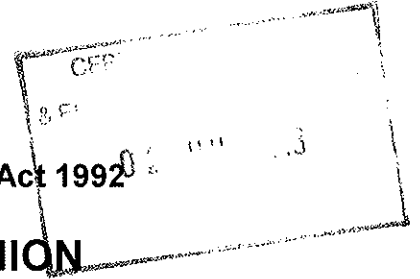


- DO NOT STAPLE  
- PRINT ON ONE SIDE ONLY

# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION



Name of Trade Union:

General Federation of Trade Unions

Year ended:

31 December 2012

List no:

336T/1/76

Head or Main Office:

Headland House  
308-312 Gray's Inn Road  
London  
WC1X 8DP

Website address (if available)

www.gftu.org

Has the address changed during  
the  
year to which the return relates?

Yes	<input type="checkbox"/>
-----	--------------------------

No	<input checked="" type="checkbox"/>
----	-------------------------------------

*(Click the appropriate box)*

General Secretary:

D Nicholls

Telephone Number:

0207 5208340

Contact name for queries  
regarding

UHY Hacker Young LLP

Telephone Number:

0115 9590900

E-mail:

Nottingham@uhy-uk.com

**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: 020 7210 3734

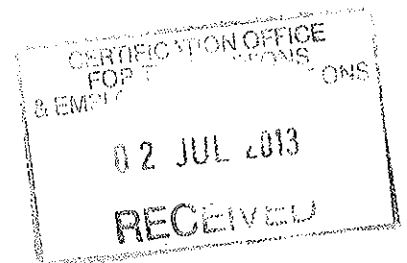
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations  
Melrose House, 69a George Street, Edinburgh EH2 2JG



*(Revised February 2011)*

# 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
MALE					
FEMALE					
TOTAL	20				A <b>20</b>

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

--

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

20
----

## OFFICERS IN POST

(see note 12)

**Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.**

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date

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:

20
----

and names:

Please see enclosed list on next page
---------------------------------------



## **GENERAL FEDERATION OF TRADE UNIONS**

### **Executive Committee Members as at 31 December 2012**

J Mann MBE – President (elected 24 May 2011)

J Fray – Vice-President (elected 24 May 2011)

D Nicholls – General Secretary (elected 1 January 2012)

P Davies

D Gartshore

G Morrissey

O Williams

S Pound

B Marshall

J Smith

G Oakes

M French

L Ambler

R Draper

A Lemon

L Robinson



## **General Federation of Trade Unions**

### **Affiliated Unions as at 31 December 2012**

Association of Educational Psychologists

National Union of Journalists

NAPO

Musicians' Union

National Association of Colliery Overmen, Deputies & Shotfirers

BECTU

COMMUNITY

UNITY

Bakers, Food and Allied Workers' Union

Professional Cricketers Association

Professional Footballers Association

Institute of Football Management & Administration

League Managers Association

GMB (Manufacturing)

Society of Union Employees

National Association of Stable Staff

PCS MOJ Group

CCISUA

PROSPECT (Connect Section)

UNITE (Gftu Sections)

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
From Members: Contributions and Subscriptions		171,118
From Members: Other income from members (specify)		
<b>Total other income from members</b>		171,118
<b>Total of all income from members</b>		171,118
<b>Investment income (as at page 12)</b>		78,219
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		
<b>Total of other income (as at page 4)</b>		249,337
	<b>TOTAL INCOME</b>	
<b>EXPENDITURE</b>		
Benefits to members (as at page 5)		(321,823)
Administrative expenses (as at page 10)		
Federation and other bodies (specify)		
Pension scheme – current service cost	50,000	
Pension scheme – other finance costs	(39,000)	
Pension scheme – assumptions and experience	(195,000)	
<b>Total expenditure Federation and other bodies</b>		
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	(505,823)
		(256,486)
Surplus (deficit) for year		6,820,350
Amount of general fund at beginning of year		6,563,864
Amount of general fund at end of year		

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
<b>TOTAL OTHER INCOME</b>		
<b>TOTAL OF ALL OTHER INCOME</b>		

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		<b>brought forward</b>	
		Education and Training services	
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>		<b>Total (should agree with figure in General Fund)</b>	

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			



(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
<b>Number of members contributing at end of year</b>			



(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
<b>Expenditure</b>	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 of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	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		

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	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		
<b>Expenditure</b>	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 fund		
	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		

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		91,472
Salaries and Wages included in above	£89,789	
Auditors' fees		7,636
Legal and Professional fees		84,266
Occupancy costs		10,833
Stationery, printing, postage, telephone, etc.		12,585
Expenses of Executive Committee (Head Office)		19,064
Expenses of conferences		150
Other administrative expenses (specify)		
Pension scheme contributions		75,197
Insurance		6,197
Bank charges		1,647
Sundries		6,446
Donations		2,290
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		4,040
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
<b>Total</b>		321,823
Charged to:	General Fund (Page 3)	321,823
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
<b>Total</b>		321,823



# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			105,484
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Gain on disposal of investments			53,379
Investment management fees			(58,591)
Exchange rate movements			(1,030)
Interest paid			(65)
Gift aid payments			(630,000)
Surplus on revaluation of investments			609,042
		Total investment income	78,219
Credited to:		General Fund (Page 3)	78,219
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	78,219

# BALANCE SHEET as at

31 December 2012

(see notes 47 to 50)

Previous Year		£	£
11,607	<b>Fixed Assets</b> (at page 14)		17,479
	<b>Investments</b> (as per analysis on page 15)		
6,315,792	Managed investments (see next page)	6,250,330	
529,708	Quoted (Market value £ 564,231)	564,231	
55,058	Unquoted	55,058	
6,900,558	<b>Total Investments</b>		6,869,619
	<b>Other Assets</b>		
	Loans to other trade unions		
362,245	Sundry debtors	384,399	
133,237	Cash at bank and in hand	20,014	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
495,482	<b>Total of other assets</b>		404,413
7,407,647	<b>TOTAL ASSETS</b>		7,291,511
4,100,131	General Fund (Account )		5,668,304
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
2,720,219	Investment Revaluation Reserve		895,560
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Bank overdraft		
8,961	Trade creditors		26,545
	Sundry creditors		8,852
94,336	Accrued expenses and deferred income		24,250
	Provisions		
484,000	Other liabilities – pension liability		668,000
7,407,647	<b>TOTAL LIABILITIES</b>		7,291,511
7,407,647	<b>TOTAL ASSETS</b>		7,291,511

# GENERAL FEDERATION OF TRADE UNIONS

## MANAGED INVESTMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 6 Managed investments

	Total £	
Market value as at 01.01.12	6,210,663	
Book cost of acquisitions	4,267,894	
Book cost of disposals	(4,912,811)	
	<hr/>	
Increase / (decrease) in market value	5,565,746	
	574,519	
	<hr/>	
Market value as at 31.12.12	6,140,265	
Cash balances as at 31.12.12	110,065	
	<hr/>	
Managed investments as at 31.12.12	6,250,330	
	<hr/>	
Market value as at 31.12.11	6,210,663	
Cash balance as at 31.12.11	105,129	
	<hr/>	
Managed investments as at 31.12.11	6,315,792	
	<hr/>	
<b>Analysis of investments at market value</b>		
	2012	2011
	£	£
Bonds	1,745,413	1,966,544
Property	-	-
Equities	2,830,563	2,619,175
Cash deposits	110,065	105,129
Alternative assets	1,564,289	1,624,944
	<hr/>	<hr/>
	6,250,330	6,315,792
	<hr/>	<hr/>
<b>Analysis of book cost</b>		
		£
Book cost as at 01.01.12		6,408,146
Book cost of acquisitions		4,267,894
Book cost of disposals		(4,912,811)
		<hr/>
Book cost as at 31.12.12		5,763,229
		<hr/>



# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
<b>Cost or Valuation</b>						
At start of year			25,432	28,790		54,222
Additions				21,512		21,512
Disposals				(28,790)		(28,790)
Revaluation/Transfer s						
At end of year			25,432	21,512		46,944
<b>Accumulated Depreciation</b>						
At start of year			25,432	17,183		42,615
Charges for year				4,040		4,040
Disposals				(17,190)		(17,190)
Revaluation/Transfer s						
At end of year			25,432	4,033		29,465
<b>Net book value at end of year</b>			-	17,479		17,479
<b>Net book value at end of previous year</b>			-	11,607		11,607

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Zenecca Group Plc (2,000 25p Ordinary Shares)	58,190	
Royal Bank of Scotland Plc (17,385 £1 Ordinary Shares)	5,641	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Trade Union Unit Trust (100,000 units)	500,400	
TOTAL QUOTED (as Balance Sheet)	564,231	
Market Value of Quoted Investment	564,231	
<b>UNQUOTED</b>		
Equities		
Unity Trust Plc (40,058 'A' shares)	40,058	
Unity Trust Plc (15,000 'C' shares)	15,000	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	55,058	
Market Value of Unquoted Investments	55,058	

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	171,118		171,118
From Investments	78,219		78,219
Other Income (including increases by revaluation of assets)			
<b>Total Income</b>			
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	(505,823)		(505,823)
<b>Funds at beginning of year</b> (including reserves)	6,820,350		6,820,350
<b>Funds at end of year</b> (including reserves)	6,563,864		6,563,864
<b>ASSETS</b>			
Fixed Assets			17,479
Investment Assets			6,869,619
Other Assets			404,413
		<b>Total Assets</b>	7,291,511
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	(727,647)
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			6,563,864

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

See attached notes to the accounts

# ACCOUNTING POLICIES

(see notes 74 and 75)

See attached notes to the accounts

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's  
Signature: \_\_\_\_\_



Chairman's  
Signature: \_\_\_\_\_

(or other official whose position should be stated)

Name: D Nicholls

Date: 30/6/13

Name: J Mann MBE

Date: \_\_\_\_\_

## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSE D	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 relate?  
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/ NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES/ NO

If "No" please explain below.

3. 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 rule 83)

YES/ NO

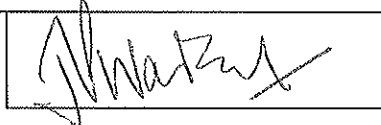
If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

# AUDITOR'S REPORT (continued)

See attached Audit Report on next page

Signature(s) of auditor or auditors:



Name(s):

J P Warsop

Profession(s) or Calling(s):

ACA FCCA

Address(es):

UHY Hacker Young LLP  
22 The Ropewalk  
Nottingham  
NG1 5DT

Date:

27/6/2013

Contact name and telephone number:

0115 9590900

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



# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the principal accounting policies as set out below, all of which have been applied consistently throughout the year and the previous year except where noted below.

#### 1.1 Fixed assets

Items of office equipment are capitalised in the balance sheet at cost and depreciated at a rate of 33% per annum to write off the cost by equal instalments over their useful life. Motor vehicles are capitalised at cost and are depreciated at 25% reducing balance.

#### 1.2 Investments

Quoted investments and managed investments are carried at market value in the balance sheet. Unrealised increases in the value of quoted investments and managed investments are taken to the revaluation reserve. Any diminution in value is shown in the statement of total recognised gains and losses and deducted from the revaluation reserve or general fund as applicable.

Unquoted investments are stated at cost subject to any permanent diminution in value.

#### 1.3 Investment income

Investment income is accounted for on a receivable basis advised where necessary by the fund managers

#### 1.4 Stocks

No account is taken of consumable stores in hand at the year end. These are written off on acquisition.

#### 1.5 Taxation

Corporation tax is liable on investment income only. Full provision is made to the extent that a liability arises.

#### 1.6 Pensions

The Federation operates a Defined Benefit Pension Scheme for the staff who all have joint contracts of employment with this entity and the GTFU Educational Trust. The impact of the Pension Scheme, including the net pension liability, is reflected solely in the accounts of the Federation.

Regular valuations of the defined benefit scheme are carried out by professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase of pensions payable. In accordance with Financial Reporting Standard 17, the regular service cost of providing retirement benefits to employees during the period, together with the cost of any benefits relating to past service is charged to the income and expenditure account.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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A credit representing the expected return on the assets of the scheme during the period is included within the income and expenditure account. This is based on the market value of the assets of the scheme at the start of the financial period.

The expected increase in the liabilities of the scheme during the period is charged to the income and expenditure account. This arises from the liabilities of the scheme being one year closer to payment.

The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet.

Differences between actual and expected returns on assets during the period are recognised in the statement of total recognised gains and losses in the period, together with the differences arising from changes in assumptions.

Deferred tax is not reflected in the pension liability or asset due to the corporation tax status of the Federation.

### **2 Taxation**

No provision for corporation tax or deferred tax is made on the basis of these accounts.

Tax credits on dividends received were deducted at source. Income tax recoverable on investment income is included within other debtors.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 3 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2012	25,432	28,790	54,222
Additions	-	21,512	21,512
Disposals	-	(28,790)	(28,790)
	<hr/>	<hr/>	<hr/>
At 31 December 2012	25,432	21,512	46,944
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>			
At 1 January 2012	25,432	17,183	42,615
On disposals	-	(17,190)	(17,190)
Charge for year	-	4,040	4,040
	<hr/>	<hr/>	<hr/>
At 31 December 2012	25,432	4,033	29,465
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 31 December 2012	-	17,479	17,479
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2011	-	11,607	11,607
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 4 Quoted investments

	Book Cost 2011 & 2012 £	Market value as at 1 Jan 2012 £	Revaluation to market value 2012 £	Disposals during 2012	Market value as at 31 Dec 2012 £
Trade Union Unit Trusts 100,000 units	38,042	466,700	33,700	-	500,400
Zeneca Group Plc 2,000 25p Ordinary Shares	3,316	59,500	(1,310)	-	58,190
Royal Bank of Scotland Plc 17,385 £1 Ordinary Shares	4,349	3,508	2,133	-	5,641
	<u>45,707</u>	<u>529,708</u>	<u>34,523</u>	<u>-</u>	<u>564,231</u>

	Dividends received 2012 £	Tax credit 2012 £
Trade Union Unit Trusts 100,000 units	8,770	974
Zeneca Group Plc 2,000 25p Ordinary Shares	3,634	404
Royal Bank of Scotland Plc 17,385 £1 Ordinary Shares	1,321	147
	<u>13,725</u>	<u>1,525</u>

### 5 Unquoted investments

	Cost/value 2012 £	Cost /value 2011 £	Dividends received £	Tax credit £
Unity Trust Plc 40,058 "A" Shares	40,058	40,058	-	-
15,000 "C" Shares	15,000	15,000	-	-
	<u>55,058</u>	<u>55,058</u>	<u>-</u>	<u>-</u>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 6 Managed investments

	<b>Total £</b>
Market value as at 01.01.12	6,210,663
Book cost of acquisitions	4,267,894
Book cost of disposals	(4,912,811)
	<u>5,565,746</u>
Increase / (decrease) in market value	574,519
Market value as at 31.12.12	<u>6,140,265</u>
Cash balances as at 31.12.12	110,065
Managed investments as at 31.12.12	<u>6,250,330</u>
	<u>6,250,330</u>
Market value as at 31.12.11	6,210,663
Cash balance as at 31.12.11	105,129
Managed investments as at 31.12.11	<u>6,315,792</u>
	<u>6,315,792</u>
<b>Analysis of investments at market value</b>	
	<b>2012</b>
	<b>2011</b>
	<b>£</b>
	<b>£</b>
Bonds	1,745,413
Property	-
Equities	2,830,563
Cash deposits	110,065
Alternative assets	1,564,289
	<u>6,250,330</u>
	<u>6,315,792</u>
	<u>6,315,792</u>
<b>Analysis of book cost</b>	
	<b>£</b>
Book cost as at 01.01.12	6,408,146
Book cost of acquisitions	4,267,894
Book cost of disposals	(4,912,811)
	<u>5,763,229</u>
Book cost as at 31.12.12	<u>5,763,229</u>

During the year the Federation drew down £729,427 (2011: £750,000) from Credit Suisse, £77,000 (2011: £150,000) from the income account and £652,427 (2011: £600,000) from the capital account. The investments managed by Credit Suisse were responsible for a revaluation surplus of £574,519 in the year, and the investments disposed of by Credit Suisse resulted in a profit of £53,379 (2011: loss of £427,877). Dividends were received from the Credit Suisse investments of £91,759 (2011: £99,152).

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 7 Debtors

	2012 £	2011 £
Trade debtors	390	-
Other debtors	10,226	25,375
Due from GFTU Educational Trust – see note 12	373,783	336,870
	<u>384,399</u>	<u>362,245</u>

### 8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	26,545	-
Other creditors	24,250	94,336
Social security and other taxes	8,852	8,961
	<u>59,647</u>	<u>103,297</u>

### 9 Investment revaluation reserve

	Quoted £	Managed £	Total £
At 1 January 2012	484,001	2,236,218	2,720,219
Revaluation to market value in the year	34,523	574,519	609,042
Transfer to general fund	-	(2,433,701)	(2,433,701)
	<u>518,524</u>	<u>377,036</u>	<u>895,560</u>

The investment revaluation reserve in respect of managed investments represents the unrealised increase in the value of the investment portfolio. In previous years decreases below book cost totaling £2,433,701 were taken to the general fund in line with the accounting policy. As at 31 December 2012 the value of the managed investments exceeded book cost and, as such, a transfer to the general fund was made to reverse in full the previous charges of £2,433,701.

As such the net revaluation in relation to the managed investments is £377,036 on book cost of £5,763,229 as disclosed in note 6 to the accounts.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 10 General fund

	2012 £	2011 £
As at 1 January 2012	4,100,131	5,112,213
Deficit for the year	(670,528)	(967,082)
Pension scheme assumptions and experience	(195,000)	(45,000)
Transfer from investment revaluation reserve	2,433,701	-
	<hr/>	<hr/>
As at 31 December 2012	5,668,304	4,100,131
	<hr/> <hr/>	<hr/> <hr/>
The general fund represents:-		
Net assets	6,336,304	4,584,131
Pension reserve	(668,000)	(484,000)
	<hr/>	<hr/>
	5,668,304	4,100,131
	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 11 Employment costs

Staff have joint contracts of employment with the Federation and the GFTU Educational Trust. The staff costs are administered by the Federation and a recharge is made to the Trust based on the time spent on the Trusts' activities.

Average number of employees	2012 10	2011 12
	<u>          </u>	<u>          </u>
	2012 £	2011 £
Gross, including employer's NI and pension contribution	490,385	606,529
Recharged to Educational Trust	(325,399)	(427,046)
	<u>          </u>	<u>          </u>
	164,986	179,483
	<u>          </u>	<u>          </u>
These are shown in the financial statements as follows: -	£	£

Administrative expenses (Schedule 2) - Employment costs	164,986	179,483
	<u>          </u>	<u>          </u>
	164,986	179,483
	<u>          </u>	<u>          </u>

The charges arising in the pension scheme comprise the following:

	Actual 2012 £'000	Actual 2010 & 2011 £'000	Estimated 2010 £,000
Expected return on scheme assets	217	517	239
Interest cost	(256)	(558)	(239)
	<u>          </u>	<u>          </u>	<u>          </u>
Other finance costs	(39)	(41)	-
	<u>          </u>	<u>          </u>	<u>          </u>
Employer contributions	126	374	133
Service cost	(76)	(255)	(133)
	<u>          </u>	<u>          </u>	<u>          </u>
Current service cost	50	119	-
	<u>          </u>	<u>          </u>	<u>          </u>

In the year to 31 December 2010 the combined contributions of the Federation and the GFTU Educational Trust were estimated to equate to the costs in the Pension Scheme.



# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 12 Related parties

The General Federation of Trade Unions Educational Trust ("GFTU Educational Trust") was established by the General Federation of Trade Unions, which continues to support it financially. At 31 December 2012, the GFTU Educational Trust had net assets of £2,194,526 (2011: £2,116,414). Transactions during the year ended 31 December 2012 were as follows:-

	2012	2011
	£	£
Gift Aid donated to the GFTU Educational Trust	(630,000)	(400,000)
Employment costs recharged to the GFTU Educational Trust	325,399	427,046
Occupancy costs recharged to the GFTU Educational Trust	43,333	40,000
Publications purchased from the GFTU Educational Trust	(9,920)	(6,900)

The balance due from the GFTU Educational Trust at the year end was £373,783 (2011: £336,870) which is included in Debtors – see note 7 above.

### 13 Pensions

The Federation is a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme in the UK which covers various organisations on a combined basis. The Federation's share of the scheme equates to approximately 69% (2011: 69%) of net assets and future liabilities.

A full actuarial valuation was carried out as at 31 December 2006 by a qualified independent actuary during the previous year when the separate assets and liabilities of the Pension Scheme were allocated to member organisations. The resulting £445,000 pension liability as at 31 December 2006 was reflected in the financial statements for the year ended 31 December 2007.

The full actuarial valuation was updated by a qualified independent actuary as at 31 December 2008 which identified a £185,000 reduction in pension liabilities at that date.

The results of a full actuarial valuation carried out as at 31 December 2009 by a qualified independent actuary were reflected in the financial statements for the year ended 31 December 2010. This was updated by a qualified independent actuary as at 31 December 2011 and further updated by a qualified independent actuary as at 31 December 2012 as outlined over.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 13 Pensions continued

The major assumptions used by the actuary were:

	At 31 Dec 2012	At 31 Dec 2011 (Updated)	At 31 Dec 2009 (Full)
Investment return	4.35%	4.70%	5.70%
RPI price inflation increases	2.90%	2.90%	3.45%
Salary increases	3.90%	3.90%	4.45%
Pension increases in payment	2.90%	2.90%	3.45%
Life expectancy for a male pensioner aged 65 (in years)	21.8	20.9	20.8
Life expectancy for a male non-pensioner currently aged 45 from age 65 (in years)	23.6	22.7	22.6

To develop the expected long-term rate of return on assets assumption, the pension scheme trustees under actuarial advice considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of a 5.70% p.a. assumption for the 2009 financial year. For the 2011 financial year, the updated actuarial valuation assumes a rate of return of 4.70% p.a. and for the 2012 financial year, the updated actuarial valuation assumes a rate of return of 4.35% p.a.

The assets in the scheme were as follows:

	Value at 31 Dec 2012 £'000 (Updated)	Value at 31 Dec 2011 £'000 (Updated)	Value at 31 Dec 2009 £'000 (Full)	Value at 31 Dec 2006 £'000 (Full)
Bonds	5,153	4,938	2,991	2,707
Equities	2,601	2,367	3,384	2,930
Other	10	22	42	27
	<hr/>	<hr/>	<hr/>	<hr/>
Total market value of assets	7,764	7,327	6,417	5,664
Present value of scheme liabilities	(8,732)	(8,027)	(7,167)	(6,257)
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(968)	(700)	(750)	(593)
Proportion of deficit relating to other unions	300	216	233	148
	<hr/>	<hr/>	<hr/>	<hr/>
Net pension liability relating to the Federation	(668)	(484)	(517)	(445)
	<hr/>	<hr/>	<hr/>	<hr/>

The net pension liability at 31 December 2006 was reflected in the balance sheet at 31 December 2007.

Federation net pension liability as a percentage of the present value of scheme liabilities	8%	6%	7%	7%
	<hr/>	<hr/>	<hr/>	<hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 13 Pensions continued

The movements in the net pension liability during the period were as follows:-

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Opening deficit	(484)	(517)
Scheme introduction	-	-
Contribution paid	126	374
Current service cost	(76)	(160)
Past service cost	-	(95)
Net financial cost	(39)	(41)
Actuarial gains/(losses)	(195)	(45)
	<hr/>	<hr/>
Net pension liability	(668)	(484)
	<hr/> <hr/>	<hr/> <hr/>

The net actuarial losses reflected in the STRGL (page 6) were as follows:

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Changes in assumptions underlying the present value of the scheme liabilities - Historic	-	(111)
Changes in assumptions underlying the present value of the pension scheme liabilities – Current	(429)	(225)
Actual return less expected return on pension scheme	236	291
Experience gains and losses arising on pension scheme	(2)	-
	<hr/>	<hr/>
	(195)	(45)
	<hr/> <hr/>	<hr/> <hr/>

The GFTU expect to contribute an average 24.7% per annum of Pensionable Salaries for active scheme members.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

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### 13 Pensions continued

In addition, the Participating Employers agreed to contribute a total of £97,700 per annum additional contributions for a ten year period with the first payment made for the year to 31 December 2011, and the final payment falling due for the year to 31 December 2020. The Federation will contribute £67,300 per annum (of the £97,700 total additional contributions) throughout the ten year period stated. During 2012 a payment of £67,300 (2011: £67,300) was made by the Federation to the pension scheme under the current commitment to making annual contributions. During 2011 a further payment of £95,000 was made by the Federation to the pension scheme as pension enhancement for M Bradley.

If the assumptions made for assessing the recovery plan are borne out in practice, these contributions will eliminate the overall deficit in the scheme by 2020.

### 14 Contingent liabilities

As stated in note 12, the Federation has a commitment to continue supporting the GFTU Educational Trust, which had net assets at the year end of £2,194,526 (2011: £2,116,414).

### 15 Financial commitments

At 31 December 2012 the Federation and GFTU Educational Trust had annual commitments under non-cancellable operating leases for the premises they occupy under a joint lease as follows:-

	2012	2011
	£	£
Expiry date:		
In less than 1 year	-	10,000
Between 2 and 5 years	12,600	-
	<u>12,600</u>	<u>10,000</u>

As stated in note 13, the Federation are committed to making the annual contributions to the General Federation of Trade Unions Pension Scheme as follows:

	2012	2011
	£	£
Expiry date:		
In more than 5 years	67,300	67,300
	<u>67,300</u>	<u>67,300</u>

**AUDITORS' REPORT  
TO MEMBERS OF THE GENERAL FEDERATION OF TRADE UNIONS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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We have audited the financial statements on pages 5 to 21, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 10 and 11.

Our audit work has been undertaken so that we might state to the Federation'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 Federation and the Federation's members as a body for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of members of the Executive Committee and auditors**

As described on page 2, the members of the Executive Committee, (acting on behalf of the Governing Body) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. We also report to you if, in our opinion, the Executive Committee's report is not consistent with the financial statements, if the Federation has not kept proper accounting records in accordance with the requirements of section 28, if the accounts to which the report relates disagree with the accounting records or if we have not received all the information and explanations we require for audit.

We read the Executive Committee's report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Federation'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 financial statements 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 financial statements.

**AUDITORS' REPORT  
TO MEMBERS OF THE GENERAL FEDERATION OF TRADE UNIONS  
FOR THE YEAR ENDED 31 DECEMBER 2012 (Continued)**

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**Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Federation's affairs as at 31 December 2012 and of its deficit for the year then ended and have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992.
- the information given in the Executive Committee report is consistent with the financial statements.



Jonathan Warsop ACA FCCA  
Senior Statutory Auditor

for and on behalf of UHY Hacker Young

Chartered Accountants  
Statutory Auditor

9 April 2013