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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Affinity
Year ended:	31 December 2013
List no:	615T
Head or Main Office:	St John's Terrace 3-7 Amphill Street Bedford MK42 9EY
Website address (if available)	
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:	Mark V Brown
Telephone Number:	01234 716005
Contact name for queries regarding	Emma Stopford
Telephone Number:	01234 716005
E-mail:	Emma.Stopford@workaffinity.co.uk

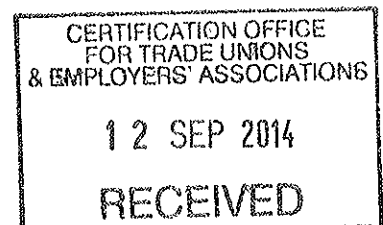
**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

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  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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



(Revised February 2011)

### List Of Affinity Officers

Mark Brown	–	General Secretary
Neilson Smith	–	Chairman
Bryan Jackson	–	Deputy Chairman / Treasurer
Richard Turner	–	Vice Chairman

# 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	14,415	23	0	186	<b>14,624</b>
FEMALE	23,629	28	0	320	<b>23,977</b>
TOTAL	38,044	51	0	506	<b>A 38,601</b>

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

	85
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Number of members at end of year contributing to the General Fund at year end "non-payers" resulting in difference between A&B.

	38,162
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## 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:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		3,284,158
<b>From Members:</b> Other income from members (specify)		
 <b>Total other income from members</b>		
<b>Total of all income from members</b>		
<b>Investment income (as at page 12)</b>		6,006
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	14,366	
 <b>Total of other income (as at page 4)</b>		14,366
		<b>3,304,530</b>
	<b>TOTAL INCOME</b>	
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		113,249
<b>Administrative expenses (as at page 10)</b>		3,061,242
<b>Federation and other bodies (specify)</b>		
 <b>Total expenditure Federation and other bodies</b>		3,174,491
<b>Taxation</b>		2,217
	<b>TOTAL EXPENDITURE</b>	<b>3,176,708</b>
		127,822
Surplus (deficit) for year		
		127,822
Amount of general fund at beginning of year		1,351,808
		1,479,630
Amount of general fund at end of year		

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

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Administration fees	10,000	
Royalties etc	2,105	
Other income	2,260	
<b>TOTAL OTHER INCOME</b>		14,365
<b>TOTAL OF ALL OTHER INCOME</b>		14,365

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Consultancy	113,249	<b>brought forward</b> Education and Training services	113,249
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
<b>carried forward</b>	113,249	<b>Total (should agree with figure in General Fund)</b>	113,249

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

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





(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund		
		£	£	
<b>Income</b>	Members contributions and levies			
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Non-political expenditure			
			Total expenditure	
			Surplus (deficit) for year	
			Amount of political fund at beginning of year	
			Amount of political fund at the end of year (as Balance Sheet)	
		Number of members at end of year contributing to the political fund		
		Number of members at end of the year not contributing to the political fund		
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund				

POLITICAL FUND ACCOUNT 2		To be completed by trade unions which act as components of a central trade union		
		£	£	
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund			
	Funds received back from central political fund			
	Other income (specify)			
		Total other income as specified		
		Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)			
	Non-political expenditure			
			Total expenditure	
			Surplus (deficit) for year	
			Amount held on behalf of trade union political fund at beginning of year	
			Amount remitted to central political fund	
		Amount held on behalf of central political fund at end of year		
		Number of members at end of year contributing to the political fund		
		Number of members at end of the year not contributing to the political fund		
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund				

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

(see notes 32 and 33)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		1,943,009
Salaries and Wages included in above	£1,626,077	
Auditors' fees		14,912
Legal and Professional fees		88,949
Occupancy costs		56,161
Stationery, printing, postage, telephone, etc.		376,435
Expenses of Executive Committee (Head Office)		180,678
Expenses of conferences		180,678
Other administrative expenses (specify)		
Bank charges and interest		21,777
General expenses		297
Computer costs		74,079
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		8,917
Depreciation		102,401
Taxation		12,949
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
	<b>Total</b>	3,061,242
Charged to:	General Fund (Page 3)	3,061,242
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	3,061,242



# 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)			26
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			229
Other investment income (specify)			
Staff loan interest			5,751
		Total investment income	6,006
		Credited to:	
		General Fund (Page 3)	6,006
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	6,006

**BALANCE SHEET as at** 31 December 2013

(see notes 47 to 50)

Previous Year		£	£
1,077,257	<b>Fixed Assets</b> (at page 14)		1,046,615
	<b>Investments</b> (as per analysis on page 15)		
5,149	Quoted (Market value £ 8,267)	5,149	
4,700	Unquoted	4,700	
	<b>Total Investments</b>		9,849
	<b>Other Assets</b>		
	Loans to other trade unions		
220,111	Sundry debtors		293,762
325,802	Cash at bank and in hand		313,860
	Income tax to be recovered		
69,905	Stocks of goods		82,155
	Others (specify)		
	<b>Total of other assets</b>		689,777
1,702,924	<b>TOTAL ASSETS</b>		1,746,241
1,351,808	Fund (Account General)		1,479,630
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
105,840	Loans: Other		80,966
	Bank overdraft		
5,450	Tax payable		3,217
108,013	Sundry creditors		110,604
131,813	Accrued expenses		71,824
	Provisions		
	Other liabilities		
	<b>TOTAL LIABILITIES</b>		266,611
1,702,924	<b>TOTAL ASSETS</b>		1,746,241

## FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
<b>Cost or Valuation</b>						
At start of year	765,000		603,678	493,908		1,862,586
Additions	-		22,589	49,170		71,759
Disposals	-		-	-		-
Revaluation/Transfer s	-		-	-		-
At end of year	765,000		626,267	543,078		1,934,345
<b>Accumulated Depreciation</b>						
At start of year	-		524,980	260,349		785,329
Charges for year	-		32,231	70,170		102,401
Disposals	-		-	-		-
Revaluation/Transfer s	-		-	-		-
At end of year	-		557,211	330,519		887,730
<b>Net book value at end of year</b>	765,000		69,056	212,559		1,046,615
<b>Net book value at end of previous year</b>	765,000		78,698	233,559		1,077,257

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Shares	5,149	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	5,149	
Market Value of Quoted Investment	8,910	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Contributions to unlisted company limited by guarantee in which the union is a member	4,700	
TOTAL UNQUOTED (as Balance Sheet)	4,700	
Market Value of Unquoted Investments	4,700	



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input 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 £
<b>INCOME</b>			
From Members	3,284,158		3,284,158
From Investments	5,751		5,751
Other Income (including increases by revaluation of assets)	14,621		14,621
<b>Total Income</b>	<b>3,304,530</b>		<b>3,304,530</b>
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	<b>3,176,708</b>		<b>3,176,708</b>
<b>Funds at beginning of year</b> (including reserves)			1,351,808
<b>Funds at end of year</b> (including reserves)			1,479,630
<b>ASSETS</b>			
Fixed Assets			1,046,615
Investment Assets			9,849
Other Assets			689,777
		<b>Total Assets</b>	<b>1,746,241</b>
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	<b>266,611</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			<b>1,479,630</b>

# 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.

<b>CONTRIBUTIONS FROM MEMBERS</b>	<b>2013</b>	<b>2012</b>
Subscriptions	3,492,829	3,514,402
Ancillary Services	(208,671)	(272,946)
	<u>£3,284,158</u>	<u>£3,241,456</u>
<b>OTHER OPERATIONS</b>		
Dividends and Royalties	2,361	3,341
Vassar Smith Fund Administration Fee	10,000	16,500
Other Income	2,260	-
	<u>£14,621</u>	<u>£19,841</u>
<b>INVESTMENT INCOME</b>		
Interest Received on Loans	5,751	4,989
	<u>£5,751</u>	<u>£4,989</u>
<b>PREMISES, EQUIPMENT AND STAFF</b>		
Staff Remuneration and Severance	1,943,009	2,010,576
Rent, Rates and Maintenance	34,727	46,537
Light and Heat	11,642	17,427
Equipment Hire	64,941	67,343
	<u>£2,054,319</u>	<u>£2,141,883</u>

**ADMINISTRATION**

	<b>2013</b>	<b>2012</b>
Printing, Stationery and Publications	103,257	79,249
Committee and Travelling Expenses	361,356	414,728
Postage	110,058	146,350
Telephone	98,180	103,333
Computer Costs	74,079	90,310
Bank Charges and Interest	21,777	35,054
Insurance	9,792	8,906
Lease and Hire Purchase Interest	8,917	12,993
Sundry Expenses	297	603
VAT on Partial Exemption	12,949	34,386
	-----	-----
	£800,662	£925,912
	=====	=====

**DEPRECIATION**

Depreciation on Tangible Fixed Assets	102,401	106,985
(Profit)/Loss on Disposal of Tangible Fixed Assets	-	(4,280)
	-----	-----
	£102,401	£102,705
	=====	=====

## TAXATION

The Union is not subject to taxation on its normal activities, but is taxable in respect of any profits arising from its trading activities and on its investment income. Provision has been made in the accounts in respect of corporation tax due as follows:-

	2013	2012
Current Year	3,217	5,450
Prior Year	(1,000)	136
	-----	-----
Current Tax Charge	<u>£2,217</u>	<u>£5,586</u>
 <b>Factors affecting the tax charge for the year</b>		
Surplus on ordinary activities before taxation	<u>130,039</u>	<u>(57,567)</u>
 Surplus on ordinary activities before taxation multiplied by Standard rate of UK Corporation Tax of 20.00% (2011 – 20.25%)		
	26,008	(11,513)
	-----	-----
Effects of :		
Mutual trading	(22,791)	16,963
Other tax adjustments	(1,000)	136
	-----	-----
	(23,791)	17,099
	-----	-----
<b>Current Tax Charge</b>	<u>£2,217</u>	<u>(£5,586)</u>

**FIXED ASSETS**

	<b>Computer Equipment</b>	<b>Office Equipment</b>	<b>Motor Vehicles</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
<b>COST</b>					
1 <sup>st</sup> January 2013	396,821	60,570	493,908	146,287	1,097,586
Additions	18,342	4,247	49,170	-	71,759
Disposals	-	-	-	-	-
	-----	-----	-----	-----	-----
31 <sup>st</sup> December 2013	<u>415,163</u>	<u>64,817</u>	<u>543,078</u>	<u>146,287</u>	<u>1,169,345</u>
<b>DEPRECIATION</b>					
1 <sup>st</sup> January 2013	353,582	51,931	260,349	119,467	785,329
Disposals	-	-	-	-	-
Charge for Year	23,089	2,775	70,170	6,367	102,401
	-----	-----	-----	-----	-----
31 <sup>st</sup> December 2013	<u>376,671</u>	<u>54,706</u>	<u>330,519</u>	<u>125,834</u>	<u>887,730</u>
<b>NET BOOK VALUE</b>					
31 <sup>st</sup> December 2013	<u>38,492</u>	<u>10,111</u>	<u>212,559</u>	<u>20,453</u>	<u>281,615</u>
31 <sup>st</sup> December 2012	<u>43,239</u>	<u>8,639</u>	<u>233,559</u>	<u>26,820</u>	<u>312,257</u>
<b>FREEHOLD PROPERTY</b> – Cost 1 <sup>st</sup> January 2013				£	765,000
<b>FREEHOLD PROPERTY</b> – Cost 31 <sup>st</sup> December 2013				£	<u>765,000</u>
<b>NET BOOK VALUE INCLUDING FREEHOLD</b>			<b>2013</b>	£	<u>1,046,615</u>
			<b>2012</b>	£	<u>1,077,257</u>

The net book value of tangible fixed assets includes **£165,428** (2012 - £170,718) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to **£54,460** (2012 - £53,165) for the year.

<b>INVESTMENTS</b>	<b>2013</b>	<b>2012</b>
Listed Investments at Cost	5,149	5,149
[Market Value £8,910 (2012 - £8,267)]		
Fixed Asset Investment	4,700	4,700
	-----	-----
	<b>£9,849</b>	<b>£9,849</b>
	=====	=====

**DEBTORS AND PREPAYMENTS**

Prepayments and Accrued Income	9,406	8,611
Other Debtors	284,356	211,501
	-----	-----
	<b>£293,762</b>	<b>£220,112</b>
	=====	=====

**CASH AT BANK AND IN HAND**

Bank Current Account	313,472	324,805
Cash	388	996
	-----	-----
	<b>£313,860</b>	<b>£325,801</b>
	=====	=====

**CREDITORS – due within one year**

Creditors and Accruals	71,824	131,813
Obligations Under Hire Purchase and Finance Leases	58,867	57,030
Other Creditors	110,604	108,013
Corporation Tax	3,217	5,450
	-----	-----
	<b>£244,512</b>	<b>£302,306</b>
	=====	=====

**CREDITORS – due in more than one year**

Obligations Under Hire Purchase and Finance Lease	22,099	48,810
	-----	-----
	<b>£22,099</b>	<b>£48,810</b>
	=====	=====

**ACCUMULATED FUND**

At 1 <sup>st</sup> January 2013	1,351,808	1,414,961
(Deficit)/Surplus for the Year	127,822	(63,153)
	<u>-----</u>	<u>-----</u>
	£1,479,630	£1,351,808
	<u>=====</u>	<u>=====</u>

**RECONCILIATION OF SURPLUS TO NET  
CASH INFLOW FROM OPERATING  
ACTIVITIES**

(Deficit)/Surplus for the year before taxation	130,039	(57,567)
Depreciation Charges	102,401	106,985
(Profit)/Loss on Sale of Fixed Assets	-	(4,281)
Decrease/(Increase) in Stocks	(12,250)	1,739
Decrease/(Increase) in Debtors	(73,651)	(4,731)
(Decrease)/Increase in Creditors	(57,398)	(19,038)
	<u>-----</u>	<u>-----</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	£89,141	£23,107
	<u>=====</u>	<u>=====</u>



CASHFLOW STATEMENT	Note	31 <sup>st</sup> December 2013	31 <sup>st</sup> December 2012
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>		89,141	23,107
		-----	-----
<b>INVESTING ACTIVITIES</b>			
Increase in investments		-	-
Receipts from Sales of Fixed Assets		-	39,430
Payments to Acquire Fixed Assets		(71,759)	(143,963)
Hire Purchase and Loan Finance		44,523	73,222
Hire Purchase and Loan Repayments		(69,397)	(110,962)
		-----	-----
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(7,492)	(142,273)
<b>TAXATION</b>		(4,450)	(4,696)
		-----	-----
<b>NET CASH OUTFLOW</b>		(11,942)	(123,862)
		=====	=====
<b>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		£(11,942)	£(123,862)
		=====	=====
<b>DECREASE IN CASH EQUIVALENTS DURING THE YEAR</b>			

Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	As at 1 January 2013	Movement during the year	As at 31 December 2013
Bank Current Accounts	324,806	(11,334)	313,472
Cash	996	(608)	388
	-----	-----	-----
	£325,802	(11,942)	£313,860
	=====	=====	=====

## RELATED PARTY TRANSACTIONS

(a) The Union has made a loan in 2011 of £16,000 to Mr Mark Brown, the General Secretary, which bears interest at a commercial rate of 4%. The balance due from Mr Mark Brown at the year end was **£4,667** (2012: £8,667).

(b) During the year the Union paid a salary of **£24,800** (2012: £18,700) to Mr Neilson Smith in his capacity as Chairman of the Union. No other members of the General Council received remuneration during the year.

## BUSINESS REVIEW

During 2013 the Union continued the investment programme begun in 2010, including the creation of an in-house legal department, and accelerated the restructuring of its operations to allow it to respond to significant increases in calls for advice and representation from members both inside and outside the banking industry. The cost of this planned investment was met from income and reserves, producing a deficit of expenditure over income for the year.

During the year, the Union continues to operate under three brands: as Lloyds Trade Union in Lloyds Banking Group; as TSBU in the new TSB Bank and as Affinity in representing members elsewhere.

Flowing from this, a significant and welcome development during 2013 was a marked increase in the number of members leaving the bank but choosing to retain their membership under the Affinity brand. As a result the Union was required to advise and represent members in a wide range of companies and organisations including financial institutions, the NHS, local government and major retailers. This group of members is expected to increase significantly in size over the coming 10 years.

Work on a number of major legal cases to protect members disadvantaged by changes in pay and pension provision in the Lloyds Banking Group continued throughout 2013.

# ACCOUNTING POLICIES

(see notes 74 and 75)

## ACTIVITIES AND ACCOUNTING POLICIES

### (a) Activities

Affinity is the major trade union representing staff of Lloyds Banking Group and its associated companies. It also represents members in a wide range of other companies. Its primary function is to provide representational services to these members.

The Union provides members with a range of ancillary services on advantageous terms.

### (b) Basis of Accounting

The financial statements are prepared on the historical cost basis.

### (c) Income

Income represents subscriptions receivable from members during the year, income receivable from investments and monies on deposit, and the surplus arising from the trading activities of the Union.

### (d) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation with the exception of freehold property which is not depreciated. Freehold land and buildings are maintained and improved such that the residual values of these properties, based on prices prevailing at the time of acquisition, are at least equal to their book values. Having regard to this, it is the opinion of the Union's Officers that depreciation on any such properties as required by the Companies Act and Accounting Standards would not be material.

### (e) Investments

Investments are stated at the lower of cost and net realisable value.

### (f) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated working life at the following rates:-

Office Equipment	-	20% on Cost
Motor Vehicles	-	25% on Written Down Value
Computers and Equipment	-	33% on Cost
Furniture and Fittings	-	10% on Cost
Freehold Property	-	nil

## ACTIVITIES AND ACCOUNTING POLICIES - CONTINUED

### **(g) Stock**

Stocks comprise stationery and publicity brochures valued by the Union at the cost of production, and store vouchers available for purchase by members, valued at cost.

### **(h) Leased Assets**

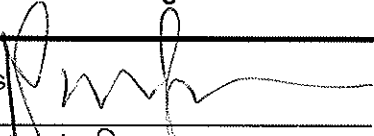
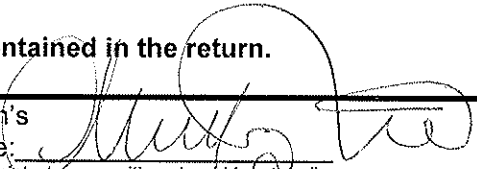
Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright and any finance costs are charged to the income and expenditure account over the purchase period.

All other leases are operating leases, and the annual rentals are charged to the income and expenditure account on a straight line basis over the lease term.

# SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature:  Name: <u>M. V. Bishop</u> Date: <u>20/8/2014</u>	Chairman's Signature:  (or other official whose position should be stated) Name: <u>NELSON SMITH</u> Date: <u>20/8/2014</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<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 type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/NO

If "No" please explain below.

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

YES/NO

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
  - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.  
(See section 36(4) of the 1992 Act set out in rule 83)

YES/NO

If "No" please explain below.

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

## AUDITOR'S REPORT (continued)

We have audited the financial statements of Affinity for the year ended 31<sup>st</sup> December 2013, which comprise the Income and Expenditure Account, Balance Sheet and related notes incorporating the Cash Flow Statement. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Union's Members, as a body. Our audit work has been undertaken so that we might state to the Union's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of the Officers and Auditors**

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require the union's officers to: keep proper accounting records which give a true and fair view of the state of affairs of the union and explain its transactions; establish and maintain a satisfactory system of control of the accounting records, cash holding and all the receipts and remittances; prepare an annual return for the Certification Office giving a true and fair view of the revenue account and balance sheet and provide members of the union with a statement of income and expenditure for the year.

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 Boards (APB's) Ethical Standards for Auditors.

### **Scope of the audit of financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the officers; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Return to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of 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 31 December 2013 and its transactions for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.


### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require us to report to you if, in our opinion:

- proper books of account have not been kept by the union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the union in accordance with the requirements of the legislation;
- the revenue account to which our report relates, and the balance sheet are not in agreement with the books of account of the union;
- we have not obtained all the information and explanations necessary for the purposes of our audit.

58 High Street  
Milton Keynes MK11 1AQ

CONNOLLY JONES AUDIT LLP  
REGISTERED AUDITOR  
CHARTERED CERTIFIED ACCOUNTANTS

Signature(s) of auditor or auditors:	x 	
Name(s):	Connolly Jones Audit LLP	
Profession(s) or Calling(s):	Chartered Certified Accountants	
Address(es):	58 High Street Milton Keynes MK11 1AQ	
Date:	x 6 September 2011	
Contact name and telephone number:	Zoa Jones x 01280 8730660	

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