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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

University & College Union

Year ended:

31st August 2014

List no:

792T

Head or Main Office:

Carlow Street
London NW1 7LH

Website address (if available)

www.ucu.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:

Sally Hunt

Telephone Number:

020 7756 2500

Contact name for queries
regarding

David Hales

Telephone Number:

020 7756 2500

E-mail:

DHales@ucu.org.uk

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

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

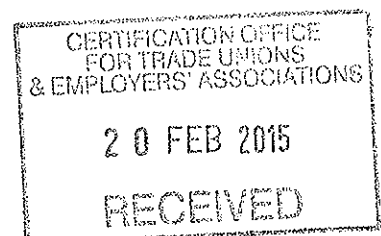
The address to which returns and other documents should be sent are:

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)

OFFICERS OF THE UNIVERSITY AND COLLEGE UNION - 2013/2014

Officers of the Union at 31st August 2013:

President.	Mr Simon Renton
President Elect	Mr John McCormack
Vice-president.	Dr Elizabeth H Lawrence*
Vice-president.	Mrs Kathy Taylor (Immediate past president)
Honorary Treasurer	Dr Angela Roger

Officers of the Union at 31st August 2014:

Dr Elizabeth H Lawrence
Mr Robin Goodfellow
Dr Joanna de Groot
Mr Simon Renton (Immediate past president)
Dr Angela Roger

* Dr Elizabeth H Lawrence became President Elect following the death of Mr John McCormack in December 2013.

Members of the National Executive Committee from 1st September 2013 and at 31 May 2014 (until the end of Congress):

	Mr David Anderson
	Mr David Armstrong
	Professor Paul Blackledge
	Ms Ann Blair
	Ms Vicky Blake
	Ms Margaret Boyd
	Professor Harriet Bradley
	Ms Isabel Brotherston (resigned March 2014)
Trustee	Ms Mandy Brown
	Mr Philip Burgess
	Ms Carolyn Campbell
	Mr Mark Campbell
	Ms Julia Charlton
	Dr Steve Clark
	Ms Pauline Collins
	Ms Jacqueline D'Arcy
	Mr Mick Dawson
	Mr James Donaghey
	Mr Jonathan Gilhooly
	Mr Joe Gluza
	Mrs Monica B Goligher
	Mr David Goode
	Mr Robin Goodfellow
	Dr Joanna de Groot
	Professor Jane Hardy
	Ms Catherine Hepburn
	Dr Marion Hersh
	Mr Terry Hoad
	Mr John Holden
	Ms Annie Holder
	Ms Patricia Hulme
General Secretary	Ms Sally Hunt
Trustee	Dr Alastair Hunter
	Ms Mary Jennings
	Mr Chris Jones (elected November 2013)
	Mrs Lesley Kane
	Ms Veronica Killen
	Ms Vicky Knight
	Mrs Hilary Kurt
	Ms Angela Lamb
Vice President	Ms Dominique Lauterburg
	Dr Elizabeth H Lawrence
	Dr Martin Levy
	Mr David Limb
President Elect	Ms Dawn Livingston
	Mr John McCormack (died December 2013)
	Mr Richard McEwan
	Ms Lesley McGorrigan
	Dr Patricia McManus
	Ms Jo McNeill
Trustee	Professor Neil Macfarlane
	Mr Graham Mawdsley

	Professor Susan Michie
	Ms Laura Miles
	Ms Loraine Monk
	Dr Terry Murphy (elected October 2013)
	Ms Lyndsey Nicholson
	Mr Brian O'Sullivan
	Dr Catherine Prendergast
President	Ms Jenny Prideaux
Honorary Treasurer	Mr Simon Renton
Trustee	Dr Angela Roger
	Mr Paul Russell
	Mr Alan J Ryan
	Dr Stephen Sangwine
	Mr Andy Sellers
Immediate Past President	Ms Mahmoona Shah
	Mrs Kathy Taylor
	Dr Jelena Timotijevic
	Mr Sean Vernell
	Mr Roger Walden
	Mr Sean Wallis
	Mr Roger Walters
	Mr Gordon Watson
	Mr Christopher Whyley
Trustee	Professor Cecile Wright
	Dr Dennis J Wright

Members of the National Executive Committee from 31 May 2014 (after end of Congress) and at 31st August 2014:

	Ms Sue Abbott
	Mr David Anderson
	Mr David Armstrong
	Mr Alan Barker
	Professor Andreas Bieler
	Professor Paul Blackledge
	Ms Vicky Blake
	Professor Harriet Bradley
	Dr Roger Brooks
Trustee	Ms Mandy Brown
	Mr Philip Burgess
	Ms Carolyn Campbell
	Ms Julia Charlton
	Ms Jacqueline D'Arcy
	Mr Michael Dawson
	Mr James Donaghey
	Dr Karen Evans
	Mr Jonathan Gilhooly
	Mr Joe Gluza
	Mrs Monica B Gofigher
	Mr David Goode
President Elect	Mr Robin Goodfellow
Vice President	Dr Joanna de Groot
	Ms Catherine Hepburn
	Dr Marion Hersh
	Ms Margot Hill
	Mr Terry Hoad
	Ms Patricia Hornby Atkinson
	Ms Patricia Hulme
General Secretary	Ms Sally Hunt
Trustee	Dr Alastair Hunter
	Ms Ioanna Ioannou
	Ms Mary Jennings
	Mr Chris Jones
	Mrs Lesley Kane
	Ms Veronica Killen
	Ms Vicky Knight
	Mrs Hilary Kurt

President	Ms Angela Lamb Professor Mike Larkin Ms Dominique Lauterburg Dr Elizabeth H Lawrence Dr Martin Levy Ms Dawn Livingston Mr Richard McEwan Ms Lesley McGorrigan Ms Patricia McManus Ms Jo McNeill
Trustee	Professor Neil Macfarlane Mr Graham Mawdsley (resigned July 2014) Professor Susan Michie Ms Laura Miles Ms Loraine Monk Dr Terry Murphy Ms Lyndsey Nicholson Mr Brian O'Sullivan Ms Jenny Prideaux
Immediate Past President	Mr Simon Renton
Honorary Treasurer	Dr Angela Roger
Trustee	Mr Paul Russell Mr Alan J Ryan Dr Stephen Sangwine Mr Andy Sellers Ms Mahmoona Shah Mr Lee Short Mr Jim Thakoordin Mr Roger Walden Mr Sean Wallis Mr Roger Walters Mr Gordon Watson Ms Saira Weiner Ms Sue Whittaker Mr Christopher Whyley Professor Cecile Wright
Trustee	Dr Dennis J Wright

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	50,561	1,661	7	63	52,292
FEMALE	52,105	1,836	12	43	53,996
TOTAL	102,666	3,497	19	106	A 106,288

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

63

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

101,752

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
President	Mr Simon Renton	Dr Elizabeth H Lawrence	31.5.14
President-Elect	Mr John McCormack	Dr Elizabeth H Lawrence	13.12.13
President-Elect	Dr Elizabeth H Lawrence	Mr Robin Goodfellow	31.5.14
Vice-President	Dr Elizabeth H Lawrence	Dr Joanna de Groot	31.5.14
Immediate Past President	Mrs Kathy Taylor	Mr Simon Renton	31.5.14

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)

	£	£
INCOME		
From Members: Contributions and Subscriptions		19,844,406
From Members: Other income from members (specify)		
Donations	5,387	
Total other income from members		5,387
Total of all income from members		19,849,793
Investment income (as at page 12)		18,799
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	191,774	
Total of other income (as at page 4)		191,774
		TOTAL INCOME
		20,060,366
EXPENDITURE		
Benefits to members (as at page 5)		486,241
Administrative expenses (as at page 10)		13,691,392
Federation and other bodies (specify)		
Subscriptions to TUC	186,968	
Subscriptions to Education International	70,034	
Other subscriptions	50,660	
Total expenditure Federation and other bodies		307,662
Transfer to Pension Fund (Fund 3)		606,000
		TOTAL EXPENDITURE
		15,091,295
Surplus (deficit) for year		4,969,071
Amount of general fund at beginning of year		19,121,536
Amount of general fund at end of year		24,090,607

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		
Insurance income	173,647	
Miscellaneous	3,459	
Donations from non-members	6,668	
University subventions	8,000	
TOTAL OTHER INCOME		191,774
TOTAL OF ALL OTHER INCOME		191,774

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	311,144	brought forward	319,453
		Education and Training services	89,602
Representation – Non Employment Related Issues	8,159	Negotiated Discount Services	
Communications Publications	150	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Equality, health & safety and pensions events	64,373
		Other	12,813
Other Cash Payments			
carried forward	319,453	Total (should agree with figure in General Fund)	486,241

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Fighting Fund	£	£
Income			
	From members		249,330
	Investment income (as at page 12)		1
	Other income (specify)		
	Donations received	21,560	
	Total other income as specified		21,560
	Total Income		270,891
Expenditure			
	Benefits to members		190,181
	Administrative expenses and other expenditure (as at page 10)		95,280
	Total Expenditure		285,461
	Surplus (Deficit) for the year		(14,570)
	Amount of fund at beginning of year		1,538,709
	Amount of fund at the end of year (as Balance Sheet)		1,524,139
	Number of members contributing at end of year		101,752

FUND 3		Fund Account	
Name:	Pension Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Pension contributions received in the year	755,000	
	Actuarial gain on pension scheme net assets	0	
	Total other income as specified		755,000
	Total Income		755,000
Expenditure			
	Pension financial costs	149,000	
	Actuarial loss on pension scheme net assets.	1,029,000	
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		1,178,000
	Surplus (Deficit) for the year		(423,000)
	Amount of fund at beginning of year		(6,965,000)
	Amount of fund at the end of year (as Balance Sheet)		(7,388,000)
	Number of members contributing at end of year		101,752

(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		165,127	
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income	165,127	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Conferences & lobbying	9,539		
	Parliament & assembly costs	22,026		
	Subscription to TUC	117,000		
	Non-political expenditure	15,784		
			Total expenditure	164,349
			Surplus (deficit) for year	778
			Amount of political fund at beginning of year	8,558
			Amount of political fund at the end of year (as Balance Sheet)	9,336
		Number of members at end of year contributing to the political fund	94,668	
		Number of members at end of the year not contributing to the political fund	11,620	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	8,814	

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	8,718,921
Salaries and Wages included in above	£6,947,454
Auditors' fees	35,360
Legal and Professional fees	461,741
Occupancy costs	1,261,052
Stationery, printing, postage, telephone, etc.	381,805
Expenses of Executive Committee (Head Office)	183,330
Expenses of conferences	383,310
Other administrative expenses (specify)	
Equipment & systems maintenance	781,996
Campaigns and policy	241,969
Bargaining and negotiations	79,040
Higher & further education	143,475
Ballot	274,951
Miscellaneous	60,078
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	4
Bridging loan	18,376
Other loans	
Depreciation	498,673
Taxation	22,724
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Payments to charities	1,089
Other donations	89,778
Pension scheme	149,000
Total	13,786,672
Charged to:	
General Fund (Page 3)	13,691,392
Fighting Fund (Account 2)	95,280
Fund (Account)	
Fund (Account)	
Fund (Account)	
Total	13,786,672

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits		Total £	
			Pension Contribution s £	Other Benefits		
				Description		Value £
General Secretary	100,993	12,110	16,127	Car benefit	3,029	132,259

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)			13,327
Interest (gross) from:			
Government securities (Gilts)			272
Mortgages			
Local Authority Bonds			
Bank and Building Societies			5,172
Other Interest			29
Other investment income (specify)			
Total investment income			18,800
Credited to:			
General Fund (Page 3)			18,799
Fighting Fund (Account 2)			1
Fund (Account)			
Fund (Account)			
Fund (Account)			
Fund (Account)			
Political Fund			
Total Investment Income			18,800

BALANCE SHEET as at 31st August 2014

(see notes 47 to 50)

Previous Year		£	£
15,951,988	Fixed Assets (at page 14)		15,735,776
	Investments (as per analysis on page 15)		
64,714	Quoted (Market value £ 862,760)	64,714	
50,000	Unquoted	50,000	
114,714	Total Investments		114,714
	Other Assets		
	Loans to other trade unions		
862,676	Sundry debtors	694,811	
7,928,060	Cash at bank and in hand	11,862,313	
	Income tax to be recovered		
	Stocks of goods		
50	Others (specify) Deposits with building societies	50	
8,790,786	Total of other assets		12,557,174
24,857,488	TOTAL ASSETS		28,407,664
19,121,536	General Fund (Account 1)		24,090,607
1,538,709	Fighting Fund (Account 2)		1,524,139
(6,965,000)	Pension Fund (Account 3)		(7,388,000)
	Superannuation Fund (Account)		
8,558	Political Fund (Account 1)		9,336
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
6,965,000	Pension liability	7,388,000	
264,608	USS Pension liability		
	Loans: From other trade unions		
1,302,920	Loans: Other – Bank	1,144,969	
	HP & finance lease		
	Bank overdraft		
328,661	Tax payable	23,474	
2,292,496	Sundry creditors	1,615,139	
	Accrued expenses		
	Provisions		
	Other liabilities		
11,153,685	TOTAL LIABILITIES		10,171,582
24,857,488	TOTAL ASSETS		28,407,664

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leaseh'd £				
Cost or Valuation						
At start of year	17,359,819	89,690	2,024,972			19,474,481
Additions			282,460			282,460
Disposals			(1,481)			(1,481)
Revaluation/Transfers						
At end of year	17,359,819	89,690	2,305,951			19,755,460
Accumulated Depreciation						
At start of year	1,871,721	27,804	1,622,968			3,522,493
Charges for year	347,196	1,794	149,446			498,436
Disposals			(1,245)			(1,245)
Revaluation/Transfers						
At end of year	2,218,917	29,598	1,771,169			4,019,684
Net book value at end of year	15,140,902	60,092	534,782			15,735,776
Net book value at end of previous year	15,488,098	61,886	402,004			15,951,988

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	62,214	
Government Securities (Gilts)	2,500	
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	64,714	
Market Value of Quoted Investment	862,760	
UNQUOTED Equities	50,000	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	50,000	
Market Value of Unquoted Investments	50,000	

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

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	20,099,123	165,127	20,264,250
From Investments	18,800		18,800
Other Income (including increases by revaluation of assets)	968,334		968,334
Total Income	21,086,257	165,127	21,251,384
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	16,554,756	164,349	16,719,105
Funds at beginning of year (including reserves)	13,695,245	8,558	13,703,803
Funds at end of year (including reserves)	18,226,746	9,336	18,236,082
ASSETS			
Fixed Assets			15,735,776
Investment Assets			114,714
Other Assets			12,557,174
		Total Assets	28,407,664
LIABILITIES		Total Liabilities	10,171,582
NET ASSETS (Total Assets less Total Liabilities)			18,236,082

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

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014**

**STATEMENT OF RESPONSIBILITIES OF THE
UNION AND MEMBERS OF THE NATIONAL EXECUTIVE COMMITTEE**

The National Executive Committee is the principal executive committee of the Union and consists of the Officers of the Union (Vice-President; President-elect; President; Immediate Past-President; Honorary Treasurer), the General Secretary and the ordinary members of the Committee elected for constituencies defined in the Union's Rules.

Trade Union law requires the Union and members of the National Executive Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements the Union and members of the National Executive Committee are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Union will continue in operation.

The Union and members of the National Executive Committee are responsible for keeping proper accounting records such as are necessary to give a true and fair view of the state of affairs of the Union and to explain its transactions. The Union and members of the National Executive Committee must also establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances and hence are responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014**

1. Taxation

Analysis of charge in year

	Year ended 31.8.2014	Year ended 31.8.2013
	£	£
Current tax		
Provision for UK corporation tax on surplus for the year.	23,618	328,670
Adjustments in respect of previous provision.	(894)	--
Total current tax charge.	<u>22,724</u>	<u>328,670</u>
Deferred tax		
Origination and reversal of timing differences.	--	26,039
Effect of increased tax rate on opening asset.	--	--
Total deferred tax charge.	<u>--</u>	<u>26,039</u>
Total tax charge.	<u>£22,724</u>	<u>£354,709</u>

Factors affecting the tax charge for the year

	Year ended 31.8.2014	Year ended 31.8.2013
	£	£
Surplus on accumulated funds before taxation.	<u>£5,584,001</u>	<u>£12,013,625</u>
Surplus on accumulated funds before taxation multiplied by the small companies rate of UK corporation tax at 20% (2013 - 24%/23% reduced by marginal relief).	1,116,800	2,825,918
Effects of:		
Income not chargeable to taxation.	(4,061,292)	(6,414,622)
Expenses not deductible for tax purposes.	2,968,110	3,947,989
Adjustments in respect of previous periods.	--	--
Tax losses carried forward.	--	(4,576)
Current tax charge.	<u>£23,618</u>	<u>£354,709</u>

Provision for deferred taxation

	Year ended 31.8.2014	Year ended 31.8.2013
	£	£
In respect of tax losses carried forward.	<u>£ --</u>	<u>£ --</u>
Provision at 1.9.2013.	--	(26,039)
Deferred tax charge in income and expenditure account for the year.	<u>--</u>	<u>26,039</u>
Deferred tax asset at 31.8.2014.	<u>£ --</u>	<u>£ --</u>

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued)**

2. Actuarial Losses / Gains on NATFHE Pension and Life Assurance Scheme

Actuarial losses on the NATFHE Pension and Life Assurance Scheme from 1st September 2013 to 31st August 2014 of £1,029,000 are recognised in the Pension Fund Account (Fund 3) (2013 - gains £1,050,000).

Analysis of actuarial (loss) / gain on Pension Scheme Net Assets.	Year ended 31.8.2014		Year to 31.8.2013
	Pension Fund £	Total £	Total £
Actual return less expected return on pension scheme assets.	1,394,000	1,394,000	477,000
Experience gain arising on the scheme liabilities.	526,000	526,000	197,000
Changes in assumptions underlying the present value of the scheme's liabilities.	(2,949,000)	(2,949,000)	376,000
Actuarial (loss) /gain on Pension Scheme Net Assets.	<u>£(1,029,000)</u>	<u>£(1,029,000)</u>	<u>£1,050,000</u>

3. Pension Schemes

The deficit disclosed in these financial statements in respect of the NATFHE Pension and Life Assurance Scheme was evaluated by the scheme's actuary at 31 August 2013 as £6,965,000 and at 31 August 2014 as £7,388,000.

The former NATFHE agreed to pay additional contributions per month for a period of 15 years from 1 June 2006. These additional monthly amounts were payable in accordance with a schedule of contributions agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the Employer (NATFHE). The UCU agreed to continue these payments from 1 June 2006. The payments were revised from 1 July 2009 as part of a recovery plan agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and UCU and the revised payments were £20,000 per month from 1 July 2009 to 31 January 2010, £42,800 per month from 1 February 2010 to 30 June 2012 and £87,000 per month from 1 July 2012 to 30 June 2019.

Following the completion of the triennial valuation of the NATFHE Pension and Life Assurance Scheme on 1 April, 2011 a revised recovery plan was agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the University and College Union on 26 June 2012. The payments due in accordance with the plan were due to be paid as £30,000 per month from 1 July 2012 to 30 June 2014, £55,000 per month from 1 July 2014 to 30 June 2017 and £90,000 per month from 1 July 2017 to 30 September 2020.

The recovery plan payments are to be amended as a result of the completion of the triennial valuation of the NATFHE Pension and Life Assurance Scheme on 1 April, 2014. A revised recovery plan was agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the University and College Union on 5 December, 2014. The payments due in accordance with the plan are due to be paid as £55,000 per month from 1 April 2015 to 31 October 2025.

The future accrual of benefits under the NATFHE Pension and Life Assurance Scheme ceased from 1st November 2006.

From 1st November 2006 the former employees of NATFHE commenced payment of contributions to the USS and ceased to make contributions to the NATFHE Pension and Life Assurance Scheme.

**USS INSTITUTIONS - ACTUARIAL VALUATION AS AT 31 MARCH 2011
FRS17 - RETIREMENT BENEFITS**

The University and College Union participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2014 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued).**

3. Pension Schemes (continued)

Standard mortality tables were used as follows:

Male member's mortality: S1NA ("light") YoB tables (no age rating)
Female member's mortality: S1NA ("light") YoB tables (rated down one year)

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates the CMI 2009 projections with 1.25% pa long term rates were also adopted. The assumed life expectations on retirement at age 65 are:

	At age 65 years.	At age 45 years.
Males	23.7 years	25.5 years
Females	25.6 years	27.6 years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets were therefore sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the scheme was 93% funded; on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However, changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014 and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimate that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in Assumption	Impact of shortfall
Investment return (Valuation rate of interest)	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

As at the 2011 valuation the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued).**

3. Pension Schemes (continued)

Since the valuation effective date of 31 March 2011 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

New entrants:

Other than in specific, limited circumstances, new entrants are now provided benefits on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age:

The Normal pension age was increased for future service and new entrants, to age 65.

Flexible Retirement:

Flexible retirement options were introduced.

Member contributions increased:

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing:

If the total contribution level exceeds 23.5% of Salaries per annum, the employers will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

Pension increase cap:

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half the difference up to a maximum increase of 10%.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long-term view of scheme funding, backed as it is by a robust Higher Education (HE) sector.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and targeted at achieving returns required to meet the scheme's liabilities. Recently, the trustee has invested directly in infrastructure assets. These investments are typically illiquid, but can achieve attractive inflation-linked returns in ways often not available in the publicly traded markets and which can match the scheme's liabilities to a high degree.

At 31 March 2014, USS had over 162,000 active members and the UCU had 173 active contributing members participating in the scheme.

The pension cost charged to the income and expenditure account in respect of contributions paid to USS is £897,630 (2013 - £1,047,921).

**NATFHE PENSION AND LIFE ASSURANCE SCHEME
FRS17 - RETIREMENT BENEFITS**

The University and College Union "the employer" operates the NATFHE Pension and Life Assurance Scheme which is governed by a Trust Deed dated 1 April 1974, as subsequently amended, and is administered by Trustees, nominated by the former NATFHE and by members of the scheme. The scheme is a defined benefit scheme. The scheme is closed to new members.

The NATFHE Pension and Life Assurance Scheme is subject to triennial valuations and the last triennial valuation was carried out on 1 April 2011. The results of the triennial valuation due on 1 April 2014 are due to be reported soon but are unavailable at the time that these financial statements were prepared.

The scheme's actuary was asked to provide figures relevant to the scheme as at 31 August 2013 and 31 August 2014 for the purposes of complying with FRS17 "Retirement benefits".

The figures provided in these financial statements are based on the following assumptions:

		<u>At 31.8.2014</u>	<u>At 31.8.2013</u>
Discount rate		3.80% pa	4.60% pa
Inflation assumption		3.40% pa	3.60% pa
Rate of increase in salaries	Years from 1.4.2011		
	0 - 2	RPI less 2% pa	1.60% pa
	3 - 5	RPI less 1% pa	2.40% pa
	6 +	RPI plus 0.25% pa	3.65% pa
Long term rates of return expected on scheme's assets net of scheme expenses*		4.50% pa	5.40% pa
Pension increases:			
Rate of increase in pensions in payment - 5% pa fixed pension increases		5.00% pa	5.00% pa
Rate of increase in pensions in payment - RPI pension increases		3.40% pa	3.60% pa
Rate of increase in pensions revaluation in deferment		3.40% pa	3.60% pa
Standard mortality tables were used as follows:	Post retirement mortality	99% S2NA	100% S1NA
		CMI 2013 projection based on individual year of birth, 1.0% pa long term improvement**	CMI 2013 projection based on individual year of birth, 1.5% pa long term improvement**
		No allowance	No allowance
Tax-free cash			

* The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes. Equity returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds. Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the Scheme's holdings of these instruments.

** CMI - Continuous Mortality Investigation into the mortality of Self-Administered Pension Schemes.

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued).**

3. Pension Schemes (continued)

Under the mortality tables and projections adopted, the assumed future life expectancy at age 65 is as follows:

	<u>At 31.8.2014</u>	<u>At 31.8.2013</u>
Male currently aged 45	23.7 years	24.6 years
Female currently aged 45	25.9 years	27.2 years
Male currently aged 65	22.4 years	22.4 years
Female currently aged 65	24.4 years	24.9 years

The assets in the scheme and the expected rates of return were:

	Major asset categories as an approximate proportion of total assets at:		Long-term rate of return expected at:		Value at	Value at
	<u>31.8.2014.</u>	<u>31.8.2013.</u>	<u>31.8.2014.</u>	<u>31.8.2013.</u>	<u>31.8.2014.</u>	<u>31.8.2013.</u>
					£'000	£'000
Equities	44.91%	46.86%	5.90% pa	6.70% pa	11,858	11,302
Bonds	29.94%	29.91%	3.80% pa	4.60% pa	7,906	7,214
Gilts	24.95%	22.93%	2.90% pa	3.70% pa	6,588	5,531
Cash (* negligible rate of return)	0.20%	0.30%	0.00% pa *	0.00% pa *	53	72
Fair value of assets					26,405	24,119
Present value of funded obligations					(33,793)	(31,084)
Deficit in scheme and net pension liability					<u>£(7,388)</u>	<u>£(6,965)</u>

The actual return on the Scheme's assets net of expenses over the year to the Review Date was £2,686,000.

The assets do not include any investment in the Employer.

Reconciliation of Assets and Funded Obligations:

	£'000
Fair value of assets at 1st September 2013	24,119
Expected return on assets	1,292
Contributions from employer *	755
Benefits paid	(1,155)
Actuarial gain on assets	1,394
Fair value of assets at 31st August 2014	<u>£26,405</u>

* The Employer expects to contribute £660,000 to the Scheme during the year to 31 August 2015.

Funded obligations at 1st September 2013	(31,084)
Past service cost	(37)
Interest cost	(1,404)
Benefits paid	1,155
Actuarial loss	(2,423)
Present value of Defined Benefit obligations at 31st August 2014	<u>£(33,793)</u>

Analysis of the amount charged to financial expenses in the Income and Expenditure Account:

	<u>Year ended 31.8.2014</u>	<u>Year ended 31.8.2013</u>
	£'000	£'000
Past service cost	(37)	--
Expected return on pension scheme assets	1,292	1,030
Interest on pension scheme liabilities	(1,404)	(1,294)
Net financial expense	<u>£(149)</u>	<u>£(264)</u>

The projected financial expense for the year to 31st August 2015 amounts to £78,000 (2014 - £116,000). The expected return on pension scheme assets is projected to be £1,177,000 (2014 - £1,294,000) and interest on pension scheme liabilities is projected to be £1,255,000 (2014 - £1,410,000). This projection is based on the assumption that cashflows to and from the Scheme are broadly unchanged from the current year's figures and that there have been no events (other than those already notified to the Scheme's actuaries) that would give rise to a settlement, curtailment or past service cost.

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued).**

3. Pension Schemes (continued)

Analysis of actuarial (loss) / gain on Pension Scheme Net Assets:	Year ended 31.8.2014 £'000	Year ended 31.8.2013 £'000
Actual return less expected return on pension scheme assets	1,394	477
Experience gain arising on the scheme liabilities	526	197
Changes in assumptions underlying the present value of the scheme's liabilities	<u>(2,949)</u>	<u>376</u>
Actuarial (loss) / gain on Pension Scheme Net Assets.	<u>£(1,029)</u>	<u>£1,050</u>
Movement in scheme deficit during the year:	Year ended 31.8.2014 £'000	Year ended 31.8.2013 £'000
Deficit in scheme at 1 September 2013	(6,965)	(8,111)
Movement in year:		
Contributions received from Employer	755	360
Net financial (expense)	(149)	(264)
Actuarial (loss) / gain	<u>(1,029)</u>	<u>1,050</u>
Deficit in scheme at 31 August 2014	<u>£(7,388)</u>	<u>£(6,965)</u>
Details of experience gains and losses for the year:	Year ended 31.8.2014 £'000	Year ended 31.8.2013 £'000
Difference between the expected and actual return on the scheme assets:		
Amount (£ thousand)	£(1,441)	£(1,294)
Percentage of scheme assets	5%	5%
Experience gains on scheme liabilities:		
Amount (£ thousand)	£1,394	£477
Percentage of the present value of the scheme liabilities	4%	2%
Total amount recognised in the Pension Fund Account (Fund 3):		
Amount (£ thousand)	£(1,029)	£1,050
Percentage of the present value of the scheme liabilities	3%	(5%)

The inflation assumption of 3.4% pa (2013 - 3.6% pa) has been determined by looking at market implied rates of future inflation – taken as the difference between the yields on fixed interest and index-linked bonds using Bank of England data which looks at the differences in yields for fixed interest and index-linked gilts and then calculates the implied differences.

No allowance was made for withdrawals from active service before normal retirement date. 90% of members were assumed to be married when they die with husbands being three years older than their wives.

Members retiring between their 60th and 65th birthdays with accrued service arising before 1 April 2003 will receive an un-reduced pension in respect of that service. Members with pension service accrued after 1 April 2003 will receive a reduced pension derived from the scheme's early retirement factors. The figures provided in these financial statements assume that those members with pre 1 April 2003 service still employed by UCU will retire at age 62 years. 90 % of deferred members are assumed to be married at retirement. Deferred members with pre 1 April 2003 service are assumed to retire at age 60 years. Members who joined the scheme after 1 April 2003 are assumed to retire at age 65.

The asset values are the bid values of the funds invested with Legal & General Investment Management. The cash value represents the balance held on the Trustees bank account and has been taken as an approximate value for the other net assets of the scheme.

The next formal triennial actuarial valuation of the NATFHE Pension and Life Assurance Scheme is due as at 1 April 2014.

No allowance for deferred taxation has been made.

No allowance has been made in these figures for possible effects of the cost that might be incurred in respect of the scheme's liability to pay the Pension Protection Fund Levy.

UNIVERSITY AND COLLEGE UNION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014
(continued).**

4. Operating Leasing Commitments

The operating lease rentals charged in the income and expenditure account were:

Land and buildings.

Other leases - Plant and machinery.

	Year ended 31.8.2014	Year ended 31.8.2013
	£	£
	227,665	256,409
	409,411	410,010
	£637,076	£666,419

At 31st August, 2014 the University and College Union had annual commitments under non-cancellable operating leases which expire as follows:

	Land and buildings		Other	
	31.8.2014	31.08.2013	31.8.2014	31.08.2013
	£	£	£	£
Within one year	121,000	51,724	49,872	64,793
Within two to five years	22,164	104,420	322,239	309,076
Over five years	96,700	98,216	--	--
	£239,864	£254,360	£372,111	£373,869

5. Capital Commitments

There were no capital commitments contracted for but not provided for at 31 August 2014 (2013 - £nil).

6. Related Party Transactions

UCU is a participating institution of the Universities Superannuation Scheme and makes pension contributions to the scheme in respect of the employee members of UCU. As disclosed in note 3, the appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

During the year ended 31st August 2014 employers normal pension contributions payable to USS by UCU were £897,630 (2013 - £1,047,921) and the balance payable by UCU to USS at 31st August 2014 was £135,920 (2013 - £140,439).

Members of UCU may make payments via UCU to "Recourse" (formerly the College and University Support Network (CUSN)) at the same time as they pay their subscription payment to the UCU. Recourse is a registered charity (charity registration number 1116382) and was incorporated on 12th July 2006. The charity changed its name to Recourse on 14th July 2010 following a rebranding exercise. It was established to support staff working in Further and Higher Education, former employees and dependant relatives. It is also a wholly owned subsidiary company of the Teachers Support Network (TSN). Recourse's company registration number is 05874222 and it is a Company Limited by Guarantee. The UCU remits the payments received from members to Recourse on a monthly basis. The payments are made by individual members of UCU as Gift Aid payments. Recourse is governed and administered by the Trustees and National Council of TSN. UCU has the right to appoint five members to the National Council of TSN (preferably from within the National Executive Committee of UCU) and in addition subscribing members of UCU have the right to elect members of the National Council of TSN.

During the year ended 31st August 2014 Gift Aid payments payable to Recourse (formerly CUSN) of £331,518 (2013 - £352,679) were received from members of UCU and the balance payable by UCU to Recourse as at 31st August 2014 was £50,053 (2013 - £53,139).

7. Future Developments.

UCU continues to face significant financial challenges to counter the effects of an ongoing decline in membership and increasing costs. In this respect UCU has implemented a long term strategy by developing a three year plan involving the active engagement of all parties concerned, including elected representatives of the trade union representing UCU staff.

ACCOUNTING POLICIES

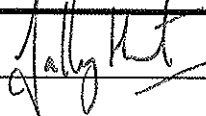
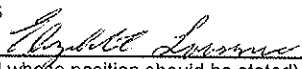
(see notes 74 and 75)

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></u> Name: SALLY HUNT Date: <u>13th February 2015</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) (PRESIDENT) Name: ELIZABETH H LAWRENCE Date: <u>13 February 2015</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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSE D	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

UNIVERSITY AND COLLEGE UNION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014

1. Principal Accounting Policies

The financial statements comply with relevant accounting standards. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

(a) **Accounting convention**

The financial statements are prepared in accordance with the historical cost convention and applicable Accounting Standards.

(b) **Branches and Local Associations.**

For the purpose of the Trade Union and Labour Relations (Consolidation) Act 1992 the Union is regarded as a trade union with branches. The "branches" of the Union comprise of Local Associations of UCU or Branches of UCU. The assets, liabilities and transactions of the local associations and branches for the year ended 31st August, 2014 are included in these financial statements.

(c) **Depreciation**

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold and long leasehold property.	2%.
Fixtures and fittings.	10% or the remaining period of the lease.
Plant and machinery.	25%.
Furniture.	10% to 12.5%.
Office equipment.	20%.
Computer equipment and software.	33%.
Motor vehicles (owned).	20%.
Motor vehicles (leased).	Over the period of the lease.

The rate of depreciation is reduced proportionately in the year of acquisition of an asset.

(d) **Subscriptions**

Subscriptions are accounted for on an accruals basis, although no account is taken of individual members' subscriptions that may be in arrears.

(e) **Pension costs**

The former Association of University Teachers (AUT) became a participating institution of the Universities Superannuation Scheme (USS), a defined benefit scheme, from 1st March 2005. The scheme is externally funded and contracted out of the State Second Pension (S2P). The Assets of the scheme are held in a separate trustee-administered fund. The University and College Union (UCU) became a participating institution of USS on the amalgamation of AUT and NATFHE from 1st June 2006.

The balance sheet in these financial statements reflects the payments due under an annuity to the USS. The movements on the remaining balance payable in respect of that annuity are shown in these financial statements under creditors.

Because of the mutual nature of the USS scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The UCU is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account as a component of employee costs represents the contributions payable to the scheme in respect of the accounting year.

The UCU continued to make payments to the NATFHE Pension and Life Assurance Scheme to reduce the deficit that existed in that scheme from 1st June 2006. FRS 17 requires the sponsoring employer to account for the NATFHE Pension and Life Assurance Scheme deficit as a liability on its balance sheet mirrored by a pension reserve.

Movements on the NATFHE Pension and Life Assurance Scheme's asset or liability, to the extent that they arise from the expected return on pension fund assets net of interest charges on pension fund liabilities, are reflected in the income and expenditure account as a component of financial expenses.

Movements on the NATFHE Pension and Life Assurance Scheme assets and liabilities arising from changes in actuarial assumptions including actual returns on pension fund assets net of expected returns and experience gains and losses arising on Fund liabilities are reflected in these financial statements through the Pension Fund Account (Fund 3).

(f) **Leases**

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) have been capitalised at their fair value and depreciation is provided on the basis of the depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the Balance Sheet and the current period's interest element is charged to the Income and Expenditure Account on a straight line basis. The annual payments under all other lease arrangements, known as operating leases, are charged to the Income and Expenditure Account as payments to the lessor fall due.

(g) **Investments**

The investments held are managed by professional investment managers and brokers and transactions are undertaken under powers delegated to them.

(h) **Value added tax (VAT)**

The figures included in these financial statements are exclusive of VAT to the extent that input VAT is partially or fully recoverable or output VAT is payable.

(i) **Deferred Tax**

In accordance with FRS 19, deferred tax is provided for on all material reversing timing differences at the rate of corporation tax applicable to the Union's activities.

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)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNIVERSITY AND COLLEGE UNION

We have audited the financial statements of the University and College Union for the year ended 31st August 2014 which comprise the Funds Accounts, the Balance Sheet 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 Practice).

This report is made solely to the Members, as a body, in accordance with the Union's rules. Our audit work has been undertaken so that we may state to the Union's members those matters we are required to state to them in an auditors' 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 its members as a body, for our audit work, for this report or for the opinions we have formed.

AUDITOR'S REPORT (continued)

RESPECTIVE RESPONSIBILITIES OF THE MEMBERS OF THE NATIONAL EXECUTIVE COMMITTEE AND AUDITORS

As explained more fully in the Statement of Responsibilities of the Union and members of the National Executive Committee, The National Executive Committee are responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, in particular the rules of the Union, the Trade Union and Labour Relations (Consolidation) Act 1992, and International Standards on Auditing (UK and Ireland). These Standards require us to comply with the Auditing Practice's Board (APB's) Ethical Standards for Auditors.

BASIS OF OPINION

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 misstatements, 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 National Executive Committee, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information disclosed on pages 1 and 2 of the AR21 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 our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31st August 2014 and of its income and expenditure 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 and the rules of the Union.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in accordance with the accounting records and returns; or
- a satisfactory system of control has not been maintained over the Union's transactions; or
- we have not received all the information and explanations we require for our audit.

Signature(s) of auditor or auditors:	<i>Knox Cropper</i>	
Name(s):	Knox Cropper	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es):	8/9 Well Court London EC4M 9DN	
Knox Cropper is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.		
Date:	20 th February 2015	
Contact name and telephone number:	Greg Stevenson 020 7332 6400	

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