

ADVANCE

Statement to Members as required under the Trade Union and
Labour Relations (Consolidation) Act 1992 (Amended)
Year ended 31 December 2021

SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
THE FULL FINANCIAL STATEMENTS

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR
THE YEAR ENDED 31 DECEMBER 2021

	<u>2021</u> <u>£'000</u>	<u>2020*</u> <u>£'000</u>
Subscription income	494	520
Other income	100	100
Draw income	24	25
	<hr/>	<hr/>
Total income	618	645
Total expenditure	(405)	(392)
Income from investment operations	273	13
	<hr/>	<hr/>
Surplus for the year	486	266
Accumulated Surplus brought forward	3,641	3,375
	<hr/>	<hr/>
Accumulated Surplus carried forward	<u>4,127</u>	<u>3,641</u>

* There has been a presentational change to prize draw income and expenditure. The prize draw income and prizes awarded are now shown gross on the face of the Income and Expenditure Account. Previously the net amount was shown in income with the gross amounts shown in a note. The Income and Expenditure Account for the year ended 31 December 2020 has therefore been amended in accordance with this approach. This has resulted in income and expenditure being increased by £18,900. It has no impact on the comprehensive result for the year.

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SUMMARY BALANCE SHEET AT 31 DECEMBER 2021

	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Fixed Assets	57	45
Investments	3,716	2,996
Current assets	405	650
Current liabilities	(51)	(34)
Long term liabilities	-	(16)
	<hr/> <u>4,127</u>	<hr/> <u>3,641</u>
Income and expenditure account	<u>4,127</u>	<u>3,641</u>

SUMMARY OF SALARIES AND BENEFITS PROVIDED

<u>Name</u>	<u>Position</u>	<u>Details</u>	<u>Amount</u>
L Rolph	General Secretary	Salary Benefits	£16,406 £6,711
R O'Neill	Deputy General Secretary	Salary Benefits	£nil £nil
C Kelly	National Chairman	Salary Benefits	£nil £nil
S Purse	National Vice Chairman	Salary Benefits	£nil £nil

The members of the National Executive Committee do not receive any salary from the Union or any benefits. All members of the National Executive Committee are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union, as are the General Secretary, the National Chairman and the National Vice Chairman.

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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ADVANCE

Set out below is the report of the independent auditors to the members as contained in the accounts of the Union for the year ended 31 December 2021:

Opinion

We have audited the financial statements of Advance (“The Union”) for the year ended 31 December 2021 which comprise the Income and Expenditure account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Union's affairs as at 31 December 2021 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to the audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The National Executive Committee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 this gives rise to 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.

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We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the National Executive Committee

As explained more fully in the Statement of Responsibilities of the National Executive Committee, the National Executive Committee is responsible for the preparation of financial statements and being satisfied that they give a true and fair view, and for such internal control as the Union 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 Committee is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Union either intends to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

As part of our planning process:

- We enquired of management the systems and controls the Union has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The Union did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the Union. We determined that the following were most relevant: FRS 102 and the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).
- We considered the incentives and opportunities that exist in the Union, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.

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- Using our knowledge of the Union, together with the discussions held with the Union at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances and investments.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as minutes of meeting for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the National Executive Committee.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report to the members of The Union

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

HW FISHER LLP
Chartered Accountants
Statutory Auditor

Date: 13 June 2022

Acre House
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London NW1 3ER
United Kingdom

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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.

The irregularity statement, the exact wording which is reproduced below:

"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."