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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

| | | |
|--|---|--|
| Name of Trade Union: | Musicians' Union | |
| Year ended: | 31 December 2012 | |
| List no: | 154T | |
| Head or Main Office: | 60/62 Clapham Road London SW9 0JJ | |
| Website address (if available) | www.musiciansunion.org.uk | |
| 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: | John Smith | |
| Telephone Number: | 020 7582 5566 | |
| Contact name for queries regarding | Sailesh P Mehta | |
| Telephone Number: | 020 7388 7000 | |
| E-mail: | smehta@hwfisher.co.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: 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)

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 | 21,496 | 168 | 18 | 149 | 21,831 |
| FEMALE | 8,495 | 78 | 7 | 35 | 8,615 |
| TOTAL | 29,991 | 246 | 25 | 184 | 30,446 |

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

| |
|--------|
| 0 |
| 28,634 |

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 A | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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:

Appendix A

MUSICIANS' UNION

OFFICERS IN POST AS AT 31 DECEMBER 2012

| <u>Region</u> | <u>Member</u> | <u>From</u> | <u>To</u> |
|-----------------------------|----------------------|--------------------|------------------|
| Scotland & Northern Ireland | Alex Gascoine | 01-Jan-12 | 31-Dec-13 |
| Scotland & Northern Ireland | Rab Noakes | 01-Jan-11 | 31-Dec-12 |
| North of England | Kathy Dyson | 01-Jan-12 | 31-Dec-13 |
| North of England | Eileen Spencer | 01-Jan-11 | 31-Dec-12 |
| North of England | Raymond Newton | 01-Jan-12 | 18-Oct-12 |
| Midlands | Pete Hartley | 01-Jan-12 | 31-Dec-13 |
| Midlands | Danny Longstaff | 01-Jan-11 | 31-Dec-12 |
| East & South East England | Brian Heywood | 01-Jan-12 | 31-Dec-13 |
| East & South East England | Andi Hopgood | 01-Jan-12 | 31-Dec-13 |
| East & South East England | Harriet Bennett | 01-Jan-12 | 31-Dec-13 |
| East & South East England | Jamie Pullman | 01-Jan-12 | 31-Dec-13 |
| Wales & South West England | Andy Gleadhill | 01-Jan-12 | 31-Dec-13 |
| Wales & South West England | Tom Edwards | 01-Jan-12 | 31-Dec-13 |
| London | Steve Done | 14-Nov-11 | 31-Dec-12 |
| London | Rick Finlay | 01-Jan-12 | 31-Dec-13 |
| London | Gerald Newson | 01-Jan-11 | 31-Dec-12 |
| London | John Edney | 01-Jan-12 | 31-Dec-13 |
| London | Steve Levine | 01-Jan-12 | 31-Dec-13 |
| London | Len Worsley | 01-Jan-11 | 31-Dec-12 |

GENERAL FUND

(see notes 13 to 18)

| | £ | £ |
|---|--------------------------|------------|
| INCOME | | |
| From Members: Contributions and Subscriptions | | 4,709,117 |
| From Members: Other income from members (specify) | | |
| | | |
| Total other income from members | | |
| Total of all income from members | | 4,709,117 |
| Investment income (as at page 12) | | 183,961 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | 2,714,300 | |
| Income from any other sources (as at page 4) | | |
| | | |
| Total of other income (as at page 4) | | 2,714,300 |
| | TOTAL INCOME | 7,607,378 |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 1,124,441 |
| Administrative expenses (as at page 10) | | 4,893,588 |
| Federation and other bodies (specify) | | |
| Trade Unions | 83,797 | |
| Other Affiliations | 122,240 | |
| | | |
| Total expenditure Federation and other bodies | | 206,037 |
| Taxation | | 234,611 |
| | TOTAL EXPENDITURE | 6,458,677 |
| Surplus (deficit) for year | | 1,148,701 |
| Amount of general fund at beginning of year | | 12,911,889 |
| Actuarial loss arising from pension | | (292,000) |
| Amount of general fund at end of year | | 13,768,590 |

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 | | |
| Other income | | |
| Collection and Distribution Collection Fee | 269,940 | |
| Services, Sound and Vision Corporation | 24,628 | |
| Dubbing agreements | 160,000 | |
| BBC | 1,365,994 | |
| ITV | 89,798 | |
| Employment Creation Fund | 36,407 | |
| The Educational Recording Agency Limited | 641,008 | |
| Commission and other income | 27,034 | |
| Undistributable monies from C&D account | 99,491 | |
| TOTAL OTHER INCOME | | 2,714,300 |
| TOTAL OF ALL OTHER INCOME | | 2,714,300 |

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

| | £ | | £ |
|--|---------|---|-----------|
| Representation – Employment Related Issues | 126,048 | brought forward | 592,269 |
| | | Education and Training services | 62,157 |
| Representation – Non Employment Related Issues | | Negotiated Discount Services | |
| Communications | 378,135 | Salary Costs | |
| Advisory Services | | Other Benefits and Grants (specify) | |
| | | Instrument Insurance | 184,001 |
| Dispute Benefits | | Public Liability Insurance | 44,924 |
| | | Internet development | 6,875 |
| | | Tax protection insurance | 95,400 |
| | | Music Supported Here Campaign | 8,815 |
| | | Contribution towards benevolent fund | 130,000 |
| Other Cash Payments Personal Accident Insurance | 88,086 | | |
| carried forward | 592,269 | Total (should agree with figure in General Fund) | 1,124,441 |

(See notes 24 and 25)

| FUND 2 | | Fund Account | |
|--------------------|---|--------------|---------|
| Name: | Benevolent Fund | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | 2,896 |
| | Other income (specify) | | |
| | Donations | 152,825 | |
| | Total other income as specified | | 152,825 |
| | Total Income | | 155,721 |
| Expenditure | | | |
| | Benefits to members | 118,501 | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | Total Expenditure | | 118,501 |
| | Surplus (Deficit) for the year | | 37,220 |
| | Amount of fund at beginning of year | | 466,937 |
| | Amount of fund at the end of year (as Balance Sheet) | | 504,157 |
| | Number of members contributing at end of year | | N/A |

| FUND 3 | | Fund Account | |
|--------------------|---|--------------|-----------|
| Name: | Collection & Distribution | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Funds Received | 1,743,192 | |
| | Total other income as specified | | 1,743,192 |
| | Total Income | | 1,743,192 |
| Expenditure | | | |
| | Benefits to members | 1,873,707 | |
| | Administrative expenses and other expenditure (as at page 10) | 369,431 | |
| | Total Expenditure | | 2,243,138 |
| | Surplus (Deficit) for the year | | (499,946) |
| | Amount of fund at beginning of year | | 1,619,213 |
| | Amount of fund at the end of year (as Balance Sheet) | | 1,119,267 |
| | Number of members contributing at end of year | | N/A |

(See notes 24 and 25)

| FUND 4 | | Fund Account | |
|---|---|---|--|
| Name: | £ | £ | |
| Income | | | |
| From members | | | |
| Investment income (as at page 12) | | | |
| Other income (specify) | | | |
| | | Total other income as specified | |
| | | Total Income | |
| Expenditure | | | |
| Benefits to members | | | |
| Administrative expenses and other expenditure (as at page 10) | | | |
| | | 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: | £ | £ | |
| Income | | | |
| From members | | | |
| Investment income (as at page 12) | | | |
| Other income (specify) | | | |
| | | Total other income as specified | |
| | | Total Income | |
| Expenditure | | | |
| Benefits to members | | | |
| Administrative expenses and other expenditure (as at page 10) | | | |
| | | 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 | |

(See notes 24 and 25)

| FUND 6 | | Fund Account | |
|--------------------|---|---------------------|----------|
| Name: | | £ | £ |
| Income | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | |
| Expenditure | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | 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 7 | | Fund Account | |
|--------------------|---|---------------------|----------|
| Name: | | £ | £ |
| Income | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | |
| Expenditure | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | 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 | | |

(see notes 26 to 31)

| POLITICAL FUND ACCOUNT 1 | | To be completed by trade unions which maintain their own fund | |
|---------------------------------|---|--|----------|
| | | £ | £ |
| Income | Members contributions and levies | | 86,961 |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | 86,961 |
| | Total income | | 86,961 |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) | | 31,923 |
| | Administration expenses in connection with political objects (specify) | | 32,148 |
| | Non-political expenditure | | 23,392 |
| | Total expenditure | | 87,463 |
| | Surplus (deficit) for year | | (502) |
| | Amount of political fund at beginning of year | | 61,680 |
| | Amount of political fund at the end of year (as Balance Sheet) | | 61,178 |
| | Number of members at end of year contributing to the political fund | | 27,206 |
| | Number of members at end of the year not contributing to the political fund | | 3,240 |
| | Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund | | 3,002 |

| 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 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 | | |
| Remuneration and expenses of staff | | 3,556,291 |
| Salaries and Wages included in above | £2,699,073 | |
| Auditors' fees | | 25,000 |
| Legal and Professional fees | | 75,940 |
| Occupancy costs | | 331,492 |
| Stationery, printing, postage, telephone, etc. | | 186,961 |
| Expenses of Executive Committee (Head Office) | | 99,002 |
| Expenses of conferences | | 50,000 |
| Other administrative expenses (specify) | | |
| Regional committee expenses | | 58,663 |
| Appendix B | | 251,722 |
| Other Outgoings | | |
| Interest payable: | | |
| Bank loans (including overdrafts) | | |
| Mortgages | | |
| Other loans | | |
| Depreciation | | 258,517 |
| Taxation | | |
| Outgoings on land and buildings (specify) | | |
| Grants and Benefits | | 118,501 |
| Collection and Distribution Administration Fees | | 269,940 |
| Collection and Distribution Undistributable Monies to the Main Fund | | 99,491 |
| | Total | 5,381,520 |
| Charged to: | General Fund (Page 3) | 4,893,588 |
| | Collection and Distribution Fund (Account 3) | 369,431 |
| | Fund (Account 2) | 118,501 |
| | Total | 5,381,520 |

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

| Office held | Gross Salary £ | Employers N.I. contributions £ | Pension Contribution s £ | Benefits | | Total £ |
|-------------------|-------------------|---|--------------------------------|----------------|------------|------------|
| | | | | Other Benefits | | |
| | | | | Description | Value £ | |
| General Secretary | 102,291 | 13,097 | 24,516 | Car | 5,604 | 145,508 |
| | | | | | | |
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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) | | | 252,126 |
| Interest (gross) from: | | | |
| Government securities (Gilts) | | | |
| Mortgages | | | |
| Local Authority Bonds | | | |
| Bank and Building Societies | | | 59,137 |
| Other investment income (specify) | | | |
| Profit or (loss) on Sale of Investments | | | (189,049) |
| Profit or (loss) on Exchange Rates | | | 64,643 |
| | | | |
| | | Total investment income | 186,857 |
| | | | |
| | | Credited to: | |
| | | General Fund (Page 3) | 183,961 |
| | | Fund (Account 2) | 2,896 |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Political Fund | |
| | | | |
| | | Total Investment Income | 186,857 |

BALANCE SHEET as at 31 DECEMBER 2012

(see notes 47 to 50)

| Previous Year | | £ | £ |
|---------------|---|-----------|------------|
| 1,308,988 | Fixed Assets (at page 14) | | 1,209,204 |
| | Investments (as per analysis on page 15) | | |
| 8,653,243 | Quoted (Market value £ 9,660,214) | 9,086,766 | |
| 65,085 | Unquoted | 65,085 | |
| 8,718,328 | Total Investments | | 9,151,851 |
| | Other Assets | | |
| | Loans to other trade unions | | |
| 1,539,895 | Sundry debtors | | 1,488,259 |
| 4,645,280 | Cash at bank and in hand | | 4,589,886 |
| | Income tax to be recovered | | |
| 469,131 | Stocks of goods | | 468,059 |
| | Others (specify) | | |
| 6,654,306 | Total of other assets | | 6,546,204 |
| 16,681,622 | TOTAL ASSETS | | 16,907,259 |
| 12,911,889 | Main Fund (Account 1) | | 13,785,763 |
| 466,937 | Benevolent Fund (Account 2) | | 374,510 |
| 1,619,213 | Collection and Distribution Fund (Account 3) | | 1,237,094 |
| | Superannuation Fund (Account) | | |
| 61,680 | Political Fund (Account) | | 55,825 |
| | Revaluation Reserve | | |
| | LIABILITIES | | |
| | Amount held on behalf of central trade union political fund | | |
| | Loans: From other trade unions | | |
| | Loans: Other | | |
| | Bank overdraft | | |
| 193,403 | Tax payable | | 220,737 |
| 1,271,724 | Sundry creditors | | 1,074,624 |
| | Accrued expenses | | |
| (298,596) | Provisions | | (295,596) |
| 455,372 | Other liabilities | | 454,302 |
| | TOTAL LIABILITIES | | 16,907,259 |
| | TOTAL ASSETS | | 16,907,259 |

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

| | Land and Buildings | | Furniture and Equipment £ | Motor Vehicles £ | Not used for union business £ | Total £ |
|---|--------------------|-----------|------------------------------|---------------------|----------------------------------|------------|
| | Freehold | Leasehold | | | | |
| Cost or Valuation | | | | | | |
| At start of year | 1,756,580 | | 277,115 | 335,023 | | 2,368,718 |
| Additions | 65,353 | | 5,213 | 90,205 | | 160,770 |
| Disposals | | | | (56,000) | | (56,000) |
| Revaluation/Transfers | | | | | | |
| At end of year | 1,821,933 | | 282,328 | 369,228 | | 2,473,489 |
| Accumulated Depreciation | | | | | | |
| At start of year | 708,006 | | 212,066 | 139,658 | | 1,059,730 |
| Charges for year | 128,993 | | 22,215 | 107,309 | | 258,517 |
| Disposals | | | | (53,962) | | (53,962) |
| Revaluation/Transfers | | | | | | |
| At end of year | 836,999 | | 234,281 | 193,005 | | 1,264,285 |
| Net book value at end of year | 984,934 | | 48,047 | 176,223 | | 1,209,204 |
| Net book value at end of previous year | 1,048,574 | | 65,049 | 195,365 | | 1,308,988 |

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

| QUOTED | All Funds Except Political Funds £ | Political Fund £ |
|--|--|-------------------------|
| Equities (e.g. Shares) | 9,086,766 | |
| Government Securities (Gilts) | | |
| Other quoted securities (to be specified) | | |
| TOTAL QUOTED (as Balance Sheet) | 9,086,766 | |
| Market Value of Quoted Investment | 9,660,214 | |
| UNQUOTED | | |
| Equities | | |
| Government Securities (Gilts) | | |
| Mortgages | | |
| Bank and Building Societies | | |
| Other unquoted investments (to be specified) | | |
| Unity Trust and Performing Rights | 65,085 | |
| TOTAL UNQUOTED (as Balance Sheet) | 65,085 | |
| Market Value of Unquoted Investments | 65,085 | |

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 <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| If YES name the relevant companies: | | | |
| COMPANY NAME MU Nominee Company Ltd. | COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 3243018 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Are the shares which are controlled by the union registered in the names of the union's trustees? | | YES <input type="checkbox"/> | NO <input checked="" 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 Held in trust by John Smith, General Secretary, MU | | |
| | | | |
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SUMMARY SHEET

(see notes 60 to 71)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 4,709,117 | 86,961 | 4,796,078 |
| From Investments | 186,857 | | 186,857 |
| Other Income (including increases by revaluation of assets) | 4,610,317 | | 4,610,317 |
| Total Income | 9,506,291 | 86,961 | 9,593,252 |
| EXPENDITURE (including decreases by revaluation of | | | |
| Total Expenditure | 9,112,316 | 87,463 | 9,199,779 |
| | | | |
| Funds at beginning of year (including reserves) | 14,998,039 | 61,680 | 15,059,719 |
| Funds at end of year (including reserves) | 15,392,014 | 61,178 | 15,453,192 |
| | | | |
| ASSETS | | | |
| Fixed Assets | | | 1,209,204 |
| Investment Assets | | | 9,151,851 |
| Other Assets | | | 6,546,204 |
| | | Total Assets | 16,907,259 |
| LIABILITIES | | | |
| | | Total Liabilities | 1,454,067 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 15,453,192 |

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.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

The notes on pages 14 - 25 relate to the Main Fund.

| | 2012 £ | 2011 £ |
|--|------------------|------------------|
| 1. OTHER INCOME | | |
| Collection and Distribution Account collection fee | 269,940 | 32,146 |
| Services, Sound and Vision Corporation | 24,628 | 98,487 |
| Dubbing agreements | 160,000 | 160,000 |
| BBC - cable revenue | 1,365,994 | 713,452 |
| ITV & Other cable revenue | 89,798 | 104,315 |
| Employment Creation Fund | 36,407 | 21,540 |
| The Educational Recording Agency Limited | 641,008 | 631,715 |
| Commission and other income | 27,034 | 30,936 |
| Undistributable monies from C & D account | 99,491 | 99,467 |
| | <u>2,714,300</u> | <u>1,892,058</u> |
| | | |
| | 2012 £ | 2011 £ |
| 2. EMPLOYEE COSTS | | |
| Salaries and national insurance | 2,699,073 | 2,395,704 |
| Pensions to retired officials | 11,707 | 15,037 |
| Pension costs | 825,994 | 722,515 |
| Organising expenses | 157,893 | 155,517 |
| Training and sundry expenses | 42,624 | 51,829 |
| | <u>3,737,291</u> | <u>3,340,602</u> |
| | | |
| | 2012 £ | 2011 £ |
| 3. PROPERTY AND EQUIPMENT COSTS | | |
| Rent, rates, light, heat and cleaning | 277,525 | 220,828 |
| Repairs and maintenance | 52,242 | 46,209 |
| Motor vehicle costs | 10,533 | 14,276 |
| Hire of equipment | 23,299 | 56,038 |
| Profit on disposal of fixed assets | (20,963) | (33,650) |
| Depreciation | 258,517 | 251,694 |
| IT costs | 123,958 | 123,982 |
| insurance | 53,967 | 43,958 |
| | <u>779,078</u> | <u>723,335</u> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | 2012 £ | 2011 £ |
|--|----------------|------------------|
| 4. COMMITTEES, DELEGATES & STEWARDS | | |
| Executive committee | 99,002 | 78,621 |
| Delegates conference | 50,000 | 85,255 |
| Section committees | 74,433 | 59,974 |
| Regional committees | 21,061 | 19,923 |
| Stewards' commission | 37,602 | 35,112 |
| | <u>282,098</u> | <u>278,885</u> |
| | | |
| | 2012 £ | 2011 £ |
| 5. BENEFITS TO MEMBERS | | |
| Legal defence of members | 126,048 | 172,528 |
| Musician | 251,153 | 251,894 |
| Training and education services | 19,511 | 10,738 |
| Instrument insurance | 184,001 | 182,844 |
| Public liability insurance | 44,924 | 44,500 |
| Personal accident insurance | 88,086 | 87,532 |
| Tax Protection insurance | 95,400 | 94,500 |
| Diaries, publications & loyalty pins | 126,982 | 153,009 |
| Members training | 42,646 | 35,620 |
| Internet development | 6,875 | 3,801 |
| | <u>985,626</u> | <u>1,036,966</u> |
| | | |
| | 2012 £ | 2011 £ |
| 6. ADMINISTRATIVE EXPENSES | | |
| Printing, postage, stationery and telephone | 186,961 | 199,039 |
| Ballot expenses | 19,093 | 23,631 |
| Magazine/Publication subscriptions | 9,753 | 9,844 |
| Archiving costs | 5,306 | 6,249 |
| Canteen | 14,173 | 13,398 |
| Sundry expenses | 2,714 | 8,708 |
| Bank charges | 18,418 | 19,706 |
| VAT previous periods | 13,207 | (16,000) |
| | <u>269,625</u> | <u>264,575</u> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | 2012 | 2011 |
|---|----------------|----------------|
| | £ | £ |
| 7. COMMUNICATIONS | | |
| Advertising | 45,176 | 29,712 |
| Member incentive | 500 | 1,000 |
| Public relations | 2,049 | 2,187 |
| Leaflets | 5,218 | 4,808 |
| Market Research | 12,769 | 1,689 |
| Events, Exhibitions & Seminars | 18,392 | 51,429 |
| Bulk email | 7,151 | 17,330 |
| Other Digital Communications | 9,112 | - |
| Website Development | 66,689 | 36,914 |
| Marketing | - | 55,374 |
| Brand Management | 40,795 | - |
| Other Promotional | 72,100 | 35,675 |
| | <u>279,951</u> | <u>236,118</u> |
| | | |
| | 2012 | 2011 |
| | £ | £ |
| 8. GRANTS & AFFILIATION FEES | | |
| Grants and awards | 22,346 | 17,207 |
| Donation to MU Benevolent Fund | 130,000 | 50,000 |
| Trades Union Congress | 83,797 | 75,461 |
| GFTU | 27,140 | 24,786 |
| Other affiliations | 9,064 | 12,278 |
| | <u>272,347</u> | <u>179,732</u> |
| | | |
| | 2012 | 2011 |
| | £ | £ |
| 9. INTERNATIONAL REPRESENTATION | | |
| FIM Affiliation fees | 86,036 | 87,541 |
| Delegates expenses | 12,857 | 31,524 |
| | <u>98,893</u> | <u>119,065</u> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | 2012 £ | 2011 £ |
|--|----------------|------------------|
| 10. PROFESSIONAL COSTS | | |
| Audit fee | 25,000 | 38,302 |
| Legal and professional | 55,588 | 21,603 |
| Investment management fees | 55,286 | 42,271 |
| Property management fees | 20,352 | 32,195 |
| | <u>156,226</u> | <u>134,371</u> |
| | | |
| | 2012 £ | 2011 £ |
| 11. PROJECT COSTS | | |
| Music Supported Here campaign | 8,815 | 52,370 |
| MU Rebranding | - | - |
| IT Projects | 9,636 | 65,694 |
| | <u>18,451</u> | <u>118,064</u> |
| | | |
| | 2012 £ | 2011 £ |
| 12. INVESTMENT INCOME | | |
| Income from listed investments | 251,483 | 188,531 |
| Bank interest receivable | 56,884 | 77,610 |
| (Loss)/Profit on sale of investments | (189,049) | 1,239,285 |
| Profit/(Loss) on foreign exchange | 64,643 | (29,974) |
| | <u>183,961</u> | <u>1,475,452</u> |
| | | |
| | 2012 £ | 2011 £ |
| 13. CORPORATION TAX | | |
| Corporation tax at 28% | 220,737 | 193,403 |
| Tax on investment interest income | 13,874 | 8,487 |
| Over provision relating to prior years | - | (262) |
| | <u>234,611</u> | <u>201,628</u> |
| Tax charge for the year | | |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | Land & Buildings £ | Fixtures Fittings and Equipment £ | Motor Vehicles £ | Total £ |
|---------------------------------|-----------------------|--|---------------------|------------------|
| 14. FIXED ASSETS | | | | |
| Cost | | | | |
| At 1 January 2012 | 1,756,580 | 277,115 | 335,023 | 2,368,718 |
| Additions | 65,353 | 5,213 | 90,205 | 160,771 |
| Disposals | - | - | (56,000) | (56,000) |
| At 31 December 2012 | <u>1,821,933</u> | <u>282,328</u> | <u>369,228</u> | <u>2,473,489</u> |
| Accumulated Depreciation | | | | |
| At 1 January 2012 | 708,006 | 212,066 | 139,658 | 1,059,730 |
| Charge for the year | 128,993 | 22,215 | 107,309 | 258,517 |
| Relating to disposals | - | - | (53,962) | (53,962) |
| At 31 December 2012 | <u>836,999</u> | <u>234,281</u> | <u>193,005</u> | <u>1,264,285</u> |
| Net book value | | | | |
| At 31 December 2012 | <u>984,934</u> | <u>48,047</u> | <u>176,223</u> | <u>1,209,204</u> |
| At 31 December 2011 | <u>1,048,574</u> | <u>65,049</u> | <u>195,365</u> | <u>1,308,988</u> |

| | Unlisted investments £ | Listed investments £ | Total £ |
|--|------------------------------|----------------------------|------------------|
| 15. INVESTMENTS | | | |
| Cost | | | |
| At 1 January 2012 | 215,085 | 8,950,591 | 9,165,676 |
| Additions | - | 1,223,035 | 1,223,035 |
| Disposals | (150,000) | (1,006,032) | (1,156,032) |
| At 31 December 2012 | <u>65,085</u> | <u>9,167,594</u> | <u>9,232,679</u> |
| Provision for diminution in value | | | |
| At 1 January 2012 | 150,000 | 391,127 | 541,127 |
| Decrease of provision in year | (150,000) | (216,520) | (366,520) |
| At 31 December 2012 | <u>-</u> | <u>174,607</u> | <u>174,607</u> |
| Net book value | | | |
| At 31 December 2012 | <u>65,085</u> | <u>8,992,987</u> | <u>9,058,072</u> |
| At 31 December 2011 | <u>65,085</u> | <u>8,559,464</u> | <u>8,624,549</u> |
| Market Value | | | |
| At 31 December 2012 | <u>65,085</u> | <u>9,514,717</u> | <u>9,579,802</u> |
| At 31 December 2011 | <u>65,085</u> | <u>8,862,484</u> | <u>8,927,569</u> |

The Union considers the market value of the unlisted investments to be equivalent to cost.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | 2012 £ | 2011 £ |
|------------------------------|-----------|-----------------|
| 16. MEDIUM TERM LOANS | | |
| Phoenix Sound Limited | - | <u>30,000</u> |
| | - | <u>30,000</u> |
| Less: Provision | - | <u>(30,000)</u> |
| | <u>-</u> | <u>-</u> |

The loan to Phoenix Sound Ltd has been formally written off.

17. PPL INDEMNITY FUND

| | £ |
|-----------------------------|----------------|
| A. Bank Account | |
| Balance at 1 January 2012 | 469,131 |
| Bank interest received | - |
| Paid to Members | (1,072) |
| Balance at 31 December 2012 | <u>468,059</u> |

| | Indemnity Reserve £ | Uncleared Cheques £ | Total £ |
|-----------------------------|---------------------------|---------------------------|----------------|
| B. PPL Reserve Fund | | | |
| Balance at 31 December 2012 | <u>249,010</u> | <u>205,292</u> | <u>454,302</u> |

| | £ |
|-------------------|----------------|
| C. Summary | |
| Reserve Fund | 454,302 |
| Interest received | 13,757 |
| Balance at bank | <u>468,059</u> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

| | 2012 £ | 2011 £ |
|--|----------------|----------------|
| 18. NOTES TO THE CASH FLOW STATEMENT | | |
| A. Reconciliation of surplus after investment operations to net cash inflow from operating activities | | |
| Surplus after investment operations | 1,383,312 | 1,483,503 |
| Bank interest received | (56,884) | (77,610) |
| Income from listed investments | (251,483) | (188,531) |
| Depreciation | 258,517 | 251,692 |
| Movement of provision against investments | (366,520) | 297,595 |
| Pension costs | (289,000) | (282,596) |
| Profit on sale of fixed assets | (20,963) | (33,650) |
| Loss/(Profit) on sale of investments | 189,049 | (1,239,285) |
| (Increase)/Decrease in creditors | (147,498) | 395,955 |
| (Decrease)/Increase in debtors | (87,215) | 62,250 |
| Net cash inflow from operating activities | <u>611,315</u> | <u>669,323</u> |

| | Cash at bank and on deposit £ |
|---------------------------------|--|
| B. Analysis of net funds | |
| At 1 January 2012 | 3,163,325 |
| Cashflow | 318,582 |
| At 31 December 2012 | <u>3,481,907</u> |

19. OPERATING LEASES

At 31 December 2012, the Union had the following annual obligations under non-cancellable operating leases:

| | 2012 £ | 2011 £ |
|------------------------------------|---------------|---------------|
| Other than land and buildings: | | |
| Expiring within one year | 5,327 | 991 |
| Expiring between one to two years | - | 7,103 |
| Expiring between two to five years | 46,696 | 43,781 |
| | <u>52,023</u> | <u>51,875</u> |

MUSICIANS' UNION
MAIN FUND
NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2012

20. CAPITAL COMMITMENTS

At 31 March 2012 the company had capital commitments as follows:

| | 2012 £ | 2011 £ |
|---|----------------|-----------|
| Expenditure contracted for but not provided in the accounts | 157,604 | - |
| | <u>157,604</u> | <u>-</u> |

The above capital commitment relates to the refurbishment of the leasehold property at 33 Palfrey Place.

21. POST YEAR END BALANCE SHEET EVENTS

In the light of political developments in Iceland in early 2013, the Executive Committee took the decision to sell the MU's Landsbanki Article 113 claim. It was considered that the further retention of the claim was likely to result in a reduction of the amount recovered through the formal claims process. The sale has generated £156,250, or 6.25% of the claim.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

22. STAFF PENSION SCHEMES

The Musicians' Union operates two pension schemes as follows:

(a) Defined Contribution Scheme

The Union operates a defined contribution pension scheme.

The assets of the scheme are held separately from those of the Union in an independently administered fund.

The charge for the year was £513,014 (2011: £449,665).

(b) Defined Benefit Scheme

The Union operates a funded defined benefit pension scheme. This provided benefits based on final pensionable pay.

A full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 January 2012. It showed that the actuarial value of the assets at 1 January 2012 was £14,308,000. The estimated actuarial value of the liabilities was assessed as being £13,438,000, which represents an actuarial surplus of £870,000. This results in a funding level of 106.4% comparing the assets to the projected liabilities.

FRS 17

The full actuarial valuation carried out as at 1 January 2012, has been updated by the Union's actuaries to take account of FRS 17 in order to assess the liabilities of the scheme as at 31 December 2012. The scheme assets are stated at their market value as at 31 December 2012.

The main financial assumptions, used in preparing the 2012 valuation under FRS 17, were:

| | 2012 | 2011 | 2010 |
|--|-----------------|---------------|---------------|
| Rate of increase in pensionable salaries | 3.10% | 3.10% | 3.60% |
| Rate of increase in pensions in payment | 3.10% | 3.10% | 3.60% |
| Discount rate | 4.30% | 4.90% | 5.50% |
| Inflation assumption | 3.10% | 3.10% | 3.60% |
| Revaluation rate for deferred pensioners | 3.10% | 3.60% | 3.60% |
| Loading for mortality improvements | | | |
| Mortality table | <i>CMI_2011</i> | <i>YoB 1c</i> | <i>C=2020</i> |

Net assets of the scheme

The fair value of the net assets in the scheme and the expected rate of return at 31 December 2012 were:

| | 2012 | 2011 | 2010 |
|--|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Total market value of assets | 9,154 | 8,064 | 7,577 |
| Present value of liabilities | (8,859) | (7,766) | (7,144) |
| Surplus in the scheme in accordance with FRS 17 | <u>295</u> | <u>298</u> | <u>433</u> |
| Expected long rate of return of insurance policy | 5.80% | 6.00% | 6.10% |

This includes the value of the annuities purchased and the corresponding liabilities.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

22. STAFF PENSION SCHEMES (continued)

Present values of scheme liabilities, fair value of assets and surplus

| | 2012 | 2011 | 2010 |
|-------------------------------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| Fair value of scheme assets | 9,154 | 8,064 | 7,577 |
| Present value of scheme liabilities | (8,859) | (7,766) | (7,144) |
| Surplus in scheme | <u>295</u> | <u>298</u> | <u>433</u> |

Reconciliation of opening and closing balances of the present value of the scheme liabilities

| | 2012 | 2011 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Scheme liabilities at start of period | (7,766) | (7,144) |
| Current service cost | - | - |
| Interest cost | (378) | (391) |
| Contributions by scheme participants | - | - |
| Actuarial loss | (826) | (290) |
| Change due to settlements or curtailments | - | - |
| Benefits paid, death in service insurance premiums and expenses | 111 | 59 |
| Scheme liabilities at end of period | <u>(8,859)</u> | <u>(7,766)</u> |

Reconciliation of opening and closing balances of the fair value of scheme assets

| | 2012 | 2011 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Fair value of scheme assets at start of period | 8,064 | 7,577 |
| Expected return on scheme assets | 486 | 466 |
| Actuarial gains | 534 | (127) |
| Contributions by employer | 181 | 207 |
| Contributions by scheme participants | - | - |
| Benefits paid, death in service insurance premiums and expenses | (111) | (59) |
| Fair value of scheme assets at end of year | <u>9,154</u> | <u>8,064</u> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

22. STAFF PENSION SCHEMES (continued)

The following is an analysis of the amounts recognised in the income and expenditure account and statement of total recognised gains and losses:

Movement in the FRS 17 deficit during the year

| | 2012 | 2011 |
|--|-------------|-------------|
| | £'000 | £'000 |
| <u>Income and expenditure account</u> | | |
| Current service cost | - | - |
| Other finance income | - | - |
| Losses on Settlements and Curtailments | - | - |
| Expected return on pension scheme assets | (486) | (466) |
| Interest on pension scheme liabilities | 378 | 391 |
| | <hr/> | <hr/> |
| Total charge to income and expenditure | (108) | (75) |
| | <hr/> <hr/> | <hr/> <hr/> |

Actuarial loss recognised in the statement of total recognised gains and losses

| | 2012 | 2011 |
|---|-------|-------|
| Actual return less expected return on pension scheme assets | 534 | (127) |
| - As percentage of year end scheme assets | 6% | -2% |
| Experience gains and losses arising on the scheme liabilities | (826) | (290) |
| - As percentage of present value of year end scheme liabilities | 9% | 4% |
| Changes in assumptions underlying the present value of the scheme liabilities | (295) | (298) |
| - As percentage of present value of year end scheme liabilities | -3% | -4% |
| | <hr/> | <hr/> |
| Total amount recognised | (587) | (715) |
| - As percentage of present value of year end scheme liabilities | 7% | -14% |

Movement in the surplus during the year

| | 2012 | 2011 |
|--|-------------|-------------|
| Surplus in scheme at beginning of year | 298 | 433 |
| Movement in year: | | |
| Current service cost | - | - |
| Settlement | - | - |
| Net finance charge | 108 | 75 |
| Contributions | 181 | 207 |
| | <hr/> | <hr/> |
| | 289 | 282 |
| | <hr/> | <hr/> |
| Actuarial (loss) | (292) | (417) |
| Surplus in the scheme at the end of the year | 295 | 298 |
| | <hr/> <hr/> | <hr/> <hr/> |

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2012

22. STAFF PENSION SCHEMES (continued)

The actuarial gains and losses are those resulting from the actual performance of the scheme being different from that predicted, for example, from changes in economic conditions, from the performance of the investment managers who manage the scheme's assets or from changes in the demographic profile of the Unions employees.

| | 2012 | 2011 | 2010 | 2009 |
|--|-------------|-------------|-------------|-------------|
| History of experience gains and losses | | | | |
| Difference between the expected and actual return on scheme assets: | | | | |
| Amount (£'000) | 295 | 298 | 433 | 429 |
| Percentage of scheme assets | 3.2% | 3.7% | 5.7% | 6.4% |
| Experience gains and losses on scheme liabilities: | | | | |
| Amount (£'000) | (826) | (290) | (605) | (944) |
| Percentage of the present value of the scheme liabilities | -9.3% | -3.7% | -8.5% | -15.0% |
| Total amount recognised in the statement of total recognised gains and losses: | | | | |
| Amount (£'000) | 534 | (127) | 323 | 708 |
| Percentage of the present value of the scheme liabilities | 6.0% | -1.6% | 4.5% | 11.3% |

ACCOUNTING POLICIES

(see notes 74 and 75)

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><i>John F. Smith</i></u> | Chairman's Signature: <u><i>Kathy Dyson</i></u> <small>(or other official whose position should be stated)</small> |
| Name: <u>JOHN F. SMITH</u> | Name: <u>DR KATHY DYSON</u> |
| Date: <u>12 JUNE 2013</u> | Date: <u>12 JUNE 2013</u> |

CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

MUSICIANS' UNION

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2012

Accounting Convention

The accounts are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Contribution Income

Contribution income is accounted for on an accruals basis.

Investment Income

Investment income is accounted for on an accruals basis.

Other Income

Certain receipts in the Main Fund are accounted for once received as they are non-contractual and are not received on predetermined dates.

Expenditure

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

Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis, at rates estimated to write off the cost of each asset as follows:

| | | |
|-----------------------|---|--------------------------|
| Land & Buildings | - | 2% per annum on cost |
| Fixtures and fittings | - | 10/20% per annum on cost |
| Computer equipment | - | 33% per annum on cost |
| Motor vehicles | - | 33% per annum on cost |

Corporation Tax

Corporation tax is payable on investment income, chargeable gains and certain other income less allowances for provident benefit expenditure.

Investments

Investments are stated at cost. Provision is made against investments where there is a permanent diminution in value.

Pension Costs

From 1 January 2008 the Union contributes into a Group Personal Pension plan on behalf of all permanent officials and staff, including the active (now deferred) members of the defined benefit scheme at 31 December 2007. This is a defined contribution scheme and contributions are charged to the Income and Expenditure Account when payable.

The Union also operates a defined benefit scheme which closed to future accruals from 31 December 2007. All active scheme members at 31 December 2007 became deferred members. Contributions to the scheme are charged to the Income and Expenditure Account in accordance with the advice of a qualified Actuary.

Operating Leases

Rental payments in respect of operating leases are charged to the Income and Expenditure Account.

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)

ATTACHED

AUDITOR'S REPORT (continued)

SEE ATTACHED SHEET

Signature(s):

H W Fisher & Co

Name(s):

H W Fisher & Company

Profession(s) or Calling(s):

**Chartered Accountants
Statutory Auditor**

Address(es):

**Acre House
11 - 15 William Road
London NW1 3ER
United Kingdom**

Date:

12 June 2013

Contact name and telephone number:

**Sailesh P Mehta
020 7388 7000**

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE
MUSICIANS' UNION**



We have audited the financial statements of the Musicians' Union for the year ended 31 December 2012, set out on pages 3 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of the Union's Executive Committee and auditors

As explained more fully in the Statement of Responsibilities of the Executive Committee on page 1, the Union's Executive Committee is responsible for the preparation of financial statements which give a true and fair view. 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Union's Executive Committee; and overall presentation of the financial statements.

Opinion on financial statements

In our opinion the accounts give a true and fair view of the state of the Union's affairs as at 31 December 2012 and of its income and expenditure for the year then ended.

Matters on which we are required to report by exception

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Union has not kept proper accounting records.
- The accounts are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

H W FISHER & COMPANY
Chartered Accountants
Statutory Auditor

Acre House
11-15 William Road
London NW1 3ER
United Kingdom

Dated: 8 May 2013