

No. 289/26

27th October 2026

TO: ALL BRANCHES

Dear Colleagues,

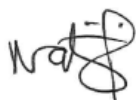
CWU CONSOLIDATED ACCOUNTS 2025

The purpose of the LTB is to inform Branches that further to LTB 270/26 dated 9th October 2026 which invited questions to the 2025 CWU Accounts, that at the closing time for questions to be submitted, (Thursday 22nd October 2025 at 12 noon), two questions had been submitted with one received from the Greater Manchester Branch and one from the Harrow & District Branch.

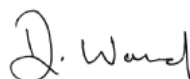
Both questions are attached for ease of reference.

Any enquiries regarding this Letter to Branches should be addressed to dwilshire@cwu.org

Yours sincerely,



Nabih Fonkwe
Head of Finance



Dave Ward
General Secretary

QUESTIONS TO THE CWU CONSOLIDATED ACCOUNTS RECEIVED BY 1200 HOURS ON 22ND OCTOBER 2026

Question 1 Greater Manchester branch (from Jason Lee -Branch Treasurer)

Having read the Consolidated accounts for 2025, I have several questions.

With the continuing losses at Elstead hotel, the PM Law costs, falling cash reserves and declining membership income. What are headquarters plans to getting the Unions cash position back on track? Branch reserves have also fallen by around £1 million last year. Why has this happened, and can you assure branches that there are no plans to reduce branch funding or change the current rebate arrangements?

Finally, what are the predicted monthly costs of the new accounts software apps and what savings will they make?

Response to Question 1:

As disclosed in the accounts there have been some costs associated with the Elstead hotel closure that have impacted negatively on the 2025 accounts.

We had to react to the PM Law fraud situation where we were faced with a set of circumstances out of our control. These situations have impacted the cash position of the union. As part of our strategic approach, we are continuing to work with a property consultant to sale the Elstead Hotel building which should bring some cash back to the union.

These issues aside, the 2025 accounts however illustrate the Unions financial performance has started to see improvements, which should have a direct positive impact on the cash position going forward. Savings are being made across each department at HQ. We have started to realise the financial efficiencies from the restructuring decisions taken at the Special Conference in 2025, with further savings to be realised through the move to a biennial conference, national and Branch review as well as the review of the Standing orders committee.

Although challenges remain with loss of membership per the forecast, we continue to work towards recruiting new members. The NEC will be looking at the current membership subscription bands to see if they remain relevant and support our goal of remaining a standalone Union.

As stated, the CWU Branch review policy is still to be enacted, where everything will be considered although it is confirmed there are no premeditated conclusions.

As part of the ongoing review to make the finances easy to capture and understood at branch level, a financial software (Zoho) is at the implementation stage. The annual cost after the implementation of the new accounting software will be circa £1,440 per annum (excluding VAT) and we expect to recover more than this through efficiencies. The cost of this software will be met by Headquarters and not passed onto Branches.

Question 2 - Harrow and District Branch (from Kanti – Deputy Branch Secretary/Organiser)

Note 27 to the CWU accounts states there are zero contingent liabilities on 31st December 2025. However, in the last published accounts Trade Union Legal LLP refers to the Memorandum of Understanding which can only mean that the CWU and GMB have agreed to continue to fund them. If there is also a guarantee to Premex it is hard to believe that this shouldn't be disclosed as a contingent liability bearing in mind the accumulated losses that Trade Union LLP recorded in their last published accounts. How was the nil figure reached?

Note 29 to the CWU accounts seems to reference £4.7m owed by Unionline and says it has been reallocated to debtor balance of £190K. Can you explain what it means - has the debt of £4.7M been converted to £190K? Has the bulk of the £4.7M been written off?

Note 30 to the CWU accounts references TU Legal LLP and says the CWU had to pay £2M to refund the client account because of fraud. It is noted that this payment was on account, is the £2M figure likely to increase and what amount of the £2M does the CWU expect to be able to recover.

Response to Question 2:

Re. Note 27: At the time of preparing the 2025 accounts, CWU reviewed its liabilities and Trade Union Legal LLP was not considered as contingent liabilities, as the potential financial obligation seemed remote. Its likelihood might be possible but was not certain enough at the time of reporting. TU legal is a going concern limited company in its own right and all transactions with the union have been treated at this stage at arm's length. We have been prudent enough to provide for all expenses/receivable that is on the union's ledger that are doubtful.

We would look at its activities again in 2026 to see if it qualifies to be considered as a contingent liability to the union, should more information become available.

Re. Note 29, The £4.7m owed by Unionline was relating to management charge that was billed to Unionline over the years. As Unionline was not making enough profit to pay for the charges levied to them by the union, the amount has been provided in full as doubtful debt in previous years. In 2024 and now 2025, we were able to clawback £700k and £190k respectively, which we have now used to reduce the debt. This doubtful balance is still under review and we have continued to report as deemed appropriate.

Re. Note 30, as explained in the accounts, the £2m was the agreed split between CWU and GMB under the MOU in the ratio 25:75 respectively. The amount paid by CWU and GMB cleared the full amount request by Solicitors Regulated Authority. So, no, the amount is not likely to be increased. The up-to-date expectation is that we should get some of the £2m back through an active insurance claim. However, it is difficult to determine the amount at this stage.