>2,403,670</u>	<u>3,203,767</u>	<u>3,707,167</u>

12 Membership Engagement

	Head Office	Branch	2025	2024
	£	£	£	£
Ballots	85,655	51,833	137,488	78,421
Campaigning	102,278	10,426	112,704	121,524
Other National Activity Costs	27,327	13,516	40,843	75,818
Publicity and Merchandise	109,776	174,755	284,531	401,945
	<u>325,036</u>	<u>250,530</u>	<u>575,566</u>	<u>677,708</u>

13 Conference and Executive

	Head Office	Branch	2025	2024
	£	£	£	£
CWU Conferences	152,388	231,017	383,405	1,112,865
Other Conference Delegates Fees	218,515	24,890	243,405	205,095
Executive Council	294,832	-	294,832	321,684
Election Costs	31,465	-	31,465	227,296
	<u>697,200</u>	<u>255,907</u>	<u>953,107</u>	<u>1,866,940</u>

Notes to the Financial Statements (continued)

14 Affiliations and Donations	Head Office	Branch	2025	2024
	£	£	£	£
Trade Union Congress	565,869	-	565,869	545,891
Scottish Trades Union Congress	30,219	-	30,219	29,750
Irish Congress of Trade Unions	18,462	-	18,462	18,998
UNI Global Union	158,781	-	158,781	148,174
Other Affiliations	67,552	53,931	121,483	99,397
Donations	47,889	207,434	255,323	164,213
	888,772	261,365	1,150,137	1,006,423

15 Central Administration	Head Office	Branch	2025	2024
	£	£	£	£
Computer Costs *	396,799	318,895	715,694	1,725,947
Printing, Stationery and Postage	99,549	259,156	358,705	442,651
Telephones	98,495	577,302	675,797	738,512
Research Library	36,093	-	36,093	32,934
Bad Debts *	2,072,250	-	2,072,250	(697,500)
Legal, Professional and Audit Fees	794,350	25,416	819,766	697,563
	3,497,536	1,180,769	4,678,305	2,940,107

* Included in the Computer Cost, the disaster recovery cost in 2025 was nil (2024: £965k) due to cyber attack on the union in March 2024. The incident was reported to the Information Commissioner's Office (ICO) and no further regulatory action was required.

* Include in the bad debt provision was £2,262k for Elstead Hotel (Bournemouth) Limited and a repayment of a previous year provision of bad debt from Unionline of £190k (2024: £700k). This has resulted to a net bad debt for 2025 of £2,072k (2024: positive £698k).

*The central administration cost for 2025 would have been £2,416k, if it were not for the provision for the amounts owed by the Elstead (Bournemouth) Limited.

- Bad debts - Unionline and others + £170k
- Bad debts - Elstead Hotel - £2,262k

16 Property Costs	Head Office	Branch	2025	2024
	£	£	£	£
Rent, Rates and Insurances	867,297	441,645	1,308,942	1,220,953
Light and Heating	215,291	47,319	262,610	260,182
Maintenance and Hire Costs	483,200	292,227	775,427	747,003
Cleaning and Security	198,114	49,517	247,631	241,382
Depreciation - property and other assets	358,685	150,533	509,218	534,625
	2,122,587	981,241	3,103,828	3,004,145

17 Employment Costs	Head Office	Branch	2025	2024
	£	£	£	£
Salaries	7,506,190	-	7,506,190	7,425,344
National Insurance and Government Levies	893,902	-	893,902	821,965
Employers Pension Future Service Cost	825,066	-	825,066	941,434
Employers Pension Administration	803,946	-	803,946	899,277
Trade Union Leave	1,340,821	527,123	1,867,944	1,965,710
Branch Support	-	549,968	549,968	501,901
Agency Staff	190,498	-	190,498	212,613
Personnel Costs	49,374	63,625	112,999	113,298
	11,609,797	1,140,716	12,750,513	12,881,542

Notes to the Financial Statements (continued)

18 Fixed Assets

Freehold Property:

	Freehold Property Head Office £	Freehold Property Branch £	Total £
Cost			
Brought forward 1 January	19,012,213	3,169,978	22,182,191
Additions and Improvements	613,000	12,670	625,670
Disposals	-	(350,000)	(350,000)
Carried forward at 31 December	19,625,213	2,832,648	22,457,861
Depreciation			
Brought forward at 1 January	2,249,346	810,706	3,060,052
Depreciation for year	172,385	84,466	256,851
Disposals	-	(77,000)	(77,000)
Carried forward at 31 December	2,421,731	818,172	3,239,903
Net Book Value			
At 31 December 2025	17,203,482	2,014,476	19,217,958
At 31 December 2024	16,762,867	2,359,272	19,122,139

Freehold property including branch funds comprises of 18 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). There is a signed agreement (pending planning permission) to sell this property but the sales can only take place after 31 March 2027.

The £100k option agreement held over branch freehold property 302a Barlow Moor Road lapsed on 23 December 2024.

Other Fixed Assets:

	Office Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost				
Brought forward 1 January	1,244,721	2,414,063	7,704	3,666,488
Additions	43,795	107,891	-	151,686
Funded Assets	19,885	-	-	19,885
Carried forward at 31 December	1,308,401	2,521,954	7,704	3,838,059
Depreciation				
Brought forward at 1 January	1,040,141	1,978,228	7,704	3,026,073
Depreciation for year	67,814	191,530	-	259,344
Funded Assets	19,885	-	-	19,885
Carried forward at 31 December	1,127,840	2,169,758	7,704	3,305,302
Net Book Value				
At 31 December 2025	180,561	352,196	-	532,757
At 31 December 2024	204,580	435,835	-	640,415

Funded assets represent assets that are purchased with government grants and supplier contract hardware funds. These assets are fully recycled into the grant/fund accounts in the month of purchase with nil impact to the SOCI.

Notes to the Financial Statements (continued)

19 Investments and Long Term Loans

	2025	2024
	£	£
Long Term Loans - Secured (19a)	16,199	24,919
Quoted Investments at Market Value (19b)	5,994,343	5,482,093
Unquoted Shares at Market Value or Cost (19c)	9,517,704	7,458,984
	15,528,246	12,965,996

19a Long Term Loans Secured

	2025	2024
	£	£
Union Officers:		
A Furey	16,199	24,919
	16,199	24,919

Movement during the year:

	2025	2024
	£	£
Brought Forward at 1 January	24,919	33,288
Long term loans repaid	(8,720)	(8,369)
Carried Forward at 31 December	16,199	24,919

19b Quoted Investments at Market Value

	2025	2024
	£	£
Movement during the year:		
Brought Forward Value at 1 January	5,482,093	5,097,818
Disposal of Investments	-	(180,000)
Surplus on Disposal of Investments	-	3,614
Additional Shares Purchased in Year	51,267	180,000
Non-Cash Distributions in Year	-	116,612
Revaluation Surplus in Year	460,983	264,049
Carried Forward at 31 December	5,994,343	5,482,093

The total quoted shares held by the Union at the 31 December 2025:

- 1,587,927 shares in Aberdeen Sustainable Fund at £2.16per share.
- 1,954,978 shares in Aberdeen Money Market Fund at £1.32 per share.

The total original cost of quoted investments was £2,907,664 (2024: £2,907,664). 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.

19c Unquoted Investments at Market Value or Cost

	2025	2024
	£	£
Movement during the year:		
Brought Forward Value at 1 January	7,458,984	4,710,487
Revaluation Surplus in Year	2,058,720	2,748,497
Carried Forward at 31 December	9,517,704	7,458,984

The total unquoted shares held by the Union at 31 December 2025:

- 1,061,196 shares in Unity Trust Bank at £8.95 (2024: £7.01) 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 (2024: £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 (2024: £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.

Unionline

At 31 December 2025 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.

Notes to the Financial Statements (continued)

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 Elstead Hotel (Bournemouth) Limited closed to trade on the 1 December 2024. The original sale fell through in 2025. The latest sale fell through in 2026.

In July 2026, the sale of the Elstead to a third party stalled for the third time since 2021 as the same buyer was unable to secure the necessary commitments from their partner. As a result, in July 2026 we decided to secure the site and close the hotel for the foreseeable future. The sale of The Elstead Hotel (Bournemouth) Limited continues to be a priority and the actions we have taken, and continue to take, will provide an opportunity for all options to be considered and pursued in order to be able to realise the value of the site.

The draft accounts of Elstead Hotel (Bournemouth) Limited as at 31 December 2025 show a loss of £399,897 (2024: £526,079) and shareholders' funds at that date of a negative equity of £2,417,037 (2024: £2017,140).

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. This will be all netted off when the hotel prepares its final accounts in 2026.

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

20 Debtors	2025	2024
	£	£
Members' Subscriptions	1,383,498	1,413,786
Salary Debtors	18,331	21,682
Other Debtors	440,108	2,250,030
Prepayments	563,766	697,506
	2,405,703	4,383,004

21 Cash at Bank and In Hand	2025	2024
	£	£
General Fund - Head Office	618,495	1,776,042
General Fund - Branches	4,249,924	5,201,816
Political Fund	1,158,958	2,124,911
	6,027,377	9,102,769

22 Creditors	2025	2024
	£	£
Trade Creditors	1,099,047	1,307,643
Salary Creditors	180,536	215,521
Accruals and Deferred Income	563,030	1,022,409
Other Creditors	429,462	485,862
	2,272,075	3,031,435

23 Operating Leases

At 31 December 2025 CWU had future minimum lease payments under non-cancellable operating leases as set out below:

	2025	2024
	£	£
Within One Year	499,419	733,793
Within Two to Five Years	590,618	1,028,389
	1,090,037	1,762,182

During the year, amounts payable under operating leases of £505,061 (2024: £784,971) 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 2025, 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:

Amounts Payable to the Schemes' by the Union in Accordance with Actuarial Advice	2025	2024
Staff Superannuation Schemes	£'000	£'000
Normal Contributions	1,348	1,303
Pension Deficit Reduction Payments	2,357	2,281
	3,705	3,584

	31 December	31 December
	2025	2024
	%	%
The Major Assumptions used by the Actuaries for the Schemes		
Discount Rate	5.5-5.8	5.4-5.5
Inflation Rate	2.9-3.0	2.8-3.3
Rate of Salary Increases	2.4-2.7	2.8-2.9
Allowance for Future Deferred Revaluation	2.4-2.9	2.8-3.3
Allowance for Future Pension Increases	2.4-3.6	2.8-3.8

	31 December	31 December
	2025	2024
	£'000	£'000
The Current Allocation of the Schemes Assets		
Cash	1,654	1,750
Corporate Bonds	8,626	8,328
Diversified Alternatives	1,805	6,860
Equities	8,775	4,621
Fixed Income	5,873	-
Insurance Policy	17,670	18,746
Liability-driven Investments (LDI)	22,761	18,968
Multi Asset Funds	13,646	18,896
Property	6	2,359
Secured Income	2,653	-
Fair Value of Schemes' Assets	83,469	80,528
Irrecoverable Surplus	(3,189)	(1,155)
Net Fair Value of Schemes Assets	80,280	79,373

	31 December	31 December
	2025	2024
	£'000	£'000
Changes in Fair Value of Schemes Assets		
Opening Fair Value	80,528	85,337
Interest Income on Schemes Assets	4,325	3,894
Administration Expenses Paid	(557)	(561)
Remeasurement (Loss) / Gain - Return on Schemes Assets	1,523	(6,334)
Contributions paid by the Union	3,705	3,584
Contributions paid by Scheme Members	552	514
Benefits Paid	(6,607)	(5,906)
Closing Fair Value of the Schemes Assets	83,469	80,528
Irrecoverable Surplus	(3,189)	(1,155)
Net Fair Value of the Schemes Assets	80,280	79,373

Notes to the Financial Statements (continued)

Changes in Present Value of Schemes Obligations

	31 December 2025 £'000	31 December 2024 £'000
Opening Obligation	90,772	98,040
Union's Part of Current Service Cost	711	946
Interest Cost on Obligation	4,814	4,435
Contributions paid by Scheme Members	552	514
Actuarial (Gain)	(3,676)	(7,257)
Benefits Paid	(6,607)	(5,906)
Closing Obligation	86,566	90,772

The following amounts have been included within

	31 December 2025 £'000	31 December 2024 £'000
Operating Expenses under FRS 102		
Union's Part of Current Service Cost	(711)	(946)
Service Cost and Extra Contributions	1,348	1,302
Total Operating Income	637	356

The following amounts have been included within

	31 December 2025 £'000	31 December 2024 £'000
Other Income / Expenses under FRS 102		
Expected Return (Interest Income) on Schemes Assets	4,325	3,894
Interest Cost on Obligation	(4,814)	(4,435)
Restricted Interest Income	(660)	(102)
Administration Expenses Paid	(557)	(561)
Other Pension Costs	(1,706)	(1,204)

The following amounts have been recognised

	31 December 2025 £'000	31 December 2024 £'000
outside of the profit and loss under FRS 102		
Actuarial Gain / (Loss) on Post-employment Benefits	5,199	923
Change in Assets not Recoverable in the Future	(1,374)	1,171
Actuarial Gain Recognised in Other Comprehensive Income	3,825	2,094

The following amounts have been recognised in the

	31 December 2025 £'000	31 December 2024 £'000
SOFP under FRS 102		
Present Value of Schemes Obligation	(86,566)	(90,772)
Fair value of Schemes Assets	80,280	79,373
Pension Deficit	(6,286)	(11,399)

Notes to the Financial Statements (continued)

25 Provision for Employers Pension Costs

The current triennial valuations for the CWU 2000 and UCW 2001 schemes are prepared to 31 December 2023 and the NCU SSS is prepared to 31 December 2023. Based on these valuations the schemes reported a combined total pension deficit of £18.1 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 18.6% 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 has agreed that the funding shortfall is expected to be removed by 31 May 2033 by the Union paying contribution at the rate of £850,000 per annum.

UCW 2001 Pension Scheme

The CWU is expected to pay nil future accrual benefits. Under the recovery plan CWU has agreed to remove the funding shortfall by 30 June 2032 which require the Union to pay a contribution of £1.46m per annum, payable till 30 June 2032, increasing in line with CPI inflation, with the first increase of 3.1% starting 1 January 2026.

NCU Staff Superannuation Scheme

Covering the period up to 31 March 2028 the CWU is expected to pay nil future accrual benefits. Under the recovery plan the union will pay four contributions of £42k on 31 October 2024, 31 July 2025, 31 March 2026 and 31 December 2026.

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.

The difference in these two valuations are demonstrated by:	£'000
FRS 102 deficit as included in the annual accounts (note 24)	(6,286)
Triennial valuation deficit (committed funding obligation)	(18,143)
Additional value of the triennial debt that is not depicted in the annual accounts	(11,857)

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 the CWU 2000 and UCW 2001 scheme's were valued was at 31 December 2023 and the NCU SSS at 31 December 2023. They are not valued at 31 December 2025. 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 £11.86m worse off than the audited accounts show.

The Balance sheet is presented in accordance with accounting regulations. The ongoing funding of this deficit is of concern to the Union, the members and the users of the accounts needs to understand the challenging financial position that the Union faces.

Notes to the Financial Statements (continued)

Amended SOFP for the Year Ended 31 December 2025:

	As at page 12 2025 £	Adjustment £	As Amended 2025 £
Fixed Assets	35,278,961	-	35,278,961
Current Assets	8,433,080	-	8,433,080
Current Liabilities: Creditors Falling Due Within One Year	(2,272,075)	-	(2,272,075)
Net Current Assets	6,161,005	-	6,161,005
Total Assets less Current Liabilities	41,439,966	-	41,439,966
Deficit of Defined Benefit Pension Schemes	(6,286,000)	(11,857,000)	(18,143,000)
Net Assets	35,153,966	(11,857,000)	23,296,966
Represented by Union Funds and Reserves:			
General Fund	16,453,038	-	16,453,038
Pension Reserve	(6,286,000)	(11,857,000)	(18,143,000)
Other Designated Funds	239,236	-	239,236
Property Reserve	22,457,862	-	22,457,862
Political Fund	2,289,830	-	2,289,830
Total Union Funds and Reserves	35,153,966	(11,857,000)	23,296,966

27 Contingent Liabilities

The Union had £nil (2024: £nil) contingent liabilities at 31 December 2025.

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 £310,904 (2024: £270,649) and includes gross pay, employers pension contributions and employers national insurance.

29 Related Party Transactions

Unionline

Intercompany transactions at the reporting date:

£4,711,354 (2024: £4,901,354) Other Debtors, note 20, relating to fee recharged in prior years. Repayment reallocated to debtor balance of £190k (2024: £700k) thereby reducing the total debt was provided in the previous years.

Elstead Hotel (Bournemouth) Limited

Intercompany transactions at the reporting date:

£2,062,407 (2024: £1,740,882) Other Debtors note 20, relating to rent, management fees and a loan. This might not be recoverable but there is plan to sale building in the region of £1.8m. As already disclosed, the sale of the Hotel fell through again post year end and this amount has been fully provided for.

CWU Humanitarian Aid

CWU Humanitarian Aid is a registered charity that is administered by CWU Officials. During the year the Union donated £150 (2024: £12,257) to the charity.

Notes to the Financial Statements (continued)

30 Subsequent Events

Elstead Hotel (Bournemouth) Limited

As previously mentioned, in July 2026 (after our reporting period end), the sale of the Elstead to a third party stalled as the buyer was unable to secure the necessary commitments from their partner. As a result, we decided to secure the site and close the hotel for the foreseeable future. All current staff have been served redundancy notices, from the end of October, there will be no staff in the Hotel. As a result, there will be a significant reduction in ongoing operating costs following the redundancies and mothballing of the site. The sale of The Elstead Hotel (Bournemouth) Limited continues to be a priority and the actions we have taken, and continue to take, will provide an opportunity for all options to be considered and pursued in order to be able to realise the value of the site.

In 2026, the CWU has continued to provide the company with appropriate monies so that it can meet its obligations to staff and suppliers as appropriate. We expect this to be in the region of £500k.

CWU Head Office, 150 The Broadway

The sale of 150 The Broadway is progressing ahead with alternative sites being considered for when the sale is completed and the relocation takes place. The move was due by 30 March 2027 but due to a delay with the planning application process this is now unlikely to occur before September 2027. The sale remains a key part of our financial strategy and regular meetings are being held with HAV consultants to assess progress and to ensure that any potential issues are highlighted and addressed promptly.

Trade Union Legal LLP

Following the alleged fraud case by PM Law, the Union paid a sum of £2m after the 2025 year end to fund the client account shortfalls that were identified by the Solicitors Regulation Authority (SRA). This was the portion that was agreed between CWU and GBM in line with the MOU in the ratio of 25/75 respectively to compensate for the immediate request by the SRA to make a payment on account. There is still ongoing investigation, however, the union expect to get back part of the £2m through insurance claims and potential legal action but this is still to be confirmed. The SRA has confirmed that they believe no Unionline staff were involved in the alleged fraud.