



## Summary Financial Information

Year to 31 December 2005

<u>Contents</u>	<u>Page</u>
Report of the General Secretary	1-3
Statement to Members for the year to 31 December 2005	4-7

**Amicus**  
**Report of the General Secretary**  
**Year Ended 31 December 2005**

**Review of 2005**

2005 was a year of consolidation and of the continuation of our strategy for improvements to our political and financial strength.

The integration of the GPMU and Unifi into Amicus progressed steadily in 2005 culminating in their full participation in the Rules and Policy Conference in Brighton.

The integration of these two sections has contributed to Amicus becoming a big and successful trade union. Our reputation in the trade union movement, amongst employers and in political circles is formidable and for good reason.

In 2004 Amicus signed up 70,000 new members and in 2005 we beat this total by 14,000. So many people joined that we were forced to introduce a completely new system to cope with the applications.

Amicus led the trade union campaign for a Labour election victory, a victory that was not a foregone conclusion and one that without our efforts would not have been won. Our members turned out to vote in marginal constituencies on the back of the Warwick agreement. A deal negotiated by the trade unions that saw the Labour manifesto strengthened by pledges to deal with the issue our members care most about.

Our campaigns on pensions, jobs, equal pay and employment rights were the envy of the labour movement. Pensions in particular were dear to the hearts of our members. We kept up the pressure on government to address the need to restore the link between state pensions and earnings, we championed the cases of workers who lost everything when their boss went bust and we called for compulsory pensions contributions to halt the haemorrhage of well funded pensions.

Amicus won a dispute against Britain's biggest bank to win pay rises for staff who have had nothing for over four years. Amicus took on the MOD defending 1,000 skilled engineers at ABRO Donnington with total success. Wherever our members need us Amicus stands up to defend them.

We staged a 1,000 delegate policy and rules conference in Brighton. It impressed activists, guests, media and the Chancellor equally. It was an event worthy of Britain's strongest union.

**Amicus**  
**Report of the General Secretary**  
**Year Ended 31 December 2005**

In July 2005, Amicus members joined with other like-minded organisations in Edinburgh and across the country to protest against global poverty and globalisation. Simultaneously we convinced the T&G and the GMB to enter into discussions with us with the common goal of forming the biggest union in the world. A union with so much industrial and political clout it could be truly capable of combating the worst effects of globalisation.

Success on every front is what is building our reputation and it is a reflection of the hard work done by all our officers and staff and workplace reps. We give a great service to our members and that is why so many want to join us.

### **Results for the Year**

One of the first matters to note is that the 2005 figures include the income and costs of GPMU and Unifi for a full year, whereas the 2004 figures only include those for the period since their Transfer of Engagements towards the end of 2004. Consequently, the two years are not directly comparable for that reason.

The results for the year show an operating deficit of £9.3 million. Notwithstanding our income grew by some £13.1 million, the expenditure also grew by some £20.7 million.

As mentioned in my report last year, a further voluntary redundancy program has taken place during 2005 to tackle the level of costs noted above. Within other non-operating items, you will note costs connected with our Voluntary Redundancy Programme of almost £12 million.

One of the main core benefits of Amicus membership is the legal services to its members. You will see that legal costs increased in 2005 to £2.4 million.

I am delighted to report that Amicus recovered almost £70 million in compensation for its members during the year.

### **Pensions and FRS17**

As previously reported, this year for the first time, along with other trade unions and companies, we have had to incorporate the net position of our defined benefit pension schemes onto the balance sheet of the Union. Previously the position of our pension scheme has been disclosed simply in the Notes to the Accounts. This change is a requirement of what is called FRS17.

To effect this it is necessary not only to calculate the impact on the current year but also on prior years. Consequently there is a prior year adjustment on the opening reserves. This has the effect of not only restating our opening reserves but also the results and net assets for 2004.

**Amicus**  
**Report of the General Secretary**  
**Year Ended 31 December 2005**

The area of pension schemes is of great importance to the Union and one on which we have campaigned very vociferously on behalf of our members. This is particularly the case where many employers have decided to close defined benefit salary schemes as a consequence of the deficits highlighted under FRS17.

We are undertaking a complete review of all our pension schemes and the arrangements by which they operate. It is important to note that the Union is continuing the steady and measured approach to this issue. The liabilities giving rise to the deficits do not have to be met now, but need to be eliminated over the remaining working life of our staff and officials. We will continue to take the appropriate professional advice to ensure that the pension schemes are properly dealt with in the future.

**Balance Sheet**

It is pleasing to note that the overall deficit in respect of the nine pension schemes in existence for staff and officials of Amicus has fallen from just over £58 million at the end of 2004 to £44 million at the end of 2005.

Despite the impact of FRS17, the Union is still in a very strong financial position – the net assets of Amicus total in excess of £56 million.

Furthermore, the balance sheet would be enhanced by an additional £25 million if the investments were included at their market value rather than at cost.

**The Future**

The agreed voluntary redundancy program continues, which together with the associated savings on property occupancy costs and the effect of other cost saving measures means that Amicus is on track to achieve its financial stability platform and to report an operating surplus in the current year.

Finally, I would like to put on record my thanks to all of our staff and officials for their hard work and assistance.

Derek Simpson

**General Secretary**

**Dated: 10 July 2006**

AMICUS

Statement to Members as required under the Trade Union and  
Labour Relations (Consolidation) Act 1992 (Amended)  
for the year ended 31 December 2005

**SUMMARY FINANCIAL INFORMATION**  
**EXTRACTED FROM THE FULL ACCOUNTS**

<b><u>General Fund</u></b>		<i>Restated</i>
<b><u>Summary Income and Expenditure account for the year ended</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b><u>31 December 2005</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Contribution Income	71,425	59,778
Other Income	2,501	2,255
Investment Income	4,170	3,002
	<hr/>	<hr/>
Total Income	78,096	65,035
Total Expenditure	(87,396)	(66,677)
	<hr/>	<hr/>
Operating Deficit	(9,300)	(1,642)
Other Items	(12,401)	(4,441)
FRS17 adjustments	1,960	(792)
	<hr/>	<hr/>
Deficit for the Year	<u>(19,741)</u>	<u>(6,875)</u>
<b><u>Political Fund</u></b>		
<b><u>Summary Income and Expenditure account for the year ended</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>
<b><u>31 December 2005</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Contribution Income	3,688	3,009
Total Expenditure	(3,864)	(3,297)
	<hr/>	<hr/>
Operating Deficit	(176)	(288)
Other Items	1	1
	<hr/>	<hr/>
Deficit for the Year	<u>(175)</u>	<u>(287)</u>
<b><u>Summary Balance Sheet at 31 December 2005</u></b>		<i>Restated</i>
	<b><u>2005</u></b>	<b><u>2004</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Tangible Fixed Assets	57,628	64,219
Investments	46,168	49,980
Current Assets	14,876	29,519
Current Liabilities	(10,603)	(13,766)
Provisions for Liabilities and Charges	(7,444)	(7,158)
Net Pension Liability	(43,918)	(58,159)
	<hr/>	<hr/>
	<u>56,707</u>	<u>64,635</u>
General Fund	31,657	36,719
Political Fund	1,052	1,227
Superannuation Funds	2,702	2,995
Revaluation Reserve	21,296	23,694
	<hr/>	<hr/>
	<u>56,707</u>	<u>64,635</u>

**AMICUS**

**Statement to Members as required under the Trade Union and  
Labour Relations (Consolidation) Act 1992 (Amended)  
for the year ended 31 December 2005**

**SUMMARY OF SALARIES AND BENEFITS PROVIDED FOR THE YEAR ENDED 31 DECEMBER 2005**

<u>Position</u>	<u>Details</u>	<u>Amount</u>
General Secretary – Derek Simpson	Salary	£ 86,927
	Pension Contributions	26,947
	Other benefits	39,463

The members of the National Executive Council are reimbursed for any expenditure incurred by them in the performance for their duties on behalf of the Union. They are also reimbursed for the loss of earnings whilst on Union business. In certain cases these amounts are reimbursed directly to the employer of the executive member.

	<u>Loss of earnings/ Expenses</u>	<u>Branch Officer Expenses</u>	<u>Total</u>
	£	£	£
Arthur Adshead	1,141	Nil	1,141
Ian Allinson	Nil	Nil	Nil
Billy Ayre	Nil	2,344	2,344
Richard Barker	1,023	Nil	1,023
Derek Barlow	Nil	825	825
Ray Bazeley	Nil	Nil	Nil
Judy Box	Nil	Nil	Nil
Allan Cameron	Nil	2,353	2,353
Brian Cole	Nil	Nil	Nil
Steve Davison	Nil	2,567	2,567
Ged Dempsey	110	Nil	110
Sybil Dilworth	Nil	Nil	Nil
Megan Dobney	558	Nil	558
Dave Dutton	458	Nil	458
Stewart Eaves	549	Nil	549
Alastair Fraser	Nil	Nil	Nil
Pauline Frazer	Nil	Nil	Nil
Gill George	Nil	Nil	Nil
Eddie Grimes	Nil	Nil	Nil
Dennis Haynes	Nil	Nil	Nil
Margaret Hazell	Nil	Nil	Nil
Simon Hemmings	Nil	Nil	Nil
Jerry Hicks	Nil	Nil	Nil
Graham Hunt	Nil	Nil	Nil
Dave Hutchinson	322	Nil	322
Bobby Irvine	Nil	Nil	Nil
Nigel Janes	1,467	Nil	1,467
David Jones	Nil	Nil	Nil
Jim Kendall	Nil	Nil	Nil
John King	Nil	Nil	Nil
Margaret Lawson	146	Nil	146
Jane Lewis	Nil	Nil	Nil
Stuart McGhie	Nil	Nil	Nil

## AMICUS

### Statement to Members as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2005

Mick McLoughlin	Nil	Nil	Nil
Alan Mercer	Nil	Nil	Nil
Mick Millichamp	Nil	Nil	Nil
Tam Mitchell	Nil	Nil	Nil
Janet Moir	Nil	Nil	Nil
Dave Nestor	Nil	Nil	Nil
John Oliver	570	Nil	570
Brian Pemberton	Nil	Nil	Nil
Rod Pickford	Nil	Nil	Nil
Brian Rice	Nil	Nil	Nil
John Ruane	Nil	Nil	Nil
David Ryder	Nil	Nil	Nil
Sue Sharp	Nil	Nil	Nil
Linda Somerville	Nil	Nil	Nil
Bill Spiers	1,387	Nil	1,387
Jane Stewart	90	Nil	90
Mickey Stewart	Nil	Nil	Nil
Dean Taylor	596	Nil	596
Peter Taylor	1,613	2,482	4,095
Roy Taylor	575	Nil	575
Meurig Thomas	Nil	Nil	Nil
Paul Tilbrook	Nil	Nil	Nil
Agnes Tolmie	Nil	Nil	Nil
Dave Trafford	Nil	Nil	Nil
Howard Turner	Nil	2,581	2,581
Malcolm Vass	330	Nil	330
Colin Walker	Nil	Nil	Nil
Gordon Whitman	Nil	Nil	Nil
Andrew Yerbury	Nil	Nil	Nil

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 year ended 31 December 2005 should write to Christine Grant at Hayes Court.

## AMICUS

### Statement to Members as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2005

#### **REPORT OF THE INDEPENDENT AUDITORS**

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 2005:

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

We have audited the accounts of Amicus for the year ended 31 December 2005 set out on pages 6 to 31. These accounts have been prepared under the accounting policies set out on pages 12 and 13.

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 auditor 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 audit work, for this report, or for the opinion we have formed.

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

As described on page 4, the Union's National Executive Council is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards. 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 General Secretary. 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 caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Union as at 31 December 2005 and of its transactions for the year then ended.

H W FISHER & COMPANY  
*Chartered Accountants, Registered Auditor*

Dated: 10 July 2006

ACRE HOUSE  
11/15 WILLIAM ROAD  
LONDON NW1 3ER  
UNITED KINGDOM