

Registration No. 5028T – Trade Union
And Labour Relations (Consolidation)
Act 1992

AEGIS THE UNION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

DRAFT

AEGIS THE UNION

COMPANY INFORMATION

Treasurer

Mrs Fiona Steele

General secretary

Mr. Brian Linn

Union address

Aegon UK
Lochside Crescent
Edinburgh Park
Edinburgh
EH12 9SE

Accountants

Cunningham Grant
Chartered Accountants
G6 The Granary Business Centre
Coal Road
Cupar
Fife
KY15 5YQ

Auditors

Johnston Smillie Ltd
Chartered Accountants
6 Redheughs Rigg
Edinburgh
EH12 9DQ

Bankers

Unity Trust Bank
Nine Brindley Place
Birmingham
B1 2HB

AEGIS THE UNION

CONTENTS

	Page
Statement of Committee of Management's Responsibilities	1
Independent auditors' report	2 - 3
Income and expenditure account	4 - 5
Balance sheet	6
Notes to the financial statements	7 - 10

AEGIS THE UNION

STATEMENT OF THE COMMITTEE OF MANAGEMENT'S RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2021

The Committee of management are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Constitution of the Association requires the Committee of Management to prepare financial statements for each year. The Committee of management have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the association and of the surplus or deficit of the association for that period. In preparing those financial statements, the Committee of management are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.

So far as the Committee of Management is aware, there is no relevant audit information of which association's auditor is unaware. Additionally, the Committee of management have taken all the necessary steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

Brian Linn

Mr. B. Linn
On behalf of the Committee of Management

AEGIS THE UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGIS THE UNION

Opinion

We have audited the financial statements of Aegis the Union (the 'Union') for the year ended 30 June 2021 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 30 June 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 company 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. 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 Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The Committee of Management are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

AEGIS THE UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGIS THE UNION

Matters on which I am required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Committee of Management' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Committee of Management's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of Committee of Management

As explained more fully in the Committee of Management's responsibilities statement, the Committee of Management are 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 Committee of Management determine 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 Committee of Management are 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 Committee of Management 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.

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.

We obtained an understanding of the legal and regulatory frameworks applicable to the Union, focusing on provisions of those laws and regulations which could have a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Trade Union and Labour Relations (Consolidation) Act 1992, FRS 102 and local tax legislation.

We assessed the susceptibility of the Union's financial statements to material misstatement, including how fraud might occur, by considering our knowledge of the entity and the sector in which it operates and by discussion with staff and those charged with governance. We considered the procedures and controls that are in place to address risks identified, or that otherwise prevent, deter and detect fraud.

AEGIS THE UNION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGIS THE UNION

Based on this understanding we designed our audit procedures to detect circumstances in which irregularities could result in material misstatement and to identify irregularities which may have occurred. Our procedures included: journal entry testing; enquiries of staff and those charged with governance; review of specific transactions and documentation; analytical procedures; and review of the presentation and disclosures in the financial statements.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

This report is made solely to the Union's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992. 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.

Lea Brash BA CA (Senior Statutory Auditor)
for and on behalf of Johnston Smillie Ltd

Chartered Accountants
Statutory Auditor

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6 Redheughs Rigg
Edinburgh
EH12 9DQ

AEGIS THE UNION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	£	2021 £	£	2020 £
Turnover					
Union Dues			320,136		259,849
Donations			169,500		169,500
Commissions Receivable			-		103
Union Learning			286,677		331,730
Settlement Agreements			16,850		14,800
Flat Rental Income	3		10,904		10,055
			<u>804,067</u>		<u>786,037</u>
Administrative Expenses					
Wages and salaries (excl. N.I.)		235,212		232,700	
Redundancy payments		43,701		-	
Employer's N.I. contributions		27,870		26,668	
Employer's Pension contributions		27,733		23,736	
Employee Benefits		10,817		10,597	
Staff training		376		5,024	
Insurance		4,406		4,170	
Conference		797		1,052	
Printing, postage and stationery		1,069		5,667	
Caseworker expenses		-		900	
Telephone		4,217		3,989	
Computer running costs		24,237		19,653	
Advertising		2,749		5,482	
Motor vehicle leasing		18,672		18,274	
Motor running expenses		144		2,461	
Assistant General Secretary Travel		88		3,438	
General Secretary travel and subsistence		804		5,915	
General Committee travel and subsistence		476		10,951	
Deputy General Secretary travel and subsistence		186		2,751	
Legal and professional fees		4,953		19,037	
Audit fees		4,560		4,560	
Accountancy fees		3,636		3,037	
Bank charges		721		812	
Commissions Payable		-		90	
Lottery		7,875		9,561	
Sundry expenses		379		1,924	
Flat rental expenses		2,658		2,876	
Affiliation fees		21,775		23,079	
Union Learning expenses		276,355		338,826	
Bad debts written off		-		400	
Depreciation on tangible fixed assets	5	815		818	
			<u>(727,281)</u>		<u>(788,448)</u>
Operating profit before interest and tax c/f			76,786		(2,411)

AEGIS THE UNION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Operating profit before interest and tax b/f		76,786	(2,411)
Other interest receivable and similar income	3	6	415
Interest payable and similar charges		-	-
Changes in the fair value of investment properties		15,249	-
Operating profit before tax		<u>92,041</u>	<u>(1,996)</u>
Tax on deficit on ordinary activities	4	(4,465)	(1,443)
Operating profit		<u>87,576</u>	<u>(3,439)</u>

AEGIS THE UNION

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	5		200,368		185,934
Current assets					
Stocks		1,370		1,000	
Debtors	6	75,494		102,359	
Cash at bank and in hand		315,202		220,180	
		<u>392,066</u>		<u>323,539</u>	
Creditors: amounts falling due within one year	7	<u>(29,192)</u>		<u>(36,704)</u>	
Net current assets			362,874		286,835
Total assets less current liabilities			<u>563,242</u>		<u>472,769</u>
Provisions for liabilities			<u>(2,897)</u>		-
Net Assets			<u>560,345</u>		<u>472,769</u>
Represented by:					
Reserves	8		<u>560,345</u>		<u>472,769</u>

The financial statements were approved by the Committee of Management on

FIONA STEELE

Treasurer

AEGIS THE UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1. Accounting policies

1.1 Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A small entities, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. The financial statements are prepared in sterling which is the functional currency of the Union and rounded to the nearest £1. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis.

1.3 Income

Income represents subscriptions received from members during the year, employer donations, income receivable from investments and monies on deposit.

Income is recognised to the extent that it is probable that the economic benefits will flow to the Union and the income can be reliably measured. Income is measured as the fair value of the consideration received or receivable.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33 1/3% Straight Line
Motor vehicles	25% Reducing Balance

1.5 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

1.6 Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account on a straight line basis.

1.7 Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell (net realisable value). Net realisable value is based on the estimated selling price less any estimated completion or selling costs.

1.8 Employee Benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

AEGIS THE UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

2. Operating profit

	2021	2020
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	815	818
Auditors' remuneration	4,560	4,560
	<u>4,560</u>	<u>4,560</u>

3. Investment income

	2021	2020
	£	£
Bank Interest	6	415
Rental Income	10,904	10,055
Total investment income	<u>10,910</u>	<u>10,470</u>

4. Taxation

	2021	2020
	£	£
Domestic current year tax		
U.K. corporation tax	1,568	1,443
	<u>1,568</u>	<u>1,443</u>
Deferred taxation		
Taxation on changes in fair value of investment properties	2,897	-
	<u>2,897</u>	<u>-</u>
Total tax charge	<u>4,465</u>	<u>1,443</u>

AEGIS THE UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

5. Tangible fixed assets

	Investment Property £	Plant & Equipment £	Total £
Cost			
At 1 July 2020	184,751	18,026	202,777
Revaluation	15,249	-	15,249
Disposals	-	-	-
At 30 June 2021	200,000	18,026	218,026
Depreciation			
At 1 July 2020	-	16,843	16,843
On disposals	-	-	-
Charge for year	-	815	815
At 30 June 2021	-	17,658	17,658
Net book value			
At 30 June 2021	200,000	368	200,368
At 30 June 2020	200,000	1,183	185,934

The investment property was valued by the directors as at the balance sheet date with reference to the market value of similar properties in the area.

6. Debtors

	2021 £	2020 £
Trade debtors	750	1,600
Other debtors	74,744	100,759
	<u>75,494</u>	<u>102,359</u>

AEGIS THE UNION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	-
Taxation and social security	10,640	15,439
Other creditors and accruals	18,552	21,265
	<u>29,192</u>	<u>36,704</u>

8. Statement of movements on reserves

	Reserves £
Balance at 1 July 2020	472,769
Profit for the year	87,576
Balance at 30 June 2021	<u>560,345</u>

9. Financial commitments

At 30 June 2021 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than one year	5,066	1,211
Later than 1 year and not later than 5 years	21,156	23,527
Total	<u>26,222</u>	<u>24,738</u>

10. Employees

The average monthly number of employees, including directors, during the year was as follows:

2021 No	2020 No
10	10

11. Union Learn Scotland Development Fund

During the year to 30 June 2021 the Union was in receipt of a Development Fund of £24,900 from the STUC (2020: £20,000). All funding has been spent for this project in the year and all payments to third party training providers were made directly by STUC.

AEGIS THE UNION

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 30 JUNE 2021

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AEGIS THE UNION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

Turnover	2021	2020
	£	£
Union Dues	320,136	259,849
Donations	169,500	169,500
Commissions receivable	-	103
Union Learning	286,677	331,730
Settlement agreements	16,850	14,800
Flat Rental income	10,904	10,055
	<u>804,067</u>	<u>786,037</u>
Administrative expenses	<u>(727,281)</u>	<u>(788,448)</u>
Operating profit	76,786	(2,411)
Other interest receivable and similar income		
Bank interest received	6	415
Interest payable		
Bank interest paid	-	-
Amounts written off investments		
Changes in the fair value of investment properties	15,249	-
Profit before taxation	<u>92,041</u>	<u>(1,996)</u>

AEGIS THE UNION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 JUNE 2021

	2021 £	2020 £
Administrative expenses		
Wages and salaries (excl. N.I.)	235,212	232,700
Redundancy payments	43,701	-
Employer's N.I. contributions	27,870	26,668
Employer's Pension contributions	27,733	23,736
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