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FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	CSEU 35 Hour Week Campaign Fund
Year ended:	31st December 2016
List no:	1054T
Head or Main Office:	3rd Floor 128 Theobald's Road London WC1X 8TN
Website address (if available)	
Has the address changed during the year to which the return relates?	<div>Yes <input type="checkbox"/></div> <div>No <input checked="" type="checkbox"/></div> <div>(Click the appropriate box)</div>
General Secretary:	Hugh Scullion
Telephone Number:	020 8826 2074
Contact name for queries regarding	Sailesh 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 June 2016)

Complete list of officers as at 31st December 2016.

Trustees

Hugh Scullion
John Rowse
Ian Tonks
Dave Hulse
John Park

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	0	0	0	0	0
FEMALE	0	0	0	0	0
TOTAL	5	0	0	0	A 5

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

0

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

5

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

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

State whether the union is:

a. A branch of another trade union?

Yes ☐

No ☒

If yes, state the name of that other union:

b. A federation of trade unions?

Yes ☒

No ☐

If yes, state the number of affiliated unions:

5

and names:

UNITE, GMB, Community, Prospect, UCATT

GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
INCOME		
From Members: Contributions and Subscriptions		
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		
Investment income (as at page 12)		1,037
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		
Total of other income (as at page 4)		
	TOTAL INCOME	
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		931
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		11
	TOTAL EXPENDITURE	942
Surplus (deficit) for year		95
Amount of general fund at beginning of year		26,318
Amount of general fund at end of year		26,413

(see notes 19 and 20)

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ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

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

(See notes 24 and 25)

[illegible]

FUND 3		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 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		

[illegible]

(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		
	Investment income (as at page 12)		
	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 of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			

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)

		£'000
Administrative Expenses		
Remuneration and expenses of staff		
Salaries and Wages included in above	£	
Auditors' fees		24
Legal and Professional fees		708
Occupancy costs		
Stationery, printing, postage, telephone, etc.		
Expenses of Executive Committee (Head Office)		
Expenses of conferences		
Other administrative expenses (specify)		
Investment Fund Management Fees		169
Management charge to General Fund		30
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		
Taxation		11
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Total		942
Charged to:	General Fund (Page 3)	942
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
Total		942

(see notes 34 to 44 below)

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ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £'000		Other Fund(s) £'000
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			589
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			2
Other investment income (specify)			
Gain/(loss) on sale of investments			940
Increase in Investment values			(494)
		Total investment income	1,037
Credited to:			
		General Fund (Page 3)	1,037
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	1,037

BALANCE SHEET as at 31st December 2016

(see notes 47 to 50)

Previous Year		£'000	£'000
	Fixed Assets (at page 14)		
	Investments (as per analysis on page 15)		
24,834	Quoted (Market value £ 23,172)	23,172	
3,250	Unquoted	3,785	
	Total Investments		26,957
	Other Assets		
	Loans to other trade unions		
	Sundry debtors		
2,497	Cash at bank and in hand	437	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
30,581	Total of other assets		437
	TOTAL ASSETS		27,398
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
3,275	Loans: From other trade unions		55
	Loans: Other		
	Bank overdraft		
155	Tax payable		135
	Sundry creditors		
92	Accrued expenses		173
741	Provisions		618
	Other liabilities		
4,263	TOTAL LIABILITIES		981
30,581	TOTAL ASSETS		27,398

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						
Additions						
Disposals						
Revaluation/Transfers						
At end of year						
Accumulated Depreciation						
At start of year						
Charges for year						
Disposals						
Revaluation/Transfers						
At end of year						
Net book value at end of year						
Net book value at end of previous year						

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED		All Funds Except Political Funds £	Political Fund £
	Equities (e.g. Shares)	23,172	
	Government Securities (Gilts)		
	Other quoted securities (to be specified)		
	TOTAL QUOTED (as Balance Sheet)	23,172	
	Market Value of Quoted Investment	23,319	
UNQUOTED			
	Equities		
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies		
	Other unquoted investments (to be specified)		
	Unity Trust Shares	3,785	
	TOTAL UNQUOTED (as Balance Sheet)	3,785	
	Market Value of Unquoted Investments	3,785	

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 Unity Trust Bank PLC	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 1713124		

Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" 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	1,531		1,531
From Investments			
Other Income (including increases by revaluation of assets)	(494)		(494)
Total Income	1,037		1,037
EXPENDITURE (including decreases by revaluation of Total Expenditure)			
	942		942
Funds at beginning of year (including reserves)	26,318		26,318
Funds at end of year (including reserves)	26,413		26,413
ASSETS			
Fixed Assets			
Investment Assets			26,957
Other Assets			437
Total Assets			27,394
LIABILITIES			
Total Liabilities			981
NET ASSETS (Total Assets less Total Liabilities)			26,413

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

See attached notes to the accounts.

ACCOUNTING POLICIES

(see notes 74 and 75)

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>[Signature]</u> Name: <u>HUBERT SCULLION</u> Date: <u>1/6/17</u>	Chairman's Signature: <u>[Signature]</u> (or other official whose position should be stated) Name: <u>JOHN ROWSE</u> Date: <u>1/6/17</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 type="checkbox"/>	NO	<input checked="" type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input type="checkbox"/>	NO	<input checked="" 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)	ENCLOSED	<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"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

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

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES
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
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
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)

Set out attached is the report of the independent auditors of the 35 Hour Week Campaign Fund of the Confederation of Shipbuilding and engineering Unions as contained in the financial statements for the year ended 31 December 2016 from which the information has been extracted.

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12 June 2017

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

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

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

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

NO

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

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

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

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

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

YES/NO

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

YES/NO

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

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

MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	
Address	
Date	
Contact name and telephone number	

MEMBERSHIP AUDIT CERTIFICATE


SECTION TWO

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

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

YES/NO

If "NO" Please explain below:

Signature	
Name	HUGH SCULLION
Office held	GENERAL SECRETARY
Date	6 JUNE 2017

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
THE CSEU 35 HOUR WEEK CAMPAIGN FUND**



We have audited the financial statements of the CSEU 35 Hour Week Campaign Fund for the year ended 31 December 2016, set out on pages 4 to 11. 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), including Financial Reporting Standards 102.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Responsibilities of the Trustees on page 2, the Fund's Trustees are 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 Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Fund's members; and the overall presentation of the financial statements. 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 Fund's affairs as at 31 December 2016 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 Fund has not kept proper accounting records.
- The financial statements 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
Registered Auditors

Dated: 8th June 2017.

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

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

INFORMATION IN RESPECT OF THE FUND

The CSEU 35 Hour Week Campaign Fund is a separate fund of the Confederation of Shipbuilding and Engineering Unions, which is a trade union registered in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 with its head office at Unite House, 128 Theobalds Road, London WC1X 8TN.

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"). The accounts have been prepared under historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements.

Trade Unions are governed by the Trade Union and Labour Relations (Consolidation Act) 1992 Amended. Under that Act the accounts of Trade Unions are required to give a true and fair view. Therefore, the accounts of Trade Unions are prepared under FRS102. However, as a Trade Union is not a company the Regulations that form the basis of disclosures under FRS102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the Trade Union.

The fund is part of the Confederation of Shipbuilding and Engineering Union, and a public benefit entity.

The financial statements have been prepared in sterling, which is the functional currency of the Union. Monetary amounts of these financial statements are rounded to the nearest thousand pounds.

GOING CONCERN

The Trustees consider that there are no material uncertainties about the Union's ability to continue as a going concern.

INVESTMENT INCOME

Income from the Fund's investments is accounted for on an accruals basis.

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

JUDGEMENTS AND KEY SOURCES OF ESTIMATION

In the application of its accounting policies, the Fund is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. All significant estimates and underlying assumptions are reviewed on an ongoing basis and the relevant carrying amounts of assets and liabilities are revised to reflect any changes.

As at 31 December 2016 the carrying amounts of the following assets and liabilities were subject to judgement or to estimation uncertainty:

It is the Fund's judgement that reliable estimates of the fair value of its unlisted investments, as included in note 2 to the accounts, are not available. As a result, unlisted investments are measured on historic cost basis.

EXPENDITURE

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

TAXATION

Corporation tax is payable on interest income and chargeable gains arising on the disposal of properties and investments.

DEFERRED TAXATION

Deferred tax liabilities arise in relation to the difference between the fair value of investments and their original cost less any indexation applicable.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure account.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand and deposits held at call with banks.

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

FINANCIAL INSTRUMENTS

The union has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the union's balance sheet when the union becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

BASIC FINANCIAL ASSETS

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

OTHER FINANCIAL ASSETS

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value recognised in the income and expenditure account, except that investments in equity instruments that are not publically traded and whose fair value cannot be measured reliably are measured at cost less impairment.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets, other than those held at fair value through income and expenditure account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment is recognised in the income and expenditure accounts.

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

BASIC FINANCIAL LIABILITIES

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the activity of the Union from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are initially recognised at transaction price and derecognised when, and only when, the Union's obligations are discharged, cancelled or they expire.

INVESTMENTS

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (where applicable). The income and expenditure account includes the net gains and losses arising on revaluation and disposals throughout the year. The Union does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Union is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

REALISED GAINS AND LOSSES

All gains and losses are taken to the income and expenditure account as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are separated between surplus on investments and change in market value in the income and expenditure account.

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

1. ADMINISTRATIVE EXPENSES

	2016 £'000	2015 £'000
Audit, accountancy and tax advice	24	28
Legal fees	708	338
Management charge	30	30
Investment fund management fees	169	185
	<u>931</u>	<u>581</u>

2. TAXATION

The tax charge is made up as follows:

	2016 £'000	2015 £'000
Current tax charge:		
UK corporation tax at 20% (2015: 20%)	<u>(134)</u>	<u>(154)</u>
Deferred tax release:		
Movement in difference in fair value of investments at 20% (2015: 20.25%)	<u>123</u>	<u>266</u>

3. INVESTMENTS

	At Fair Value £'000	At Cost £'000	Total £'000
At 1 January 2016	24,834	3,250	28,084
Additions	6,296	535	6,831
Disposals	(7,464)	--	(7,464)
Change in Fair values	(494)	--	(494)
At 31 December 2016	<u>23,172</u>	<u>3,785</u>	<u>26,957</u>

	Cost £'000	Fair value £'000
Listed investments	19,534	23,172
Unlisted investments	<u>3,785</u>	<u>3,785</u>
	<u>23,319</u>	<u>26,957</u>

The unlisted investments comprise shares in Unity Trust Bank Plc, which is incorporated in England and Wales. The shareholding held by the Fund represents 9.99% of the issued share capital of Unity Trust Bank Plc.

THE CSEU 35 HOUR WEEK CAMPAIGN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

4. DEBTORS

	2016	2015
	£'000	£'000
Other debtors	--	--
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£'000	£'000
Amounts owed to General Fund	55	25
Corporation tax payable	135	155
Other creditors	--	3,250
Accruals and deferred income	173	92
	<u>363</u>	<u>3,522</u>
	<u> </u>	<u> </u>

6. DEFERRED TAX

	2016	2015
	£000	£000
Based on the revaluation of investments		
At 1 January 2016	(741)	(1,007)
Release to income and expenditure	123	266
At 31 December 2016	<u>(618)</u>	<u>(741)</u>
	<u> </u>	<u> </u>