

# UNITE THE UNION

STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION  
AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED)  
FOR THE PERIOD ENDED 31 DECEMBER 2007



EXTRACTED FROM THE FULL ACCOUNTS:

## REPORT OF THE JOINT GENERAL SECRETARIES

### Review of 2007 to date

One year after the formation of Unite, the projected benefits of the merger between Amicus and the Transport and General Workers Union are coming through, both on the balance sheet and throughout the organisation. The current financial stability provides an excellent basis for the further realisation of economies of scale and for future membership growth.

Savings derived from the integration and rationalisation of service departments and the officer force will continue to release resources for the organisation's strategy for growth. At the heart of this strategy are three pillars.

Firstly, heavily resourced domestic organising and recruitment activity designed to exploit the membership potential in industrial areas where the Union already has a presence and a comprehensive drive to organise in developing sectors will aim to reverse the decline in our membership base.

Secondly, creating a political climate conducive to the growth of Trade Unions and to restore their collective bargaining strength.

Thirdly, a proactive policy of pursuing international trade union mergers, seeks to increase the Union's influence on employers and governments to improve the service we provide to our members. To this end we have signed an agreement with the USW, a union of over a million members in the US, Canada and the Caribbean, to form the first global union. Exploratory talks are already underway for further mergers within Europe, and indeed, worldwide.

The Union's campaigns on pensions, affordable housing, employment rights and public services continue to resonate with working people and to influence government. Recent campaigns on rights for Agency and Temporary workers and on fair tips for waiters have attracted considerable public support and eventual action by government to meet our demands.

The service provided by officers, employees and activists will continue to improve through the consolidation of departments and the integration of IT systems. A state of the art customer relationship management system, being applied across the entire organisation, will dramatically improve our ability to communicate with and respond to the individual needs of our diverse membership. At the same time the installation of video conferencing facilities in every region of the Union is saving time and resources throughout our organisation.

Our free legal services for members and their families continue to win for them millions of pounds in compensation every year. Our unique agreements with trade union solicitors enable us to provide a service unavailable to the general public, which is better than "no win no fee".

Recognising the strength and appeal of our Union is based on the quality of our volunteer activists, we will continue to build on the training and support services we provide to our people on the ground. Our first class education, research and communications services are now bigger and more comprehensive than ever before and stand ready to back up our activists and officers in their fight for better pay and conditions for our members.

In Unite we recognise that the struggle faced by working people in an increasing globalised economy is a hard one. Everything we do in Unite is designed to ensure it is a struggle they do not face alone.

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007

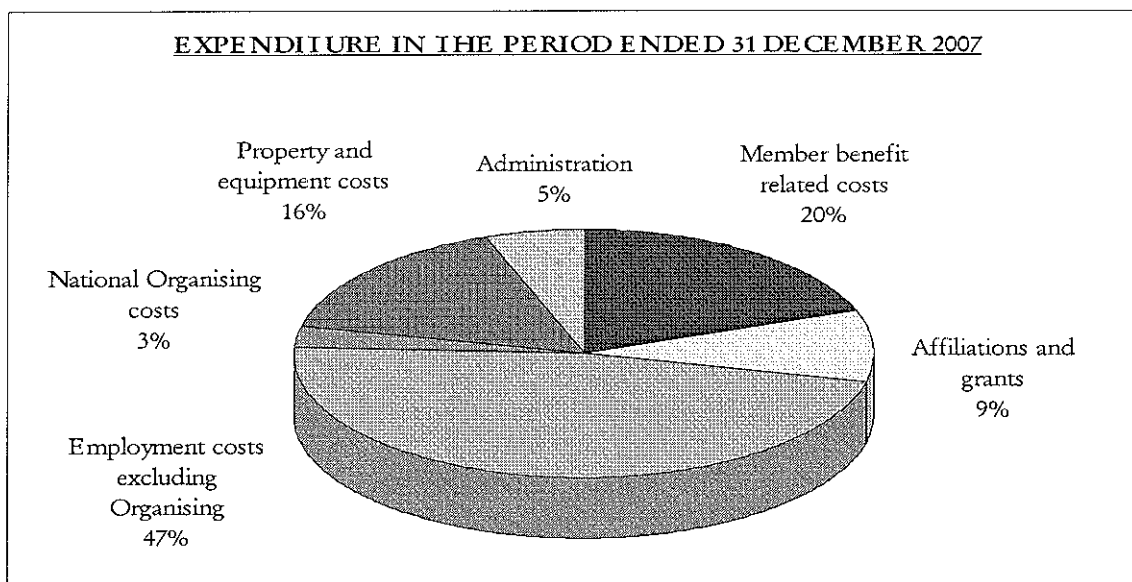


### Results for the period

The income and expenditure account of the Union for the period ended 31 December 2007 is set out on page 6. It is pleasing to note that the Union has generated an operating surplus of £5.5 million from income from members. One of the benchmarks that the Union has set itself is to "live within its means" and to achieve this in the first period of operation without reliance on other income is an achievement. This is also the basis upon which the financial strategy of the Union going forward over the next three year period is based. In order to achieve the economies of scale to operate efficiently, there will be need to be a restructuring not just in respect of the number of employees but also locations, systems, methods of operation and procedures

The overall surplus for the period taking into account other income and non-recurring items, as well as the impact of FRS17, is a surplus of £7.5 million. The impact of FRS17 on the results of the Union is separately identified, principally because of the vast fluctuations that can take place on a year by year basis in respect of the FRS17 valuation. The feeling of the Union is that it is far better to separately identify this than have it distorting the operating position of the Union.

The result achieved in this first period gives us a strong foundation upon which to build going forward. The pie chart set out below shows the make up of the expenditure of the Union in this period



Our biggest cost is in relation to our employees, who are also our greatest asset, the majority of who are serving the members on a day to day basis. Our employees cost accounts for 50% of the overall expenditure of the Union, with a further 20% of the expenditure going directly on member benefit related costs

### Balance sheet

The balance sheet of the Union is set out on page 8 and reflects our properties and investments at their realisable values. The immense strength of the Union can immediately be seen by virtue of the fact that the overall net worth of the Union is in excess of £240 million. One of the aims of our medium term financial strategy is not only to maintain this financial strength but also ensure that the worth of the Union increases year on year. To achieve this, the Union needs to generate surpluses in order to allow investment in the future infrastructure needed to operate and manage the Union both efficiently and effectively.

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## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007



### Pensions and FRS17

The Union is required to incorporate in its balance sheet the value of its pension liabilities under Financial Reporting Standard No 17. The net pension liability of the Union under FRS17 as at 31 December 2007 amounts to £11.2 million. In addition, the provisions in respect of unfunded pension obligations, amounting to £7.3 million, are now aggregated with the FRS17 liability. This overall provision at the end of the year is an improvement of £5 million compared to the position at the beginning of the period. This reflects the efforts made by the Union to deal with deficits in relation to the pension schemes, which we will continue to honour and deal with.

### The future

The Union has ended the first period of its existence with not only a strong balance sheet but also an impressive operating result. However, we cannot be complacent as there are many challenges facing the Union in the years ahead. If we are to consolidate our position as the premier campaigning Union in this country, not just in size, but in impact and influence, we will need to ensure that we continue to live within our means and take the necessary steps to streamline the operations of the Union to the benefit of all our members. These are challenges we will face together and we are sure that we will rise to meet these and go from strength to strength over the coming years.

Derek Simpson  
Joint General Secretary

Tony Woodley  
Joint General Secretary

Dated: 25 June 2008

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007

EXTRACTED FROM THE FULL ACCOUNTS:

### COMBINED INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2007

	£ '000	£ '000
Income from members		
Contributions - General funds	93,278	
Branch funds	4,524	
Political funds	4,539	
	<hr/>	102,341
Expenditure		96,754
Surplus/(deficit) of income from members		<hr/> 5,587
Other income		6,019
		<hr/> 11,606
Non-recurring items		(4,938)
Taxation		(2)
Surplus for the period before FRS17		<hr/> 6,666
FRS17 adjustment		786
Surplus for the period		<hr/> 7,452
Reserves on merger		228,989
Additional branch funds balances		300
Pension scheme actuarial gain		3,839
Combined funds at 31 December 2007		<hr/> <hr/> 240,580

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007

### EXTRACTED FROM THE FULL ACCOUNTS:

### SUMMARY BALANCE SHEET - COMBINED FUNDS AS AT 31 DECEMBER 2007

	£ '000
Tangible fixed assets	136,527
Investments	104,787
Current assets	61,860
Current liabilities	(24,274)
Provisions for liabilities and charges	(19,737)
Net pension liability	(18,583)
	<hr/>
	240,580
	<hr/>
<b>Financed by:</b>	
General funds	225,901
Branch funds	10,099
Political funds	2,521
Superannuation funds	2,059
	<hr/>
	240,580
	<hr/>

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

*"A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.*

*The member may raise any such concerns with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.*

*Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice."*

Any member of the Union who wishes to obtain a copy of the full accounts for the period ended 31 December 2007 should write to Les Bayliss at King Street or Ed Sabisky at Unite, Holborn.

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007

### ANALYSIS OF OFFICIALS SALARIES AND BENEFITS FOR THE PERIOD ENDED 31 DECEMBER 2007

	<u>Details</u>	<u>Amount £</u>
Derek Simpson - Joint General Secretary	Salary	62,673
	Pension contributions	16,156
	Other benefits	39,514
Tony Woodley - Joint General Secretary	Salary	59,533
	Pension contributions	9,552
	Other benefits	3,360

Members of the Executive Council are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union. They are also reimbursed for the loss of earnings whilst on Union business. In certain circumstances these amounts are reimbursed directly to the employer of the executive member. Certain members of the Joint Executive Council receive Delegation allowances and payments in their role as branch officers.

	<u>Loss of earnings / Expenses</u>		<u>Loss of earnings / Expenses</u>
	<u>£</u>		<u>£</u>
Arthur Adshead	636	David Jones	Nil
Ian Allinson	Nil	Jim Kendall	Nil
John Ayling	517	John King	Nil
Billy Ayre	Nil	Margaret Lawson	Nil
Derek Barlow	Nil	Jane Lewis	Nil
Ray Bazeley	Nil	Dave Lovelidge	246
Mohammed Benkharmaz	Nil	Stuart McGhie	Nil
Judy Box	Nil	Mick	Nil
Brian Cole	Nil	Alan Mercer	Nil
Steve Davison	Nil	Mick Millichamp	Nil
Ged Dempsey	Nil	Tam Mitchell	Nil
Sybil Dilworth	Nil	Janet Moir	Nil
Dave Dutton	Nil	Dave Nestor	Nil
Alastair Fraser	Nil	John Oliver	Nil
Pauline Frazer	Nil	Brian Pemberton	Nil
Gill George	Nil	Rod Pickford	Nil
Eddie Grimes	Nil	Mo Reideman	Nil
Dennis Haynes	Nil	Brian Rice	Nil
Margaret Hazell	Nil	John Ruane	Nil
Simon Hemmings	Nil	David Ryder	Nil
Jerry Hicks	Nil	Charles Screen	424
Graham Hunt	Nil	Sue Sharp	Nil
Dave Hutchinson	1,348	Linda Somerville	Nil

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED) FOR THE PERIOD ENDED 31 DECEMBER 2007

	<u>£</u>		<u>£</u>
Bill Spiers	705	Ivan Monckton	4,501
Jane Stewart	Nil	Mick Murphy	2,226
Mickey Stewart	Nil	Patrick Oliver	2,280
Dean Taylor	Nil	Chris Perrett	1,106
Peter Taylor	1,359	Brenda Pleasants	2,375
Roy Taylor	198	David Ritchie	2,384
Meurig Thomas	Nil	Barrie Roberts	1,749
Paul Tillbrook	Nil	Paulene Robson	2,275
Agnes Tolmie	Nil	Brenda Sanders	3,721
Dave Trafford	Nil	John Sheridan	3,060
Chris Tranter	Nil	Patricia Stuart	4,510
Howard Turner	1,792	Mohammad Taj	2,007
Malcolm Vass	Nil	Monica Taylor	1,052
Colin Walker	Nil	Mark Thompson	2,010
Gordon Whitman	Nil	Iggy Vaid	2,072
Walter Wilson	Nil	Marie Vannet	1,106
D Barker	Nil	Richard Whyte	Nil
Linda Beaven	1,135	Tony	2,596
John Boughton	2,802	Janet Young	1,961
David Brady	843		
Tom Cashman	2,589		
Willie Coleman	2,699		
Allyson Daykin	2,070		
Pat D'Cruz	2,277		
Dave De Lacy	3,317		
Roberta Doble	3,130		
Mike Gibbons	2,070		
Chris Green	1,854		
David Harrison	2,552		
Sue Jopson	1,644		
Jimmy Kelly	1,646		
Tony Lewington	2,594		
Mark Lyon	1,970		
David Mathieson	4,657		
Martin Mayer	1,799		
Jackie McDowall	2,703		
Trevor McDowell	1,590		

# UNITE THE UNION

## STATEMENT TO MEMBERS AS REQUIRED UNDER THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992 (AMENDED)

FOR THE PERIOD ENDED 31 DECEMBER 2007

### REPORT OF THE INDEPENDENT AUDITORS

Set out below is a report of the independent auditors to the members as contained in the accounts of the Union for the year ended 31 December 2007.

#### REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

#### UNITE THE UNION

We have audited the accounts of Unite the Union for the period from 27 April 2007 to 31 December 2007 set out on pages 6 to 25. These accounts have been prepared under the accounting policies set out on pages 10 and 11.

This report is made solely to the members of the Union as a body. Our audit work has been undertaken so that we might state to the members of the Union those matters we are required to state to them in a report of the independent auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the members of the Union as a body, for our work, for this report, or for the opinion we have formed.

#### **Respective responsibilities of the Union's Executive Council and auditors**

As described on page 4, the Executive Council are responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view. We also report to you if, in our opinion, the Union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the accounts and consider whether it is consistent with the audited accounts. This other information comprises only the Report of the Joint General Secretaries. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to the Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether

#### **Opinion**

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Union as at 31 December 2007 and of its transactions for the period then ended.

#### **H W Fisher & Company**

Chartered Accountants, Registered Auditor  
Acre House  
11-15 William Road  
London NW1 3ER  
United Kingdom  
Date: 30 June 2008

#### **Hard Dowdy**

a trading style of Chantrey Vellacott DFK LLP  
Chartered Accountants, Registered Auditor  
23 - 28 Great Russell Street  
London WC1B 3NG  
United Kingdom  
Date: 30 June 2008