

Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for a Trade Union

Name of Trade Union:	Public and Commercial Services Union				
Year ended:	31 December 2021				
List no:	753				
Head or Main Office address:	160 Falcon Road				
	London				
Postcode	SW11 2LN				
Website address (if available)	www.pcs.org.uk				
Has the address changed during the year to which the return relates?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Mark Serwotka				
Telephone Number:	0207 801 2600				
Contact name for queries regarding the completion of this return	Jeff Evans				
Telephone Number:	02920 666363				
E-mail:	jeffe@pcs.org.uk				

Please follow the guidance notes in the completion of this return

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 0330 109 3602

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: returns@certoffice.org

For Unions based in Scotland: ywm@tcyoung.co.uk

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Return of Members

(see notes 10 and 11)

Number of members at the end of the year					
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	Totals
	181,425	1,662	0	335	183,422
Total	181,425	1,662	0	335	A 183,422

Number of members at end of year contributing to the General Fund

183,442

Number of members included in totals box 'A' above for whom no home or authorised address is held:

2,111

Change of Officers

Please complete the following to record any changes of officers during the twelve months covered by this return

Position Held	Name of Officer ceasing to hold Office	Name of Officer Appointed	Date of change
NO CHANGES			

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

**NATIONAL EXECUTIVE COMMITTEE MEMBERS
FROM 14 JUNE 2021**

Senior National Officers	
Fran Heathcote	President
Cavanagh, Martin	Deputy President
Green, Jacqueline	Vice President
Holbourne, Zita	Vice President
McHugh Kevin	Vice President
NEC Members	
Baker, Mark	
Brown, Paula	
Bryant, Clive	
Corcoran, Bridget	
Cox, James	
Crane, Harvey	
David, Hannah	
Eagleton, Robert	
Ensor, Sarah	
Flynn, Felicity	
Gill, Jimmy	
Grant, Angela	
Hall, Sam	
Harney, Austin	
Hedley, Adrian	
Hendry, Kris	
Hewitt, Ros	

Hylton, Tracey	
McDougall, Rachelle	
McGachey, Liz	
McGuinness, Jas	
Maguire, John	
Merry, Lorna	
Owens, Marianne	
Pope, Ian	
Swainston, Steve	
Thorley, Steve	
Watts, Karen	
Wesley, Hector	
Williams, Paul	
Secretariat	
Serwotka, Mark	General Secretary
Moloney, John	Assistant General Secretary
Watson, Dave	
McCarthy, Nick	
Lewtas, Geoff	
Evans, Jeff	
Lynn Henderson	
O'Connor, Paul	
Battlemuch, Steve	
Millington, John	
Colclough, Seamus	
Manaz Sian	

Analysis of income from federation and other bodies and other income

(see notes 19 and 20)

Description	£
Federation and other bodies	
Total federation and other bodies	0
Any Other Sources	
Commission	22,030
Miscellaneous	55
VAT reclaimed	40,677
Actuarial gain on DB pension scheme	23,300,000
Total other sources	23,362,762
Total of all other income	23,362,762

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation – Employment Related Issues		brought forward	404,721
Legal	320,610	Advisory Services	
		Helplines	47,040
Representation – Non Employment Related Issues		Other Cash Payments	
Members legal assistance	-15,000	Benevolent services	83,251
		Death & personal accident	441,794
		Ex IR G Sickness Benefit	520
		Employment costs	1,895,110
		Education and Training services	
		Organising Learning & Publicity	11,391
		Regional Courses	15,839
Communications			
PCS Magazine	99,110		
		Negotiated Discount Services	
Dispute Benefits			
		Other Benefits and Grants (specify)	
carried forward	404,721	Total (should agree with figure in General Fund)	2,899,666

Political fund account

(see notes 24 to 33)

£

£

Political fund account 1		To be completed by trade unions which maintain their own political fund	
	Income	Members contributions and levies	170,595
		Investment income (as at page 12)	
Other income (specify)			
		Total other income as specified	0
		Total income	170,595
Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) Act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the political funds exceeds £2,000 during the period			
	Expenditure A (as at page i)		0
	Expenditure B (as at page ii)		0
	Expenditure C (as at page iii)		0
	Expenditure D (as at page iv)		0
	Expenditure E (as at page v)		0
	Expenditure F (as at page vi)		0
	Non-political expenditure (as at page vii)		65,902
		Total expenditure	65,902
		Surplus (deficit) for year	104,693
		Amount of political fund at beginning of year	898,341
		Amount of political fund at the end of year (as <u>Balance Sheet</u>)	1,003,034
		Number of members at end of year contributing to the political fund	143,608
		Number of members at end of the year not contributing to the political fund	39,814
		Number of members at end of year who have completed an exemption notice and do not contribute to the political fund	34,133
Political fund account 2		To be completed by trade unions which act as components of a central trade union	
Income	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
		Total other income as specified	
		Total income	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects(specify)		
	Non-political expenditure		
		Total expenditure	
		Surplus (deficit) for year	
		Amount held on behalf of trade union political fund at beginning of year	
		Amount remitted to central political	
		Amount held on behalf of central political fund at end of year	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	

Political fund account expenditure (d)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

Expenditure on the maintenance of any holder of political office	
Name of office holder	£
Total	0

Political fund account expenditure (e)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act.

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates.

The expenditure of money on the holding of any conference or meeting by or on behalf of a political party or of any other meeting the main purpose of which is the transaction of business in connection with a political party	
Name of political party	£
Total	0

Expenditure from the political fund not falling within section 72 (1) of the trade union & labour relations (consolidation) act 1992

For expenditure not falling within section 72 (1) the required information is-

(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one	£
Parliamentary work	55,671
Greening the workplace	10,231

Total expenditure 65,902

(b) the name of each organisation to which money was paid (otherwise than for a particular cause of campaign), and the total amount paid to each one	£

Total expenditure 0

(c) the total amount of all other money expended	£

Total expenditure 0

Total of all expenditures 65,902

Analysis of administrative expenses and other outgoings excluding amounts charged to political fund accounts

(see notes 34 and 35)

		£
Administrative Expenses		
Remuneration and expenses of staff		10,868,206
Salaries and Wages included in above	10,868,206	
Auditors' fees		51,000
Legal and Professional fees		120,355
Occupancy costs		1,184,071
Stationery, printing, postage, telephone, etc.		200,664
Expenses of Executive Committee (Head Office)		8,829
Expenses of conferences		308,275
Other administrative expenses (specify)		
See appendix 2		2,248,717
Other Outgoings		
Strike pay		829,449
Campaigns & disputes costs		356,940
Depreciation		1,199,489
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Current service costs of defined benefit pension schemes		1,500,000
Pension contributions paid in the year		-3,500,000
Total		15,375,994
Charged to:	General Fund (Page 3)	14,189,605
	Property	
	Pension reserve	
	Campaign & Disputes	356,940
	Fighting fund	829,449
	0	
	0	
	0	
	0	
	Total	15,375,994

Analysis of officials' salaries and benefits

(see notes 36 to 46 below)

Office held	Gross Salary	Employers N.I. contributions	Benefits			Total	
			Pension Contributions	Other Benefits			£
				Description	Value		
	£	£	£			£	
Mark Serwotka	100,415	15,236	13,048			128,699	
John Moloney	77,166	9,387	nil			86,553	

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			1,031,425
Dividends (gross) from:			13,326
Equities (e.g. shares)			54
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Capital gains			10,579
Expected return on pension scheme assets			3,400,000
Interest on pension scheme liabilities			-3,200,000
Unrealised loss on revaluation of investment property			-583,000
	0		672,384
		Total investment income	672,384
		Credited to:	
		General Fund (Page 3)	672,384
		Property	0
		Pension reserve	0
		Campaign & Disputes	0
		Fighting fund	0
		0	0
		0	0
		0	0
		0	0
		Political Fund	0
		Total Investment Funds	672,384

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	4,151,485	846,060	7,499,505	10,000	15,847,000	28,354,050
Additions			1,196,273	0		1,196,273
Disposals			-704,712			-704,712
Revaluation/Transfers					-583,000	-583,000
At end of year	4,151,485	846,060	7,991,065	10,000	15,264,000	28,262,611
Accumulated Depreciation						
At start of year	684,703	277,955	3,171,878	10,000		4,144,536
Charges for year	63,026	14,307	1,122,154			1,199,487
Disposals			-704,712			-704,712
Revaluation/Transfers						0
At end of year	747,729	292,263	3,589,319	10,000	0	4,639,311
Net book value at end of year	3,403,756	553,797	4,401,746	0	15,264,000	23,623,300
Net book value at end of previous year	3,466,782	568,105	4,327,628	0	15,847,000	24,209,515

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
EQUITIES	86,142	
EQUITIES HELD STRATEGIC PURPOSES	11,856	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
BONDS & UNIT TRUSTS SEE APPENDIX 4	678,242	
Total quoted (as Balance Sheet)	776,240	0
Market Value of Quoted Investment	792,348	
Unquoted		
Equities		
EQUITIES - UNQUOTED	1,090,840	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
SARASIN MONEY MARKET	106,749	
Other unquoted investments (to be specified)		
Total unquoted (as Balance Sheet)	1,197,589	0
Market Value of Unquoted Investments	1,398,048	

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds	Political Funds £	Total Funds £
Income			
From Members	23,754,850	170,595	23,925,445
From Investments	672,384	0	672,384
Other Income (including increases by revaluation of assets)	23,362,762	0	23,362,762
Total Income	47,789,996	170,595	47,960,591
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	19,481,941	65,902	19,547,843
Funds at beginning of year (including reserves)	40,626,132	898,341	41,524,474
Funds at end of year (including reserves)	68,934,187	1,003,034	69,937,222
Assets			
Fixed Assets			23,623,300
Investment Assets			1,973,829
Other Assets			47,813,079
		Total Assets	73,410,208
Liabilities		Total Liabilities	3,472,986
Net Assets (Total Assets less Total Liabilities)			69,937,222

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members			
From Investments			
Other Income (including increases by revaluation of assets)			
Total Income			
Expenditure (including decreases by revaluation of assets)			
Total Expenditure			
Funds at beginning of year (including reserves)			
Funds at end of year (including reserves)			
Assets			
Fixed Assets			
Investment Assets			
Other Assets			
		Total Assets	
Liabilities		Total Liabilities	
Net Assets (Total Assets less Total Liabilities)			

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see notes 74 to 80)

Did the union hold any ballots in respect of industrial action during the return period?		<input type="text" value="Yes"/>
If Yes How many ballots were held:		<input type="text" value="3"/>
For each ballot held please complete the information below:		
Ballot 1		
Number of individual who were entitled to vote in the ballot	<input type="text" value="3,106"/>	
Number of votes cast in the ballot	<input type="text" value="1,561"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="1,114"/>	¹
Number of individuals answering "No" to the question	<input type="text" value="442"/>	²
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value="5"/>	³
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input type="text" value="Yes"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="text" value="Yes"/>	
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input type="text" value="Yes"/>	
Ballot 2		
Number of individual who were entitled to vote in the ballot	<input type="text" value="32"/>	
Number of votes cast in the ballot	<input type="text" value="26"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="26"/>	¹
Number of individuals answering "No" to the question	<input type="text" value="0"/>	²
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value="0"/>	³
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input type="text" value="Yes"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="text" value="Yes"/>	
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input type="text" value="Yes"/>	
Ballot 3		
Number of individual who were entitled to vote in the ballot	<input type="text" value="89"/>	
Number of votes cast in the ballot	<input type="text" value="73"/>	
Number of Individuals answering "Yes" to the question	<input type="text" value="71"/>	¹
Number of individuals answering "No" to the question	<input type="text" value="2"/>	²
Number of invalid or otherwise spoiled voting papers returned	<input type="text" value=""/>	³
		1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input type="text" value="Yes"/>	
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="text" value="No"/>	
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input type="text" value=""/>	

Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Ballot 4

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question 1

Number of individuals answering "No" to the question 2

Number of invalid or otherwise spoiled voting papers returned 0³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot 0

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 5

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question 1

Number of individuals answering "No" to the question 2

Number of invalid or otherwise spoiled voting papers returned 0³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot 0

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballot 6

Number of individual who were entitled to vote in the ballot

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question 1

Number of individuals answering "No" to the question 2

Number of invalid or otherwise spoiled voting papers returned 0³

1-3 should total "Number of votes cast"

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot 0

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot

Ballots and Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see note 81)

***Categories of Nature of Trade Dispute**

- A: terms and conditions of employment, or the physical conditions in which any workers require to work;
- B: engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
- C: allocation of work or the duties of employment between workers or groups of workers;
- D: matters of discipline;
- E: a worker's membership or non-membership of a trade union;
- F: facilities for officials of trade unions;
- G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Did Union members take industrial action during the return period in response to any inducement on the part of the Union? YES/NO

YES

If **YES**, for each industrial action taken please complete the information below:

Industrial Action 1

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: 06 April 2021 to 31 August 2021

3. Number of days of industrial action: 58

4. Nature of industrial action. Strike Action

Industrial Action 2

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: 30 July 2021 to 30 August 2021

3. Number of days of industrial action: 12

4. Nature of industrial action. Strike Action

Industrial Action 3

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: 19 July 2021 to 21 July 2021

3. Number of days of industrial action: 3

4. Nature of industrial action. Strike Action

use a continuation page if necessary

Industrial Action 4

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 5

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 6

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 7

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 8

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Notes to the accounts

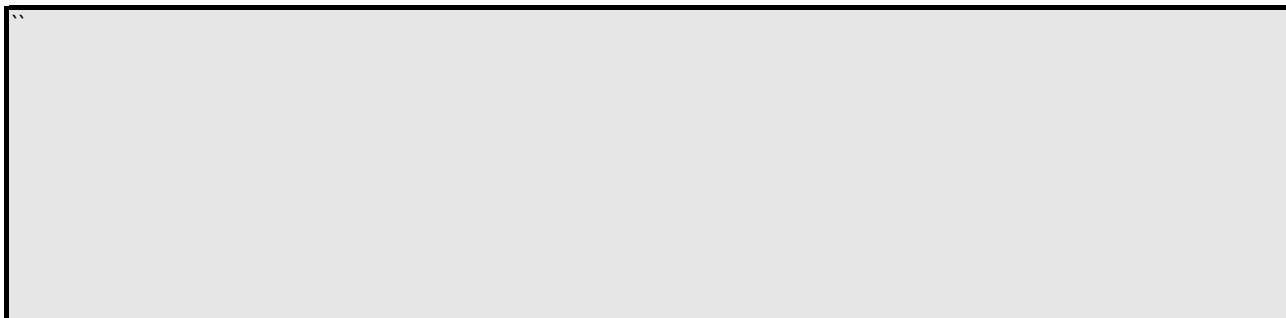
(see notes 82 and 83)

All notes to the accounts must be entered on or attached to this part of the return.

SEE APPENDIX 3

Accounting policies


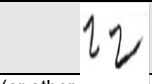
(see notes 84 and 85)



Signatures to the annual return

(see notes 86 & 87)

Including the accounts and balance sheet contained in the return. Please copy and paste your electronic signature here

Secretary's Signature:		Treasurer's Signature:	
			(or other official whose position should be stated)
Name:	Mark Serwokta	Name:	John Moloney
Date:	24 May 2022	Date:	16 May 2022

Checklist

(see notes 88 to 89)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes		No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes		No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes		No	
A member statement is: (see Note 80)	Enclosed		To follow	
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes		No	

Checklist for auditor's report

(see notes 90 and 96)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they related? (See section 36(1) and (2) of the 1992 Act and notes 92 and 93)

Please explain in your report overleaf or attached.

2. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:

- a. kept proper accounting records with respect to its transactions and its assets and liabilities; and
- b. established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances. (See section 36(4) of the 1992 Act set out in note 92)

Please explain in your report overleaf or attached

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

SEE APPENDIX 5

Signature(s) of auditor or auditors:

DocuSigned by:
Gareth M Jones
AF9E71C5233D451...

Name(s):

GARETH M JONES
FOR AND ON BEHALF OF BDO LLP

Profession(s) or Calling(s):

AUDITOR

Address(es):

55 BAKER STREET

LONDON

Postcode

W1U 7EU

Date

26 May 2022

Contact name for inquiries and
telephone number:

GARETH M JONES
020 7486 5888

N.B. When notes to the account are referred to in the auditor's report a copy of those notes must accompany this return.



Report to the Audit Committee

PUBLIC & COMMERCIAL SERVICES UNION

Audit Completion: year ended 31 December 2021

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WELCOME

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We have pleasure in presenting our Audit Completion Report to the Finance Committee (the “Committee”). This report is an integral part of our communication strategy with you, a strategy which is designed to ensure effective two way communication throughout the audit process with those charged with governance.

It summarises the results of completing the planned audit approach for the year ended 31 December 2021, specific audit findings and areas requiring further discussion and/or the attention of the Committee. At the completion stage of the audit it is essential that we engage with the Committee on the results of audit work on key risk areas, including significant estimates and judgements made by Management, critical accounting policies, any significant deficiencies in internal controls, and the presentation and disclosure in the financial statements.

We look forward to discussing these matters with you at the Committee meeting on 23 February 2022, and to receiving your input.

In the meantime if you would like to discuss any aspects in advance of the meeting we would be happy to do so.

This report contains matters which should properly be considered by the National Executive Committee (‘NEC’) as a whole. We expect that the Committee will refer such matters to the NEC, together with any recommendations, as it considers appropriate.

We would also like to take this opportunity to thank the management and staff for the co-operation and assistance provided during the audit.

Gareth M Jones

22 February 2021

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. This report has been prepared solely for the use of the Finance Committee and Those Charged with Governance and should not be shown to any other person without our express permission in writing. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person. For more information on our respective responsibilities please see the appendices.



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This summary provides an overview of the audit matters that we believe are important to the Committee in reviewing the results of the audit of the financial statements for the Union for the year ended 31 December 2021.

It is also intended to promote effective communication and discussion and to ensure that the results of the audit appropriately incorporate input from those charged with governance.



Overview

Our audit work is ongoing although subject to the successful resolution of outstanding matters we anticipate issuing an unmodified audit opinion on the Union’s financial statements for the year ended 31 December 2021 in line with the agreed timetable.

[Outstanding matters are listed on page 23 in the appendices.](#)

There were no significant changes to the planned audit approach and no additional significant audit risks have been identified.

No restrictions were placed on our work.

Audit report

We anticipate issuing an unmodified audit opinion on the Union’s financial statements.

THE NUMBERS

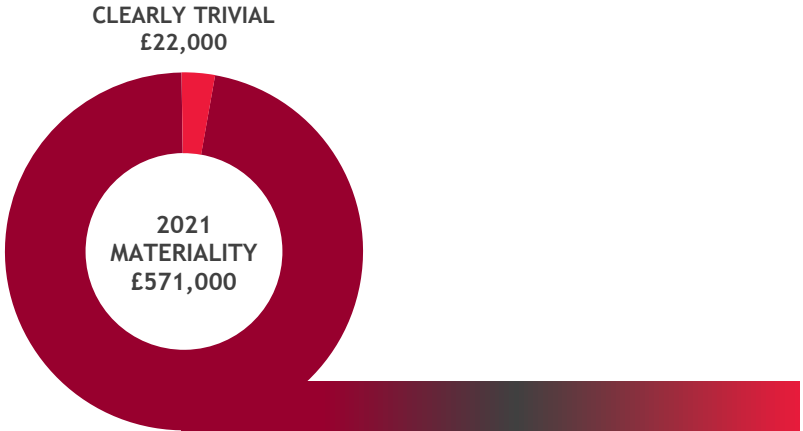
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Final Materiality

Materiality was determined based on total income.

Changes were made to planning materiality as a result of using an expected income figure at planning, which has been updated with year-end figures.



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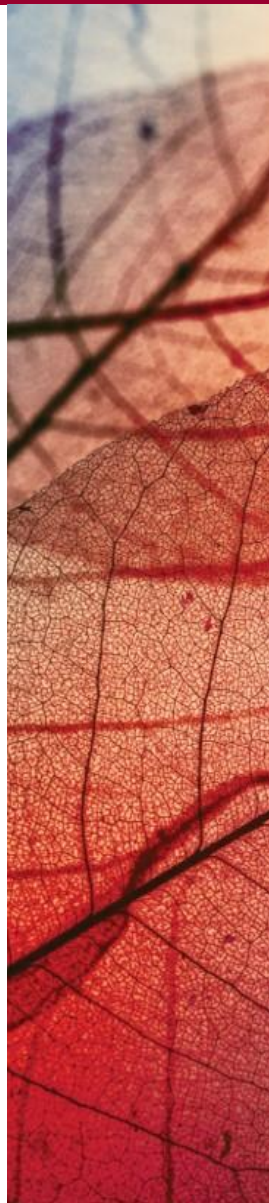
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Financial reporting

- We have not identified any non-compliance with accounting policies or applicable accounting framework.
- No significant accounting policy changes have been identified impacting the current year.
- We await a copy of the draft Financial Report before undertaking our review.



Other matters that require discussion or confirmation

- Confirmation on fraud, contingent liabilities and subsequent events.
- Letter of Representation.
- Completion of post balance sheet event review up to point of signing the financial statements.

Independence

We confirm that the firm and its partners and staff involved in the audit remain independent of the Union in accordance with the FRC's Ethical Standard.

OVERVIEW

As identified in our audit planning report dated 7 February 2022, we assessed the following matters as being the most significant risks of material misstatement in the financial statements. These include those risks which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit and the directing of the efforts of the engagement team.

Significant Audit Risk	Significant Management Judgement Involved	Use of Experts Required	Error Identified	Control Findings to be reported in Management letter	Specific Letter of Representation Point
1. Management override of controls	Yes	No	No	No	No
2. Revenue recognition	Yes	No	No	No	No
3. Defined benefit pension accounting	Yes	Yes	Confirmation to be provided on completion of the outstanding audit work.	N/A	Yes



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MANAGEMENT OVERRIDE OF CONTROLS

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ISA (UK) 240 notes that management is in a unique position to perpetrate fraud.

Significant management judgement
Use of experts
Unadjusted error
Adjusted error
Additional disclosure required
Significant Control Findings to be reported in Mgmt letter
Letter of Representation point

Risk description

- ISA (UK) 240 - The auditor's responsibilities relating to fraud in an audit of financial statements requires us to presume that the risk of management override of controls is present and significant in all entities.

Details

- We have obtained a list of the journals posted in the year and reconciled the listing to confirm its completeness. Journals are being reviewed by considering the factors that the audit team might deem unusual or provide a suggestion of misstatement if incorrectly accounted for.
- We also reviewed accounting estimates during the course of our audit procedures. The most significant relate to accounting for the two defined benefit pension scheme, which are discussed elsewhere within this report, the going concern basis of preparation, and the valuation of Falcon Road.

Results and conclusion

We have not found evidence of management override in relation to accounting estimates and judgements.

We have found no instances of management override of control identified in relation to journals, although work in this area remains ongoing.



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Risk description

Under International Standard on Auditing 240 “The auditor’s responsibility to consider fraud in an audit of financial statements” there is an assumption that revenue recognition is a fraud risk.

For the Union the main income stream is membership income, comprising 95% of total income. Despite elements of automation, the process of reconciling membership income includes a number of manual elements and hence a risk of material misstatement exists.

Other significant sources of income include rental income of £1.1m.

Details

Membership subscriptions

A detailed proof in total was undertaken, reconciling prior year income to amounts recognised in the current year. After allowing for movements in membership numbers, membership rates and the proportion of members paying at the maximum rate an unreconciled difference below our threshold remained.

In addition, we have agreed a sample of membership subscription debtors to cash receipts received subsequent to the year end.

A review of December and January bank statements was performed, tracing a sample of receipts to check the accuracy and completeness of membership income.

Finally, cash receipts in the year were reconciled to total income recognised by the Union.

Details (continued)

Rental income

A detailed proof in total was undertaken, reconciling income recognised in the accounts to expected income levels based on terms within each lease agreements.

As a result of financial pressures created by Covid-19, a rent free period was offered to Wings Travel Management, extending from 1 April 2020 to 28 February 2021. We verified that the treatment of this rent free period was in line with the rent concessions update to FRS 102. This was agreed with no issues found.

Results and conclusion

Aspects of our testing of revenue remains ongoing, although to date no significant issues have been identified.

DEFINED BENEFIT PENSION ACCOUNTING

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- Significant management judgement
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Risk description

PCS operates two defined benefit pension schemes.

A specific audit consideration identified during planning was the accuracy of the pension figures within the actuarial report (FRS102 chapter 28). In particular the size of the assets and liabilities within both pension scheme means that even marginal changes in the actuarial assumptions can significantly affect the Union's surplus or deficit.

Results and conclusion

Actuarial reports have not yet been finalised by AON. We will provide an update on our audit of the Union's two defined benefit pension schemes once this information becomes available.

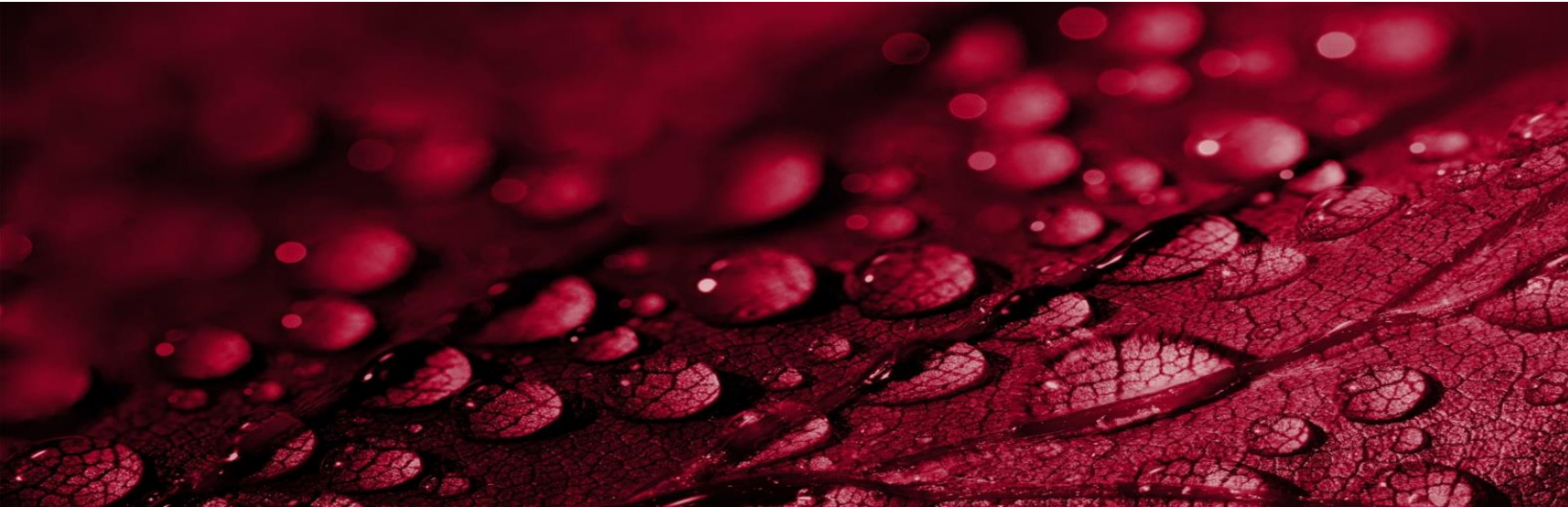


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As identified in our audit planning report dated 7 February 2022 we assessed the following matters as being the normal risks of material misstatement in the financial statements but areas of audit focus.

Significant Audit Risk	Significant Management Judgement Involved	Use of Experts Required	Error Identified	Control Findings to be reported in Management letter	Specific Letter of Representation Point
1. Going Concern	Yes	No	No	No	Yes
2. Valuation of Falcon Road	Yes	Yes	No	No	Yes



Areas requiring your attention

GOING CONCERN

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We are required to highlight any judgements about events or conditions that may cast significant doubt over the entity's ability to continue as a going concern

- Significant management judgement
- Use of experts
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Risk description

A number of structural changes made during 2018 and 2019 saw the Union's financial position strengthen. Cost savings throughout the pandemic, principally within travel and subsistence, have further improved finances with a General Fund operating surplus before pension adjustments of £2.7m and £3.3m in 2020 and 2021 respectively.

Cash as at 31 December 2021 stands at £8.6m.

To continue to prepare the financial statements on a going concern basis the National Executive Committee need to be content that the Union will be able to settle its debts as they fall due for the foreseeable future. The foreseeable future is at least 12 months from the date of approval of the financial statements.

Details

Our review of the 2022 budget has considered each of the variances in comparison to 2021. All key elements appear reasonable, albeit within the broad parameters applied for going concern consideration. Key is the assumption associated with membership income with a 2% reduction in comparison to 2021. This reflects both a tailing off of growth seen during much of 2021 as continued caution built into the budgeting process.

Details (continued)

As outlined in our report to this committee in the prior year the single most important factor when considering an organisations ability to continue to operate is the availability of cash. As a result, in addition to our review of the 2022 budget we have performed a range of sensitivities, analysing the level of cash reserves throughout the next 12 months. With the continued stability of costs the key focus of our review was the assumptions associated with membership income.

Income sensitivities

Cash flows for the period to the end of March 2023 confirm that were membership income to decline against budget by either 0.50% or 1.0% per month, and hence a fall of 7.5% or 15% by the end of the year, the Union would continue to have sufficient cash resources to continue to operate for the period under review. 0.5% represents the highest attrition rate seen over the last 10 years once check-off changes have been excluded. 1.0% represents a doubling of this rate.

Current cash levels would only be exhausted should membership throughout the next 12 months fall on average by 4.25% per month, or 64% by the end of the year, although such falls are highly unlikely given the relative stability in the number of civil servants.

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Details (continued)

Expenditure sensitivities

Whilst membership income is key to future success, given historic pressures on expenditure, both operating and capital, we have also sensitised costs. Sensitivities consider a 5% rise in monthly expenditure as well as a more extreme increase of 10%. These sensitivities take into account potential future inflationary pressures along with a scenario when historic levels of travel and subsistence return.

Closing cash and liquid investments would be £8.2m and £6.9m respectively.

Combined sensitivities

Finally, we have combined both a rise in expenditure with a reduction in membership income. We applied a 1% monthly reduction fall in membership (15% over the course of the period under review), along with a 10% rise in costs. Despite all of these events cash would remain positive with a closing position of £4.7m.

Results and conclusion

External influences on membership make budgeting future income inherently difficult to determine. However, the level of cash reserves and the relative stability of membership numbers appear to support Management's assessment that the Union remains a going concern.

VALUATION OF FALCON ROAD

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The annual valuation of the Falcon Road property is deemed key estimate so noted as a potential risk.

Significant management judgement	■
Use of experts	■
Unadjusted error	—
Adjusted error	—
Additional disclosure required	—
Significant Control Findings to be reported in Mgmt letter	—
Letter of Representation point	■

Risk description

The annual valuation of the Falcon Road property is deemed a key estimate. PCS engaged Carter Jonas for the valuation exercise which was the same consultant used in previous year.

Work performed

It was deemed by the audit team, after correspondence with their expert valuations team, that the basis of valuation methodology, assumptions and calculation are of the industry standard. The approach taken by Carter Jonas, being the income approach, was sufficient to give a good estimate of the value of PCS property at 160 Falcon Road.

The audit team then considered each significant input to the valuation model, such as rental yields, and compared them to other reputable sources to confirm the amounts being used by CJ were reasonable.

In addition, the rental amounts that were provided to CJ by management and used in the valuation were audited to confirm the accuracy of these amounts.

Results and conclusion

From our review of the valuation of investment properties, we are satisfied that no significant issues have been identified.



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	Significant matter	Comment
1	Significant difficulties encountered during the audit.	No exceptions to note
2	Significant matters that arose during the audit that were discussed or were subject to correspondence with management	No exceptions to note
4	Written representations which we seek.	We enclose a copy of our draft representation letter
5	Any fraud or suspected fraud issues.	No exceptions to note
6	Any suspected non-compliance with laws or regulations	No exceptions to note
7	Any misstatements in opening balances that exist in the current period financial statements	No exceptions to note
8	Significant matters in connection with related parties.	No exceptions to note
9	Any other significant matters arising relevant to the oversight of the financial reporting process	No exceptions to note

UNADJUSTED AUDIT DIFFERENCES: SUMMARY

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We are required to bring to your attention unadjusted differences and we request that you correct them.

There is 1 unadjusted audit difference identified by our audit work which relates to reclassification of accruals to trade creditors. You consider this difference to be immaterial in the context of the financial statements as a whole because it has no impact on the income statement.

[The finalisation of unadjusted differences remain in progress.](#)

UNADJUSTED AUDIT DIFFERENCES: DETAIL

Details for the current year

Unadjusted audit differences	Income and expenditure			Balance sheet	
	£'000	£'000	£'000	£'000	£'000
Reclassification of Accruals to trade creditors					
Adjustment 1: Over-accrual of unbilled legal costs					
Dr Accruals				45.6	
Cr Trade Creditors					45.6

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We are required to report to you, in writing, significant deficiencies in internal control that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to the Finance Committee.

We have not identified any significant deficiencies in internal control, although a number of smaller improvements to the timing and recording of existing control procedures has been discussed with Management.

As the purpose of the audit is for us to express an opinion on the Union’s financial statements, you will appreciate that our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.

As part of our work, we considered internal control relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.



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Under ISAs (UK) and the FRC’s Ethical Standard we are required, as auditors, to confirm our independence.

Under ISAs (UK) and the FRC’s Ethical Standard, we are required as auditors to confirm our independence.

We have embedded the requirements of the Standards in our methodologies, tools and internal training programmes. Our internal procedures require that audit engagement partners are made aware of any matters which may reasonably be thought to bear on the integrity, objectivity or independence of the firm, the members of the engagement team or others who are in a position to influence the outcome of the engagement. This document considers such matters in the context of our audit for the year ended 31 December 2021.

Details of services, other than audit, provided by us to the Union during the period and up to the date of this report are set out in the following slide were provided in our planning report. We understand that the provision of these services was approved by the Committee in advance in accordance with the Union’s policy on this matter.

Details of rotation arrangements for key members of the audit team and others involved in the engagement were provided in our planning report.

We have not identified any other relationships or threats that may reasonably be thought to bear on our objectivity and independence.

We confirm that the firm, the engagement team and other partners, directors, senior managers and managers conducting the audit comply with relevant ethical requirements including the FRC’s Ethical Standard or the IESBA Code of Ethics as appropriate and are independent of the Union.

We also confirm that we have obtained confirmation of independence from non BDO auditors and external audit experts involved in the audit comply with relevant ethical requirements including the FRC’s Ethical Standard and are independent of the Union.

Should you have any comments or queries regarding any independence matters we would welcome their discussion in more detail.

FEES

Fees summary for year ended 31 December 2021

	£
Audit fee for period ending 31 December 2021	42,000
Total non-audit services - Corporation tax	5,200
Total fees	47,200



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OUR RESPONSIBILITIES

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Our responsibilities and reporting

We are responsible for performing our audit under International Standards on Auditing (UK) to form and express an opinion on your financial statements. We report our opinion on the financial statements to the members.

We read and consider the ‘other information’ contained in the Annual Report such as the additional narrative reports. We will consider whether there is a material inconsistency between the other information and the financial statements or other information and our knowledge obtained during the audit.

For statutory other information such as the financial report, we will form an opinion on whether the information given in the other information is consistent with the financial statements and our knowledge obtained in the audit and whether the reports have been prepared in accordance with applicable legal requirements.

We are additionally required to include in our report:

- Where we conclude there is no material uncertainty in relation to going concern, a statement to that effect
- A conclusion that management’s use of the going concern basis of account is appropriate.
- An explanation of the extent to which the audit was capable of detecting irregularities, including fraud.

What we don’t report

Our audit is not designed to identify all matters that may be relevant to the Committee and cannot be expected to identify all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist.



OUTSTANDING MATTERS

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We have substantially completed our audit work in respect of the financial statements for the year ended 31 December 2021.

The following matters are outstanding at the date of this report and could impact our audit opinion. We will update you on their current status at the Board meeting at which this report is considered:

- Final review of draft financial statements
- Outstanding queries with finance team in relation to a number of areas of the audit
- Finalisation of various audit areas, including journals, related parties, taxation and review of 'other information'
- Finalisation of our review of pension assets, including receipt of third party confirmations from fund managers and Custodian controls reports. Consideration of the suitability of assumptions used to calculate the present value of future pension obligations
- Finalisation of unadjusted differences
- A copy of the latest post year-end management accounts
- Subsequent events review to date of signing the financial statements
- Receipt of signed letter of representation.



160 Falcon Rd
Battersea
London
SW11 2LN

Dear Sirs

Financial Statements of the Public & Commercial Services Union for the year ended 31 December 2021

We confirm that the following representations given to you in connection with your audit of the Union’s financial statements for the year ended 31 December 2021 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other National Executive Committee’s (‘Executives’) and officials of the Union as appropriate.

We have fulfilled our responsibilities as Executives for the preparation and presentation of financial statements as set out in the terms of the audit engagement letter, and in particular that the financial statements give a true and fair view of the financial position of the Union as of 31 December 2020 and of the results of its operations and cash flows for the year then ended in accordance with UK Generally Accepted Accounting Principles (UK GAAP), including FRS 102 and the Trade Union and Labour Relations (Consolidation) Act 1992, and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the Union have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and Executive meetings have been made available to you.

Going concern

We have made an assessment of the Union’s ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment we consider that the Union is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on the Union’s ability to continue as a going concern.

Laws and regulations

In relation to those laws and regulations which provide the legal framework within which our business is conducted and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which we are aware and all actual or contingent consequences arising from such instances of non-compliance.

Post balance sheet events

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

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Fraud and error

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have identified no significant risks.

To the best of our knowledge we are not aware of any fraud or suspected fraud involving management or employees. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements.

To the best of our knowledge we are not aware of any allegations of fraud or suspected fraud affecting the financial statements that have been communicated by employees, former employees, analysts, regulators or any other party.

Misstatements

We attach a schedule showing uncorrected misstatements that you identified, which we acknowledge that you request we correct. Where appropriate we have explained our reasons for not correcting such misstatements below.

In our opinion, the effects of not correcting such identified misstatements are, both individually and in the aggregate, immaterial to the financial statements as a whole.

Related party transactions

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable accounting framework.

There were no loans, transactions or arrangements between the Union and the Union's Executives or their connected persons at any time in the year which were required to be disclosed.

In the opinion of the Executives the Union has no controlling party.

Carrying value and classification of assets and liabilities

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the consolidated and parent financial statements.

In our opinion, the fair value of 160 Falcon Road was £28.8m as at 31 December 2021.

Litigation and claims

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been accounted for and disclosed in accordance with the requirements of accounting standards.

Confirmation

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the financial statements are free of material misstatements, including omissions.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each officer has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

(Signed on behalf of the National Executive Committee)

Date:

FOR MORE INFORMATION:

Gareth M Jones

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The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the Union and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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Membership audit certificate

made in accordance with section 24ZD of the Trade Union and Labour
Relations (Consolidation) Act 1992

(See notes 97 to 103)

At the end of the reportign period proceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

Yes

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21

Membership audit certificate

Section one

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

- 1 In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES


- 2 In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.

Membership audit certificate (continued)

Signature of assurer	
Name	Simon Hearn
Address	Civica Election Services, 33 Clarendon Road, London N8 0NW
Date	4/29/2022
Contact name and telephone number	Simon Hearn, Managing Director 020 8365 8909

Membership audit certificate

Section two

For a trade union with no **more than 10,000 members** at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

Yes / No

If "No" Please explain below:

[Large greyed-out area for explanation]

Signature	
Name	
Office held	
Date	