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Annual Financial Reports of Trade Unions — Republic of Ireland

The following statement of guidance on the annual reports of Trade Unions is issued by the Council to apply to all registered Trade Unions in the Republic of Ireland. The provisions of this statement need not be applied to items whose effect is judged to be Immaterial to an understanding of the financial statements.

INTRODUCTION

1 The financial statements of registered trade unions are prepared for the members and for the Registrar of Friendly Societies, and should present a true and fair view of the income and expenditure for the year, the cash flow for the year and the state of affairs at the balance sheet date. Financial Reporting Standards, where applicable, should be adhered to.

2 Any departure from these recommendations should be disclosed and explained in the financial statements.

THE ANNUAL REPORT

Activities and funds to be reported on

3 The annual report of a trade union prepared under the rules of the trade union and laid before the members at conference and/or circulated to individual members or branches should contain information on all the activities and funds of the trade union and all its branches.

The content of the Annual Report

4 The annual report should contain The Officers’ Report and the financial statements together with the auditor’s report thereon.

The Officers’ Report

5 The Officers’ Report is the main narrative section of the annual report. It should contain:

5.1 A statement of the officers’ responsibilities, in which the officers acknowledge their responsibility for the preparation of the financial statements and further acknowledge their responsibility for ensuring that adequate financial controls are in place, and that competent financial management is employed. They should also state that they understand and concur with the major judgements and estimates which underlie the financial statements.

5.2 A review of the development activities and achievements of the trade union during the year. This review should explain the important events which have occurred during the year and how the trade union responded to them.
5.3 An outline of membership and benefits. This should include the number of members at
the beginning of the year, the number of members admitted, the number of members who
left during the year and the number of members at the end of the year. Any movement in
contribution income should be discussed and explained by reference to changes in
membership and other factors. An outline of the benefits available to members of the
trade union should also be given.

5.4 A review of any industrial disputes during the year in which the trade union had an
involvement, indicating the outcome of each.

5.5 A review of the transactions and financial position of the trade union, and an explanation
of the salient features of the financial statements. This review should enable the reader
to appreciate the significance of any surpluses or deficits disclosed in the financial
statements, the purposes for which the trade union’s assets are being held and the uses
made of funds.

THE AUDITOR’S REPORT
6 Trade union financial statements should be audited by a person qualified to do so.
Auditors should issue their reports in accordance with Statements of Auditing Standards.

THE FINANCIAL STATEMENTS
7 The financial statements constitute a report in financial terms on the activities and
resources of the trade union. They should comprise a revenue account, a balance sheet,
a cash flow statement and supporting notes.

7.1 A revenue account which shows the resources made available to the trade union and the
expenditure incurred by the trade union during the year on an accruals basis, highlighting
exceptional items and extraordinary items where they occur. The following items should
be disclosed separately in this account:
- Members’ contributions
- Levies
- Other income from members (with analysis in the notes)
- Income from other sources (with analysis in the notes)
- Unemployment pay
- Sick and accident pay
- Affiliation fees
- Salaries, benefits and allowances of officers
- Auditor’s remuneration
- Travel and other expenses of officers
- Travel expenses to district and general conferences
- Depreciation and amortization
- Staff costs
- Other expenses (with analysis in the notes)
Such items should be disclosed on the face of the revenue account. Additionally a
separate revenue account should be prepared for each fund account and in particular for
the political fund as required by the Trade Union Act, 1913.

7.2 A balance sheet which shows the assets, liabilities and funds of the trade union, should
be presented in accordance with the Companies Acts and generally accepted accounting
practice is required. Trade unions should identify any political funds separately on the
face of the balance sheet as required by the Trade Union Act, 1913.
7.3 A Cash Flow Statement should be prepared by all trade unions.

7.4 A statement of accounting policies used to prepare the financial statements should be provided. Examples of the accounting policies which should be included are:
- the convention under which the financial statements have been prepared
- the basis of accounting for contribution income
- the accounting bases adopted in connection with separate funds (including any political funds set up in accordance with the Trade Union Act, 1913)
- the depreciation of tangible assets and amortization of intangible assets
- the method of valuing financial assets.

Once adopted, the accounting policies should be consistently applied throughout the period and from one period to the next.

7.5 Other notes which explain or expand upon the information contained in the financial statements above, and notes required by applicable accounting standards should be provided. In particular the following information should be disclosed by way of note:
- number of members at the beginning and end of the period
- average number of employees
- staff costs, broken down into the following components:
  • wages and salaries
  • social welfare costs
  • other pension costs
- officers remuneration
- movements in tangible, intangible and financial assets
- movements in funds

7.6 Comparative figures should be given for all amounts disclosed in the financial statements, including disclosure in the notes to the financial statements.