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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Unite the Union					
Year ended:	31 December 2013					
List no:	795T					
Head or Main Office:	Unite House 128 Theobald's Road Holborn London WC1X 8TN					
Website address (if available)	www.unitetheunion.org					
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td><td>(Click the appropriate box)</td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)		
General Secretary:	Len McCluskey					
Telephone Number:	020 7611 2500					
Contact name for queries regarding	Ed Sabisky					
Telephone Number:	020 7611 2500					
E-mail:	Ed.Sabisky@unitetheunion.org					

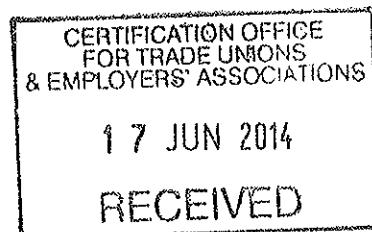
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

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
22nd 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)

Unite the Union

Appendix 1

Changes to Executive Council during 2013

Left office

Hutchinson, Sharon
Murphy, John
McAnulty, Harry
McEleny, Chris

Took office

Allday, Richard
Douglas, Jenny

Executive Council members as at 31 December 2013

Abrams, Kingsley	Miller, Steve
Adams, Lindsey	Mitchell, James
Agyemang-prempeh, Kwasi	Mitchell, Tam
Allday, Richard	Moloney, Therese
Allinson, Ian	Monckton, Ivan
Ashworth, Tracey	Neill, Jimmy
Beatty, Sean	Osborne, Kate
Bennett, Sara	Pleasants, Brenda
Bond, Chris	Russell, Peter
Bowyer, David	Ryan, Maggie
Brockett, Davy	Sharp, Sue
Cadman, Chris	Shepherd, June
Cooper, John	Sheridan, John
Douglas, Jenny	Stewart, Jane
Elliot, Jennifer	Still, Joyce
Elliott, Moira	Storey, John
Entwistle, Phil	Stuart, Pat
Forbes, Mick	Taj, Mohammed
Graham, Des	Taylor, Jayne
Green, Andy	Thomas, Mark
Hibbert, Steve	Thomas, Meurig
Holmes, Brian	Tolmie, Agnes
Jackson, Glenn	Turner, Howard
James, John	Vannet, Marie
Johnson Mick	Wallace, Sharon
Kendall Jim	Welsh, Paul
Lyon, Mark	Whitnall, Dave
Malone, Lizanne	Williams, Dave
Mathieson, Dave	Wilson, Dennis
Mayer, Martin	Wood, Frank
McCourt, Pat	Wood, Mark
McFarlane, Helen	Woodhouse, Tony
McGovern, Sean	

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	983,155	33,839	22,355	10,026	1,049,375
FEMALE	327,494	9,403	12,035	6,764	355,696
TOTAL	1,310,649	43,242	34,390	16,790	A 1,405,071

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

94,112
1,134,320

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

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
See Appendix 1			

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:

GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
INCOME		
From Members: Contributions and Subscriptions		142,040
From Members: Other income from members (specify)		
Total other income from members		-
Total of all income from members		142,040
Investment income (as at page 13)		2,856
Other Income		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	12,255	
Total of other income (as at page 4)		12,255
	TOTAL INCOME	157,151
EXPENDITURE		
Benefits to members (as at page 5)		11,391
Administrative expenses (as at page 11)		120,019
Federation and other bodies (specify)		
Affiliations	5,652	
Grants and donations	584	
Total expenditure Federation and other bodies		6,236
Taxation		-
	TOTAL EXPENDITURE	137,646
		Surplus (deficit) for year
		19,505
		Amount of general fund at beginning of year
		13,319
		Pension scheme actuarial loss
		11,284
		Amount of general fund at end of year
		44,108

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
Federation and other bodies	-	
	-	
	-	
	-	
	-	
	-	
TOTAL FEDERATION AND OTHER BODIES		-
Other income		
Insurance premium equivalent	9,489	
Validation fee	1,764	
Affinity / sundry income	1,002	
	-	
	-	
	-	
TOTAL OTHER INCOME		12,255
TOTAL OF ALL OTHER INCOME		12,255

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues		brought forward	5,963
Legal representation	2,627	Education and Training services	
		-	2,651
Representation – Non Employment Related Issues		Negotiated Discount Services	
		n/a	-
Communications		Salary Costs	
Journals and publications	1,392	n/a	-
Advisory Services		Other Benefits and Grants (specify)	
n/a	-	Incapacity	804
Dispute Benefits		Accident and fatality	5
-	1,944	Funeral	422
		Driver care	1,332
		Convalescence	173
		Superannuation	41
Other Cash Payments			
carried forward	5,963	Total (should agree with figure in General Fund)	11,391

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	AEEU Section Members Superannuation Fund	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		1,088
	Amount of fund at the end of year (as Balance Sheet)		1,088
	Number of members contributing at end of year		-

FUND 3		Fund Account	
Name:	MSF Section Craft Members Superannuation Fund	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		54
	Amount of fund at the end of year (as Balance Sheet)		54
	Number of members contributing at end of year		-

FUND 4		Fund Account	
Name:	Printing Machine Branch	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		-
	Amount of fund at the end of year (as Balance Sheet)		-
	Number of members contributing at end of year		-

FUND 5		Fund Account	
Name:	Branch Funds	£'000	£'000
Income			
	From members		1,628
	Investment income (as at page 13)		-
	Other income (specify)		
	Branch surplus	969	
	Total other income as specified		969
	Total Income		2,597
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		2,597
	Amount of fund at beginning of year		17,499
	Amount of fund at the end of year (as Balance Sheet)		20,096
	Number of members contributing at end of year		249,485

FUND 6		Fund Account	
Name:	Plate Preparers Superannuation Fund	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		73
	Amount of fund at the end of year (as Balance Sheet)		73
	Number of members contributing at end of year		-

FUND 7		Fund Account	
Name:	Litho Printers Superannuation Fund	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		82
	Amount of fund at the end of year (as Balance Sheet)		82
	Number of members contributing at end of year		-

FUND 8		Fund Account	
Name:	TGWU Section Members Superannuation Fund	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		63
	Amount of fund at the end of year (as Balance Sheet)		63
	Number of members contributing at end of year		-

FUND 9		Fund Account	
Name:	BAeSSA	£'000	£'000
Income			
	From members		-
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 11)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		427
	Amount of fund at the end of year (as Balance Sheet)		427
	Number of members contributing at end of year		-

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£'000	£'000
Income	Members contributions and levies		7,468
	Investment income (as at page 13)		-
	Other income (specify)		
	Total other income as specified		-
	Total Income		7,468
Expenditure			
	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) Affiliation fees		3,565
			-
	Administration expenses in connection with political objects (specify) Political Fund Expenditure		1,222
	Non-political expenditure		-
	Total Expenditure		4,787
	Surplus (Deficit) for the year		2,681
	Amount of political fund at beginning of year		9,339
	Amount of political fund at the end of year (as Balance Sheet)		12,020
	Number of members at end of year contributing to the political fund		1,187,023
	Number of members at end of the year not contributing to the political fund		218,048
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		39,466

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union	
		£'000	£'000
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) Affiliation fees		-
			-
	Administration expenses in connection with political objects (specify) Political Fund Expenditure		-
	Non-political expenditure		-
	Total Expenditure		-
	Surplus (Deficit) for the 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)

Administrative Expenses		£'000
Remuneration and expenses of staff		62,983
Salaries and Wages included in above	£ 48,793,000	
Auditors' fees		474
Legal and Professional fees		2,449
Occupancy costs		5,243
Stationery, printing, postage, telephone, etc.		4,877
Expenses of Executive Committee (Head Office)		616
Expenses of conferences		1,404
Other administrative expenses (specify)		
Non industrial ballots		2,096
Expenses of committees / exe councils		4,897
Branch and regional costs		468
Payments to regions and branches		11,178
Motor vehicle costs excl. depreciation		2,339
IT costs excl. depreciation		751
Sundry expenses		9,445
Bank charges		186
Impairment of properties		3,492
Profit on disposal of properties		(3,626)
Voluntary redundancy and severance		2,743
Irrecoverable VAT on properties		2,379
Unfunded pensions		467
Other exceptional items		(643)
Other Outgoings		
Interest payable:		
Depreciation		4,084
Taxation		-
Outgoings on land and buildings (specify)		
Maintenance and repairs		4,341
Other outgoings (specify)		
FRS 17 adjustment		(2,624)
	Total	120,019
Charged to:	General Fund (Page 3)	120,019
	Total	120,019

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £'000	Other Fund(s) £'000
Rent from land and buildings	-	-
Dividends (gross) from:		
Equities (e.g. shares)	-	1,052
Interest (gross) from:		
Government securities (Gilts)	-	-
Mortgages	-	-
Local Authority Bonds	-	-
Bank and Building Societies	-	143
Other investment income (specify)		
Unit trusts	-	-
Gain on sale of investments	-	1,661
Other fixed income	-	-
	-	2,856
	Total investment income	2,856
Credited to:		
	General Fund (Page 3)	2,856
	Political Fund	-
	Total Investment Income	2,856

BALANCE SHEET as at 31 December 2013

(see notes 47 to 50)

Previous Year		£'000	£'000
114,770	Fixed Assets (at page 6)		118,059
	Investments (as per analysis on page 16)		
46,280	Quoted (Market value £61,368)	48,578	
2,840	Unquoted	2,806	
49,120	Total Investments		51,384
	Other Assets		
-	Loans to other trade unions	-	
10,442	Sundry debtors	14,760	
41,963	Cash at bank and in hand	42,005	
-	Others (specify)	-	
52,405	Total of other assets		56,765
216,295	TOTAL ASSETS		226,208
13,319	General Fund (Page 3)		44,108
1,088	AEEU Section Members Superannuation Fund (Fund 2)		1,088
54	MSF Section Craft Members Superannuation Fund (Fund 3)		54
17,499	Branch Funds (Fund 5)		20,096
73	Plate Preparers Superannuation Fund (Fund 6)		73
82	Litho Printers Superannuation Fund (Fund 7)		82
63	TGWU Section Members Superannuation Fund (Fund 8)		63
427	BAeSSA (Fund 9)		427
9,339	Political Fund (Account 1)		12,020
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
-	Loans: From other trade unions	-	
-	Loans: Other (Bank loans to Branches)	-	
-	Bank overdraft	-	
30,341	Sundry creditors	30,195	
144,010	Other liabilities	118,002	
174,351	TOTAL LIABILITIES		148,197
216,295	TOTAL ASSETS		226,208

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
	Freehold £'000	Leasehold £'000				
Cost or Valuation						
At start of year	122,698	2,920	8,690	4,411	-	138,719
Additions	13,072	65	820	1,602	-	15,559
Disposals	(6,982)	-	(1,692)	(270)	-	(8,944)
Revaluation/Transfers	-	-	-	-	-	-
At end of year	128,788	2,985	7,818	5,743	-	145,334
Accumulated Depreciation						
At start of year	15,836	1,374	4,611	2,128	-	23,949
Charges for year	2,103	71	1,104	806	-	4,084
Disposals	(2,334)	-	(1,692)	(224)	-	(4,250)
Impairments	3,492	-	-	-	-	3,492
Revaluation/Transfers	-	-	-	-	-	-
At end of year	19,097	1,445	4,023	2,710	-	27,275
Net book value at end of year						
	109,691	1,540	3,795	3,033	-	118,059
Net book value at end of previous year						
	106,862	1,546	4,079	2,283	-	114,770

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund £'000
Equities (e.g. Shares)		
Equities	36,679	-
Funds	11,899	-
Government Securities (Gilts)	-	-
	-	-
Other quoted securities (to be specified)	-	-
	-	-
TOTAL QUOTED (as Balance Sheet)	48,578	-
Market Value of Quoted Investment	61,368	-
UNQUOTED Equities		
-	2,777	-
	-	-
Government Securities (Gilts)		
Local government	29	-
	-	-
Mortgages	-	-
	-	-
Bank and Building Societies	-	-
	-	-
Other unquoted investments (to be specified)	-	-
TOTAL UNQUOTED (as Balance Sheet)	2,806	-
Market Value of Unquoted Investments	-	-

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES X	NO
If YES name the relevant companies: COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Unite the Union Trustee Company Ltd	00969191		
Unite the Union Second Trustee Company Ltd	06477198		
UNIFI Nominee Company Ltd	02334993		
MSF Nominee Company Ltd	02435004		
Unite Amicus Section Pension Trustee Ltd	06349044		
AEEU Pensions Trustee Ltd	03597144		
M&P Benefits Ltd	02172923		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES X	NO
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
MSF Nominee Company Ltd	Roger Lyons- 2 shares held in trust for Unite Amicus Section		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £'000	Political Funds £'000	Total Funds £'000
INCOME			
From Members	143,668	7,468	151,136
From Investments	2,856	-	2,856
Other Income (including increases by revaluation of assets)	13,224	-	13,224
Total Income	159,748	7,468	167,216
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	126,362	4,787	131,149
Funds at beginning of year (including reserves)	32,605	9,339	41,944
Funds at end of year (including reserves)	65,991	12,020	78,011
ASSETS			
	Fixed Assets		118,059
	Investment Assets		51,384
	Other Assets		56,765
	Total Assets		226,208
LIABILITIES		Total Liabilities	148,197
NET ASSETS (Total Assets less Total Liabilities)			78,011

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

(see notes 72 and 73)

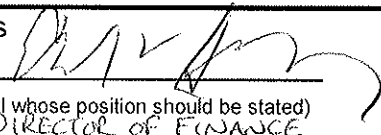
All notes to the accounts must be entered on or attached to this part of the return.

See attached

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Len M^cCluskey</u> Name: <u>LEN McCLUSKEY</u> Date: <u>13 JUNE 2014</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) DIRECTOR OF FINANCE Name: <u>ED SABISKY</u> Date: <u>13 JUNE 2014</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES		NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES		NO	
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	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 78)	YES		NO	
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED		TO FOLLOW	
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES		NO	

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

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

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

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)

See below:

AUDITOR'S REPORT (continued)

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UNITE THE UNION

We have audited the accounts of Unite the Union for the year ended 31 December 2013 which comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting

This report is made solely to the members of the Union as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of the Union those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the members of the Union as a body, for our work, for this report, or for the opinion we

Respective responsibilities of the Union's Executive Council and auditor

As explained more fully in the Statement of Responsibilities of the Union, the Executive Council is responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and accounting. We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Senior Deputy General Secretary to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2013, and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

Matters on which we are required to report by exception

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

- the Union has not kept proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- A satisfactory system of control over transactions has not been maintained;
- The accounts are not in agreement with accounting records;

We have not received all the information and expenditure we require for our audit.

Signature(s) of auditor or auditors:

Chantrey Vellacott DFK LLP

Name(s):

Chantrey Vellacott DFK LLP

Profession(s) or Calling(s):

Chartered Accountants

Address(es):

Russell Square House
10-12 Russell Square
London
WC1B 5LF

Date:

13 JUNE 2014

Contact name and telephone number:

Gareth Jones
0207 509 9000

UNITE THE UNION

ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2013

The accounts have been prepared in accordance with applicable accounting standards. The specific policies adopted are set out below:

Accounting convention

The accounts are prepared under the historical cost convention.

Contributions

Contributions are accounted for on an accruals basis.

Expenditure

All expenditure in the accounts is inclusive of VAT where applicable.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Any subsequent expenditure is included at the assets' carrying amount when it is probable that future economic benefits associated with the assets will flow to the Union and the costs can be measured reliably.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Freehold buildings	- 45 years
Long leasehold land and buildings	- 45 years
Short leasehold properties	- Period of lease
Computer equipment and software	- 3 years
Furniture, fixtures and office equipment	- 10 years
Motor vehicles	- 4 years

Assets are reviewed for impairment whenever events or changes in circumstances, such as planned disposal of properties, indicate that the carrying amount may not be recoverable. All fixed asset additions are deemed to be impaired by the amount of VAT charged as this is irrecoverable to the Union.

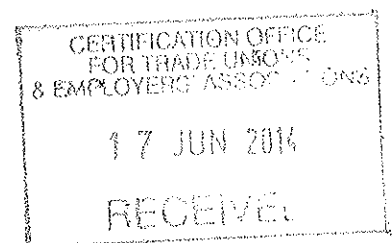
Investments

Investments are stated in the balance sheet on the following basis:

Quoted investments - at market value

Unquoted investmentes - at original cost or estimated current value as determined by an independent 3rd party.

Investments mainly comprise equities, unit trusts and gilts. These are treated as fixed asset investments due to the permanent nature of the investment fund held by the Union. Any profit or loss on the disposal of investments is the difference between the proceeds of sale and the book value.



UNITE THE UNION

ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2013

Pension costs

The Union operates various defined benefit pension schemes, providing benefits based on final pensionable salaries. The assets of the schemes are held separately from those of the Union.

Pension scheme assets are measured using market values; quoted securities are valued at current bid price. Pension scheme liabilities are measured using a projected unit method, and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the defined benefit pension schemes of the Union, expected to arise from employee service in the period, is charged to income and expenditure. The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities, arising from the passage of time, are included in income and expenditure. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at that date. The resulting translation differences are dealt with in the income and expenditure account.

Corporation tax

Corporation tax is payable on investment income, chargeable gains arising on the disposal of properties and investments and other taxable income, but only to the extent that these exceed expenditure on provident benefits.

Branches and regions

The transactions of the branches and regions during the year are included in the funds as are the net assets held directly by them at the balance sheet date.

Leases

Operating lease rentals are charged to the income and expenditure account in equal instalments over the period of the lease.

Members' superannuation funds

The Union operates superannuation funds for certain members. The funds are closed to new entrants. The assets of the funds are recorded separately from those of the General funds of the Union and the superannuation payments and receipts are all included in these funds.

Provisions

Provisions for future expenditure are included in the accounts only where the Union has a present obligation to meet such expenditure.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£'000	£'000
1 Other membership benefits excluding legal		
Incapacity	804	864
Accident and fatality	5	19
Funeral	422	430
Superannuation	41	97
Drivercare	1,332	1,468
CareXpress	-	338
Convalescence	173	218
Educational	2,651	2,353
Journals and publications	1,436	1,165
	<u>6,864</u>	<u>6,952</u>
2 Political affiliation fees, grants and donations		
	£'000	£'000
The Labour Party:		
Affiliation fees	3,131	3,060
Election grants and donations	94	237
Other grants and donations	343	283
	<u>3,568</u>	<u>3,580</u>
3 Other affiliation fees, grants and donations		
	£'000	£'000
Trades Union Congress	3,462	3,743
Scottish Trades Union Congress	213	213
Welsh Trades Union Congress	14	8
Irish Congress of Trade Unions	150	178
International Transport Workers' Federation	220	212
Confederation of Shipbuilding and Engineering Unions	110	110
International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco & Allied Workers	178	170
European Transport Workers' Federation	91	83
European Federation of Food, Agriculture and Tourism Trade Unions	88	79
Union Network International	984	908
Other Affiliations	142	300
Grants and Donations	595	883
	<u>6,247</u>	<u>6,887</u>

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£'000	£'000
4 Non-recurring items		
Profit on disposal of properties	(3,626)	(6,936)
Voluntary redundancy and severance	2,743	3,750
Irrecoverable VAT on purchase and refurbishment of properties	2,379	2,153
Impairment of properties	3,492	9,346
Unfunded pensions	467	486
Cost of empty property leases	-	(758)
Backdated employment costs	-	2,294
Other	(643)	(853)
	<u>4,812</u>	<u>9,482</u>

	2013	2012
	£'000	£'000
5 Taxation		
Corporation tax charge for the period	<u>-</u>	<u>-</u>

During the period the Union also suffered irrecoverable VAT of £7.6 million (2012: £6 million) arising on expenditure incurred.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

6 Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings and computer equipment £'000	Motor vehicles £'000	Total £'000
Cost				
* At 1 January 2013	125,618	8,690	4,411	138,719
Additions	13,137	820	1,602	15,559
Disposals	(6,982)	(1,692)	(270)	(8,944)
At 31 December 2013	131,773	7,818	5,743	145,334
Aggregate depreciation				
* At 1 January 2013	17,210	4,611	2,128	23,949
Charge for the year	2,174	1,104	806	4,084
Disposals	(2,334)	(1,692)	(224)	(4,250)
Impairment	3,492	-	-	3,492
At 31 December 2013	20,542	4,023	2,710	27,275
Net book value				
At 31 December 2013	111,231	3,795	3,033	118,059
At 31 December 2012	108,408	4,079	2,283	114,770

Split of Land and Buildings

	2013 £'000	2012 £'000
Freehold	109,691	106,862
Long leasehold	1,540	1,546
	111,231	108,408

* Cost and aggregate depreciation at 1 January 2013 have been adjusted to remove assets with £Nil net book value which are no longer held.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

7 Investments

	Quoted investments £'000	Unquoted investments £'000	Total £'000
Cost			
At 1 January 2013	46,387	2,840	49,227
Additions	11,720	12	11,732
Disposals	(9,422)	(46)	(9,468)
At 31 December 2013	48,685	2,806	51,491
Provision			
At 1 January and 31 December 2013	107	-	107
Net book value			
At 31 December 2013	<u>48,578</u>	<u>2,806</u>	<u>51,384</u>
At 31 December 2012	<u>46,280</u>	<u>2,840</u>	<u>49,120</u>

The market value of quoted investments at 31 December 2013 was £61.4 million (2012: £51.6 million). The officials of the Union consider that the market value of unquoted investments is equal to the book value.

The Union's quoted investments are managed as a diversified portfolio with the aim of achieving satisfactory overall returns in the medium to long term within acceptable levels of risk and volatility. It is not unusual, under such an approach, for the market values of certain individual investments to be below cost or valuation at any given time whilst the market value of the portfolio as a whole is above cost or valuation.

At 31 December 2013, the Union held 16% of the issued share capital of Unity Trust Bank plc.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

8 Reserves

a) Total Reserves	General funds £'000	Political funds £'000	Super-annuation funds £'000	Branch funds £'000	Total £'000
Operating surplus	18,837	2,681	-	1,628	23,146
Other income	2,856	-	-	-	2,856
Non-recurring items	(4,812)	-	-	-	(4,812)
Pension deficit reduction contributions	(12,100)	-	-	-	(12,100)
Branch surplus	-	-	-	969	969
FRS17 adjustment	14,724	-	-	-	14,724
Surplus for the year	19,505	2,681	-	2,597	24,783
As at 1 January 2013	13,319	9,339	1,787	17,499	41,944
Actuarial losses	11,284	-	-	-	11,284
At 31 December 2013	44,108	12,020	1,787	20,096	78,011

b) General Fund analysis including Pension Funds

	General funds £'000	FRS 17 Pension funds £'000	Total £'000
Operating surplus	18,837	-	18,837
Other income	2,856	-	2,856
	21,693	-	21,693
Non-recurring items	(4,812)	-	(4,812)
Pension deficit reduction contributions	(12,100)	-	(12,100)
FRS17 adjustment	-	14,724	14,724
Surplus for the year	4,781	14,724	19,505
As at 1 January 2013	157,329	(144,010)	13,319
Actuarial losses	-	11,284	11,284
At 31 December 2013	162,110	(118,002)	44,108

c) General Fund analysis excluding Pension Funds

	Central funds £'000	1% fund £'000	Dispute funds £'000	Total £'000
Operating surplus general fund	16,594	(979)	-	15,615
Transfer to 1% fund	(578)	578	-	-
2.5% diverted from branch administration	-	-	3,539	3,539
Ongoing dispute fund payments	-	-	(317)	(317)
Operating Surplus General Fund	16,016	(401)	3,222	18,837
Other income	2,754	102	-	2,856
Non-recurring items	(4,812)	-	-	(4,812)
Pension deficit reduction contributions	(12,100)	-	-	(12,100)
Surplus / (Deficit) for the year	1,858	(299)	3,222	4,781
As at 1 January 2013	129,193	1,641	26,495	157,329
At 31 December 2013	131,051	1,342	29,717	162,110

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

9 Reconciliation of operating surplus to net cash inflow from operating activities

	2013	2012
	£'000	£'000
Surplus for the year before FRS17	10,059	3,657
Depreciation & impairment	7,576	13,475
Investment income	(1,195)	(1,289)
Profit on sale of investments	(1,661)	(817)
Profit on sale of assets	(3,626)	(6,936)
Interest paid	-	(39)
Change in debtors and prepayments	(4,408)	(39)
Change in mortgage and loans	90	(82)
Change in creditors and accruals	(146)	(2,188)
Net cash inflow from operating activities	<u>6,689</u>	<u>5,742</u>

10 Reconciliation of net cash flow to movement in net funds

	2013	2012
	£'000	£'000
Net funds on 1 January 2013	41,963	34,276
Change in cash	42	7,687
Net funds at 31 December 2013	<u>42,005</u>	<u>41,963</u>

11 Commitments under operating leases

At 31 December 2013 the Union has annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other assets	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Expiry date:				
Within one year	167	272	32	731
Between two and five years	371	438	-	59
Over five years	264	337	-	-
	<u>802</u>	<u>1,047</u>	<u>32</u>	<u>790</u>
Charge for the year	<u>221</u>	<u>312</u>	<u>-</u>	<u>-</u>

The Union's commitments under land and buildings are subject to periodic rent review.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

12 Capital commitments

At 31 December 2013, the Union had capital commitments totaling £4.0 million (2012: £6.5 million), relating to the ongoing refurbishment programme of the Union's properties.

13 Contingent liabilities

As at 31 December 2013, the Union had signed an undertaking providing certain property assets as security for future payments owed to the Unite Amicus Section Pension Scheme, for a maximum amount of £5.3 million.

Also at 31 December 2013, the Union had signed an undertaking providing certain property assets as security for future payments owed to the Unite T&G Officers' and Staff Superannuation Fund, for a maximum amount of £17.5 million.

14 Post balance sheet events

In December 2013 the trustees of the Union's pension schemes agreed to merge the two UK schemes. The merger was effected on 19th May 2014 to form the new Unite Pension Scheme (UPS). Virtually identical agreements were reached with representatives and Trustees for the Union's scheme in the Republic of Ireland.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

15 FRS17 Disclosures

The Union operates various defined benefit pension schemes providing service related benefits based on final pensionable salaries. As at 31 December 2013, the Schemes in operation were:

- Unite Amicus Section Pension Scheme ("UASPS")
- Transport and General Workers Union Officials' and Staff Superannuation Fund ("OSSIF")
- Unite Irish Pension Scheme ("UIPS")

The actuaries to the various schemes have updated the latest full valuations (UASPS - 30 September 2011 and OSSIF - 30 September 2011) of the schemes to 31 December 2013 and adjusted the results so as to be in line with FRS17 requirements.

The liabilities have been assessed using the following assumptions.

Financial assumptions:	UK Schemes	Irish Schemes	UK Schemes	Irish schemes
	Year Ended 31/12/2013	Year Ended 31/12/2013	Year Ended 31/12/2012	Year Ended 31/12/2012
Discount Rate	4.50% pa	4.20% pa	4.20% pa	4.20% pa
Price Inflation	3.30% pa	2.80% pa	2.80% pa	2.80% pa
Salary Increases	4.5% pa	4.00% pa	4.00% pa	4.00% pa
Rate of increase for deferred pensioners	2.30% pa	3.30% pa	3.50% pa	
Rate of increases of pensions in payment				
• RPI capped at 10% pa	3.30% pa	-	-	-
• RPI capped at 5% pa	-	-	2.80% pa	-
• RPI capped at 4% pa	2.90% pa	-	-	-
• RPI capped at 3% pa	-	-	2.50% pa	-
• RPI capped at 2.5% pa	1.80% pa	-	2.20% pa	-
Overall expected return on assets	5.61% pa	4.30% pa	5.50% pa	4.20% pa

The overall expected return on assets assumptions have been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class.

- Fixed interest securities - current market yields
- Equities and Property - allowance for an additional return of 4.35% above that available on UK government securities.
- Cash - current Bank of England base rate
- A deduction of 1.25% to allow for scheme expenses

Demographic assumptions are the same as in most recent scheme (or pre-merger scheme) valuations except that

- calculations have been carried out using mortality assumptions as set out in the table below.
- 80% of those actives who are age 50 or over and who have beneficial early retirement terms applying to their benefits are assumed to take advantage of those terms and retire at age 60. The rest of the non-pensioners are assumed to retire at Normal Retirement Age.

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

15 FRS17 Disclosures (continued)

Description	Year Ended 31/12/2013	Year Ended 31/12/2012
<u>UASPS</u>		
Mortality (Pre retirement)	S1PA CMI 2013 M/F 1% (year of birth)	S1PA CMI 2011 M/F 1% (year of birth)
Mortality (Post retirement)	As above	As above
<u>OSSF</u>		
Mortality (Pre retirement)	110% of S1NMA/S1NFA with CMI 2013 mortality projections & a long term rate of improvement of 1% pa, by year of birth	110% of S1NMA/S1NFA with CMI 2011 mortality projections & a long term rate of improvement of 1% pa, by year of birth
Mortality (Post retirement)	As above	As above
<u>UIPS</u>		
Mortality (Pre retirement)	108% of PNML00 with CSO improvements from 2006	108% of PNML00 with CSO improvements from 2006
Mortality (Post retirement)	As above	As above

Analysis of asset values:

As at 31 December	2013 £'000	2012 £'000
Equities	295,525	294,337
Gilts and Bonds	371,748	361,665
Property	12,601	11,539
Cash	6,291	5,690
Annuities and other assets	83,145	56,084
Total	769,310	729,315

The assets recognised in the balance sheet are as follows:

As at 31 December	2013 £'000	2012 £'000
Market value of assets	769,310	729,315
Present value of liabilities	(882,328)	(867,881)
Deficit in the scheme	(113,018)	(138,566)
Present value of unfunded obligations	(4,984)	(5,444)
Pension liability	(118,002)	(144,010)

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

15 FRS17 Disclosures (continued)

Analysis of changes in the value of the scheme liabilities:

	2013 £'000	2012 £'000
Value of liabilities at 1 January	(867,881)	(800,394)
Service cost	(9,231)	(9,832)
Interest cost	(35,864)	(37,836)
Past service costs	-	(247)
Member contributions	(2,669)	(2,493)
Benefits paid	40,273	36,805
Actuarial losses	(6,900)	(53,922)
Transfer	-	37
Foreign exchange movement	(56)	1
Value of liabilities at 31 December	<u>(882,328)</u>	<u>(867,881)</u>

Analysis of changes in the value of the scheme assets:

	2013 £'000	2012 £'000
Value of assets at 1 January	729,315	684,630
Expected return on Scheme assets	39,387	34,779
Actuarial gains	17,494	25,843
Employer contributions	20,676	18,412
Member contributions	2,669	2,493
Benefits paid	(40,273)	(36,805)
Transfer	-	(37)
Foreign exchange movement	42	-
Value of assets at 31 December	<u>769,310</u>	<u>729,315</u>

Analysis of changes in the value of unfunded obligations:

	2013 £'000	2012 £'000
Value of liabilities at 1 January	(5,444)	(5,464)
Unpaid interest cost	(230)	(250)
Actuarial gains	690	270
Value of liabilities at 31 December	<u>(4,984)</u>	<u>(5,444)</u>

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

15 FRS17 Disclosures (continued)

The Union has provided for other unfunded pension costs payable to certain officials who agreed (in 1995) to take early retirement from the AEEU (now part of Unite). The Union consults actuaries in order to arrive at an estimate of the likely future pension costs payable. Similar provisions exist for GPMU and BIFU.

Amounts recognised in income and expenditure for the year ended 31 December:

	2013 £'000	2012 £'000
Current service cost	9,231	9,832
Past service cost	-	247
Employment cost contribution	(8,576)	(8,312)
Net charge	655	1,767
Interest on liabilities	36,094	38,086
Expected return on scheme assets	(39,387)	(34,779)
Net (credit)/charge	(3,293)	3,307
Total (credit)/charge to Income and Expenditure	(2,638)	5,074
Pension deficit reduction contribution	(12,100)	(10,100)
Foreign exchange difference	14	(1)
Total FRS17 adjustment	(14,724)	(5,027)

Amounts recognised in Statement of Total Recognised Gains and losses (STRGL) for the year ended 31 December:

	2013 £'000	2012 £'000
Actuarial gains/(losses)	11,284	(27,809)
Total amount recognised in STRGL	11,284	(27,809)

UNITE THE UNION

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

15 (continued)

Assets, liabilities, experience gains and losses

As at 31 December	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Market value of scheme assets	769,310	729,315	684,630	663,103
Value of scheme liabilities	(882,328)	(867,881)	(800,394)	(761,206)
Deficit in the scheme	<u>(113,018)</u>	<u>(138,566)</u>	<u>(115,764)</u>	<u>(98,103)</u>
Experience adjustments arising on scheme liabilities	<u>(219)</u>	<u>3,401</u>	<u>(7,497)</u>	<u>(12,077)</u>
Experience adjustments arising on scheme assets	<u>12,581</u>	<u>17,501</u>	<u>3,024</u>	<u>29,957</u>

Future Funding Obligations

The Union's deficit contributions to the schemes for the year beginning 1 January 2014 will total £12.1m. This is in line with the recovery plans for the OSSF and UASPS schemes which have been effective from 14 January 2013.