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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Public & Commercial Services Union
Year ended:	31 December 2012
List no:	753
Head or Main Office:	160 Falcon Road London SW11 2LN
Website address (if available)	www.pcs.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:	Mark Serwotka
Telephone Number:	020 7924 2727
Contact name for queries regarding	Molly Moyo
Telephone Number:	020 7924 2727 extension 2386
E-mail:	molly@pcs.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)

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	104,222	980	6	138	105,346
FEMALE	156,064	1339	7	63	157,473
TOTAL	260,286	2,319	13	201	262,819

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

217
244,699

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

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
NEC Member	David Bean	Kevin Mchugh	20 May 2012
NEC Member	Mark Baker	Clive Bryant	20 May 2012
NEC Member	Diane Breen	Ian Crossland	20 May 2012
NEC Member	Alan Brown	Helen Flanagan	20 May 2012
NEC Member	Steve Comer	Andy Jennings	20 May 2012
NEC Member	Joel Heyes	Ian Pope	20 May 2012
NEC Member	Rob Williams	David Richards	20 May 2012

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

N/A

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

N/A

and names:

N/A

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		29,158,206
From Members: Other income from members (specify)		
Total other income from members		-
Total of all income from members		29,158,206
FRS 17 Adjustment		(2,387,577)
Release of Investment Provision		421,509
Investment income (as at page 12)		
Other Income		1,805,122
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	881,971	
Total of other income (as at page 4)		881,971
	TOTAL INCOME	29,879,231
EXPENDITURE		
Benefits to members (as at page 5)		5,659,878
Administrative expenses (as at page 10)		23,264,485
Transfer to property fund		(36,088)
Potential loss on investments		-
Federation and other bodies (Appendix 2)		1,086,105
Transfer to Campaigns and Dispute	2,051,000	
PCS in the Community	16,778	
Donations	8,044	
Total expenditure Federation and other bodies		2,075,822
FRS 17 Adjustment Pension Reserve		(200,000)
Transfer to Early Retirement Reserve		1,164,981
	TOTAL EXPENDITURE	33,015,183
Surplus (deficit) for year		(3,135,952)
Amount of general fund at beginning of year		7,402,237
Amount of general fund at end of year		4,266,285

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		
Advertising Income	118,240	
Commercial Income	135,826	
VAT Recovered	118,236	
Miscellaneous Income	509,669	
TOTAL OTHER INCOME		881,971
TOTAL OF ALL OTHER INCOME		881,971

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	343,771	brought forward	2,746,813
		Education and Training services	419,316
Representation – Non Employment Related Issues			
Personal Injury	(78,885)	Negotiated Discount Services Essential Guide	32,970
Communications			
PCS View	928,200		
Group Publication	290,516		
National Publication	99,759	Salary Costs	2,452,778
Diaries	112,050		
Advisory Services	-		
PCS Care	229,943		
Help Lines	97,788		
		Other Benefits and Grants (specify)	
		Gold Badges	8,001
Dispute Benefits			
Other Cash Payments			
Benevolent Service	120,529		
Ex IR Group Sickness Benefit	11,188		
Death & Personal Accident	591,954		
carried forward	2,746,813	Total (should agree with figure in General Fund)	5,659,878

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Property Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	<i>From</i> Transfer to General Fund	36,088	
	Administrative expenses and other expenditure (as at page 10)		36,088
	Total Expenditure		36,088
	Surplus (Deficit) for the year		(36,088)
	Amount of fund at beginning of year		7,602,449
	Amount of fund at the end of year (as Balance Sheet)		7,566,361
	Number of members contributing at end of year		No Direct Contribution

FUND 3		Fund Account	
Name:	Campaign & Disputes Fund	£	£
Income			
	From members		
	Transfer from General Fund		2,051,000
	Other income (Donations)	(65,294)	
	Total other income as specified		(65,294)
	Total Income		1,985,706
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)	1,988,863	
	Total Expenditure		1,988,863
	Surplus (Deficit) for the year		(3,158)
	Amount of fund at beginning of year		5,302
	Amount of fund at the end of year (as Balance Sheet)		2,144
	Number of members contributing at end of year		No Direct Contribution

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Accommodation Renovation Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Dilapidations on office move		
		15,134	
	Total other income as specified		15,134
	Total Income		-
Expenditure			
	Transfer to General Fund	71,877	
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		71,877
	Surplus (Deficit) for the year		(56,743)
	Amount of fund at beginning of year		126,877
	Amount of fund at the end of year (as Balance Sheet)		70,134
	Number of members contributing at end of year		No Direct Contribution

FUND 5		Fund Account	
Name:	Early Retirement Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Transfer from General Fund		
		1,164,981	
	Total other income as specified		1,164,981
	Total Income		1,164,981
Expenditure			
	Cost of Early Retirement Programme		1,242,943
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		1,242,943
	Surplus (Deficit) for the year		(77,962)
	Amount of fund at beginning of year		89,992
	Amount of fund at the end of year (as Balance Sheet)		12,030
	Number of members contributing at end of year		No Direct Cont

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	PCS Modernisation Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Transfer to General Fund	55,526	
	Administrative expenses and other expenditure (as at page 10)		55,526
	Total Expenditure		55,526
	Surplus (Deficit) for the year		(55,526)
	Amount of fund at beginning of year		55,526
	Amount of fund at the end of year (as Balance Sheet)		-
	Number of members contributing at end of year		No Direct Contribution

FUND 7		Fund Account	
Name:	Pension Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		-
	Total Income		-
Expenditure			
	Transfer to General Fund	200,000	
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		200,000
	Surplus (Deficit) for the year		(200,000)
	Amount of fund at beginning of year		(14,900,000)
	Amount of fund at the end of year (as Balance Sheet)		(15,100,000)
	Number of members contributing at end of year		No Direct Contribution

(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		300,310	
	Investment income (as at page 12)			
		Total other income as specified		
		Total income	300,310	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Administration expenses in connection with political objects (specify)	320,704		
	Transfer to General Fund	263,572		
			Total expenditure	584,276
			Surplus (deficit) for year	(283,966)
			Amount of political fund at beginning of year	305,407
			Amount of political fund at the end of year (as Balance Sheet)	21,441
		Number of members at end of year contributing to the political fund	244,699	
		Number of members at end of the year not contributing to the political fund	18,120	
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			652	

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		14,518,042
Remuneration and expenses of staff – Page 25		
Salaries and Wages included in above	11,284,957	
Auditors' fees		43,597
Legal and Professional fees		338,384
Occupancy costs		1,388,092
Stationery, printing, postage, telephone, etc.		608,673
Expenses of Executive Committee (Head Office)		194,918
Expenses of conferences		862,168
Other administrative expenses (specify) Appendix 5		5,186,513
Bank charges		9,449
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		-
Mortgages		-
Other loans		-
Depreciation		614,649
Taxation		-
FRS17 Adjustment		-
Current Service Cost of Defined Benefit Scheme		3,100,000
Past Service benefits of Defined Benefit Scheme		800,000
Pensions Contributions paid in the year		(4,400,000)
Total		23,264,485
Charged to:		
General Fund (Page 3)		
Total		23,264,485

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 – Mark Serwotka	91,696	10,500	29,435	-	-	131,631
Deputy General Secretary – Hugh Lanning	80,993	9,023	25,999	-	-	116,015
Chris Baugh	78,500	8,677	13,579	-	-	100,757

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			10,080
Dividends (gross) from:			
Equities (e.g. shares)			40,468
Interest (gross) from:			
Government securities (Gilts)			-
Mortgages			-
Local Authority Bonds			-
Bank and Building Societies			513
Other investment income (specify)			
Bonds & Interest Bearing Stock			5,646
Capital Gains			48,415
FRS 17 Expected Return on Pension Scheme			8,400,000
FRS 17 Interest on Pension Liabilities			(6,700,000)
			1,805,122
		Total investment income	1,805,122
		Credited to:	
		General Fund (Page 3)	1,805,122
		Political Fund	
		Total Investment Income	1,805,122

BALANCE SHEET as at 31 December 2012

(see notes 47 to 50)

Previous Year		£	£
	Fixed Assets (at page 14)		8,885,525
8,571,272	Investments (as per analysis on page 15)	510,942	
962,736	Unquoted	679,424	
5,116,618	Total Investments		1,190,366
	Other Assets		
	Loans to other trade unions		
568,225	Sundry debtors		3,052,880
1,029,312	Cash at bank and in hand		1,294,561
-	Income tax to be recovered		-
150,000	Credit Union		154,513
-	Others (specify)		-
4,747,537	Total of other assets		4,501,954
18,435,427	TOTAL ASSETS		14,577,845
7,402,237	General Fund		4,266,285
7,602,449	Property Fund		7,566,361
5,302	Campaign Fund		2,144
126,877	Accommodation Renovations Fund		70,134
89,992	Voluntary Selective and Early Retirement Fund		12,030
55,526	PCS Modernisation		-
(14,900,000)	Pension Reserve		(15,100,000)
305,406	Political Fund		21,441
	LIABILITIES		
2,119,117	Sundry creditors		1,477,771
578,139	Accrued expenses		1,011,682
150,382	Credit Union		150,000
14,900,000	Other liabilities		15,100,000
	TOTAL LIABILITIES		14,577,845
	TOTAL ASSETS		14,577,845

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	6,650,000	1,171,133	4,381,287	51,408	--	12,253,828
Elimination of dep assets	-	-	(435,706)	-	-	(435,706)
Additions	-	106,382	822,518	-	-	928,900
Disposals	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
At end of year	6,650,000	1,277,515	4,768,099	51,408	-	12,747,022
Accumulated Depreciation						
At start of year	-	(218,684)	(3,412,464)	(51,408)	-	(3,682,556)
Elimination of dep assets	-	-	435,706	-	-	435,706
Charges for year	(107,667)	(34,803)	(472,179)	-	-	(614,649)
Disposals	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
At end of year	(107,667)	(253,487)	(3,448,937)	(51,408)	-	(3,861,499)
Net book value at end of year	6,542,333	1,024,028	1,319,164	-	-	8,885,525
Net book value at end of previous year	6,650,000	952,449	968,823	-	-	8,571,272

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	308,005	
Government Securities (Gilts)	47,758	
Other quoted securities (unit trusts)	139,274	
TOTAL QUOTED (as Balance Sheet)	510,942	
Market Value of Quoted Investment	495,037	
UNQUOTED		
Equities		
Unity Trust Bank plc A ordinary shares of £1	171,844	
Unity Trust Bank plc A ordinary shares of £1	102,728	
Civil Service Housing Association 25p ordinary shares	200	
Energy Prospect Cooperatives Limited	1000	
Watley Hall	1000	
Trade Union British Trust	297,611	
Bank and Building Societies		
Sarasins Chiswell Money Market	105,041	
Other unquoted investments (to be specified)		
	679,424	
Market Value of Unquoted Investments	679,424	

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 X <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
		YES <input type="checkbox"/>	NO X <input checked="" type="checkbox"/>
	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	29,158,206	300,310	29,458,516
From Investments	1,805,122	-	1,805,122
Other Income (including increases by revaluation of assets)	(1,570,900)	-	(1,570,900)
Total Income	29,392,428	300,310	29,692,738
EXPENDITURE (including decreases by revaluation of assets)	32,957,857	584,275	33,542,132
Total Expenditure	32,957,857	584,275	33,542,132
Funds at beginning of year (including reserves)	382,383	305,406	687,789
Funds at end of year (including reserves)	(3,183,046)	21,441	(3,161,605)
ASSETS			
	Fixed Assets		8,885,525
	Investment Assets		1,190,366
	Other Assets		4,501,955
		Total Assets	14,577,847
LIABILITIES		Total Liabilities	17,739,453
NET ASSETS (Total Assets less Total Liabilities)			(3,161,605)

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.

The notes to the accounts have been attached separately

ACCOUNTING POLICIES

(see notes 74 and 75)

The Accounting Policies have been attached.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>M. J. Jank</i></u> Name: <u>Mark Jank</u> Date: <u>5/6/13</u>	Chairman's Signature: <u><i>C. J. Baugh</i></u> (or other official whose position should be stated) Name: <u>C. J. BAUGH</u> Date: <u>7 JUNE 2013</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	X	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	X	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	X	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	X	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	X	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	TO FOLLOW	<input type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	X	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)

The Auditor's report for the year ending 31 December 2012 has been attached.

Signature(s) of auditor or auditors:	BDO LLP	
Name(s):	BDO LLP	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS	
Address(es):	2 CITY PLACE BEEHIVE KING ROAD GATWICK WEST SUSSEX RH6 0PA	
Date:		
Contact name and telephone number:	ANDREW STICKLAND 01293 591000	

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

Independent Auditors Report to the members of the Public & Commercial Services Union

We have audited the AR21 of the Public & Commercial Services Union for the year ended 31 December 2012 on pages 3 to 58, excluding pages 11 and 57. The AR21 has been prepared under the accounting policies set out on pages 32 to 33.

This report is made solely to the Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the 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 officers and auditors

As explained more fully in the statement of officers' responsibilities, the officer's are responsible for the preparation of the financial statements and AR21 and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 AR21

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the AR21

In our opinion the AR21:

- gives a true and fair view of the state of the Union's affairs as at 31 December 2012 and of its deficit for the year then ended; and
- has been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Trade Union and Labour Relations (Consolidation) Act 1992.

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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the union has not maintained a satisfactory system of control over transactions; or
- the AR21 does not agree with the accounting records; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

BDO LLP
*Chartered accountants &
Statutory auditors*
Gatwick
United Kingdom

Date: 11 June 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012

1 Accounting policies

Basis of accounts

The accounts have been prepared under the historical cost convention, as modified by revaluation of land and buildings and investments, and are in accordance with applicable accounting standards. These financial statements incorporate the results of a number of semi-autonomous groups and branches operated by the Union with the estimated balance of funds held by each branch recognised within these financial statements. Movements in branch reserves are included in the year in which they occurred.

Going concern

The officers of the union have considered their obligations to prepare these financial statements on an appropriate basis, having specific regard to the union's net liability position at 31 December 2012. The net liability position is as a result of the inclusion of an FRS17 liability of £21.7 million for the PTC Pension Scheme. The union's funding commitment to the PTC Pension Scheme remains long term and the union has agreed a long term funding plan with the Trustees of the PTC Pension Scheme.

The officers have also assessed the impact of the financial budgets in place for 2013 and beyond against the working capital available, notably its cash and investments. Despite a challenging environment, a break even budget is planned for 2013 with a number of cost savings implemented in 2012 expected to reduce future expenditure.

As a result in the opinion of the officers the union has sufficient resources to be able to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis.

a Subscriptions

Subscription income received includes amounts remitted by, and due to be remitted from, the following sources:

- (i) Pay centres who operate a payroll deduction scheme on behalf of PCS.
- (ii) Branch and office secretaries.
- (iii) Members directly to headquarters.

Amounts deducted by pay centres at 31 December 2012 but not received have been brought into the income and expenditure account and included in current assets within debtors.

b Investment and commercial income

All investment and commercial income is credited to the general fund when receivable. No account is taken of sundry stocks.

c Taxation

As an unincorporated association the PCS is liable to corporation tax on its investment income, and realised gains on investments sold. As a trade union relief is available in respect of provident benefits expenditure as statutorily defined.

1 Accounting policies (continued)

d Depreciation

Depreciation is calculated to write off the cost of an asset over its estimated useful working life.

- (i) Freehold property was revalued at 31 December 2011. Depreciation is charged, on a reducing balance basis, at 2% per annum.
- (ii) Leasehold property is being depreciated over the length of the lease.
- (iii) The following are depreciated on a straight line basis at 20% per annum.
 - a. Office furniture, machinery and equipment.
 - b. Computer equipment and software.
 - c. Company cars.

e Property

Freehold property is included at open market valuations, less depreciation as detailed above, and in accordance with FRS15 'Tangible fixed assets' is subject to a full revaluation every five years, with an interim valuation every three years. Leasehold property is stated at cost less depreciation.

f Investments

Investments are shown at market value and any appreciation or diminution in value between cost and market price at the end of the period is shown in the general fund statement of recognised gains and losses. Gains and losses on disposal are calculated as the difference between gross cost and net proceeds and accounted for when realised. Certain investments that are held for political rather than investment purposes are stated at cost rather than market value. These are shown separately.

g Operating Leases

Operating lease rentals are charged to the income and expenditure account evenly over the term of the lease.

h Liquid Resources

For the purposes of the cashflow statement, liquid resources are defined as short term deposits.

i Pension Costs

Contributions to the Union's defined benefit pension schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' expected working lives with the union. Variations to pension costs caused by differences between the assumptions used and actual experience are spread over the average remaining working lives of the current employees at each actuarial valuation date. The present values of obligations are measured using the projected unit credit method. Actuarial gains and losses have been recognised in the period in which they occur, through the statement of recognised gains and losses.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

2 Purpose of the funds and reserves

a General fund

Established to receive the subscription income and all other receipts which are intended to be used for the general purposes and meet all normal expenses and outgoings of the PCS.

b Campaign and disputes fund

Established by rule 9.11 to provide funds for special campaigns, including disputes, or highlight special issues concerning the PCS's membership.

c Political fund

Established by rule 9.12 to provide funds for campaigns which could include the furtherance of the political objectives to which section 72 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies.

d Property fund

Established to account for any capital costs, profits or losses, incurred in the future purchase or disposal of property.

e Accommodation renovations reserve

Established to meet the identifiable costs of refurbishing 160 Falcon Road and other union buildings accommodating staff.

**f Voluntary selective and early retirement reserve
(formerly the early retirement reserve)**

Established to meet the identifiable costs of a voluntary selective early retirement scheme that allows PCS to release surplus staff.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

3 Investment income	2012		2011	
	£	£	£	£
Dividends and credits		46,114		108,050
Net capital gains/(losses)		48,415		239,064
Interest from investment managers		513		2,775
		<u>95,042</u>		<u>349,889</u>
FRS17 adjustment				
Expected return on pension scheme assets	8,400,000		8,900,000	
Interest on pension scheme liabilities	<u>(6,700,000)</u>		<u>(7,200,000)</u>	
		<u>1,700,000</u>		<u>1,700,000</u>
		<u><u>1,795,042</u></u>		<u><u>2,049,889</u></u>
4 Commercial activities				
Advertising income		118,240		136,892
Rent		10,080		10,530
Commission received:				
Liverpool Victoria		64,007		70,082
BDS Mortgage Group		-		300
HBOS credit card		46,923		61,881
Personal accident scheme		11,576		12,363
Travel insurance		900		5,673
Union Income Benefit		8,279		461
BHSF		4,141		5,004
Autodrive		-		590
		<u>264,146</u>		<u>303,776</u>
5 Miscellaneous income				
Other		509,669		178,538
		<u><u>509,669</u></u>		<u><u>178,538</u></u>

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

7 Members representative costs		2012		2011	
	Appendix	£	£	£	£
Organising and learning					
Recruitment materials		-		-	
Recruitment publicity		8,775		7,592	
National organising forums		299		2,972	
Group organising forums		270		688	
Regional organising forums		384		5,508	
TUC organising academy		3,359		146	
Youth work		40,186		42,757	
National courses		29,020		25,577	
Group and associations courses		54,031		70,607	
Branch courses		109,136		139,243	
Lifelong learning projects		26		22	
Learning representatives		2,000		-	
Organising and learning publicity		46,062		60,652	
Employment costs		<u>552,914</u>		<u>725,329</u>	
			846,460		1,081,093
Other meetings					
International meetings		20,917		19,484	
Seminars		179,041		213,290	
National meetings		<u>113,054</u>		<u>81,447</u>	
			313,012		314,221
National representatives					
Annual delegate conference		862,168		852,969	
Facility time costs		25,742		25,704	
Subsistence		69,808		65,101	
Travel		<u>125,110</u>		<u>117,288</u>	
			1,082,828		1,061,062
Elections					
National		337,900		277,475	
Groups, associations and branches		<u>276,557</u>		<u>256,795</u>	
			614,457		534,270
Local representatives					
Group and occupational associations	D	1,669,947		1,898,921	
Branch grants		717,628		869,031	
Branch IT support		22,518		16,384	
Geographical and other structures	E	<u>99,953</u>		<u>152,067</u>	
			2,510,046		2,936,403
			5,366,803		5,927,049

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

11 Tangible fixed assets

Property

	Freehold Market Value	Leasehold Cost	Total Property
	£	£	£
Market value/cost			
Brought forward at 1 January 2012	6,650,000	1,171,133	7,821,133
Additions	-	106,382	106,382
Disposals	-	-	-
Revaluation in year	-	-	-
Carried forward at 31 December 2012	6,650,000	1,277,515	7,927,515
Depreciation			
Brought forward at 1 January 2012	-	(218,684)	(218,684)
Depreciation for year	(107,667)	(34,803)	(142,470)
Disposals	-	-	-
Depreciation on revaluation	-	-	-
Carried forward at 31 December 2012	(107,667)	(253,487)	(361,154)
Net book value at 31 December 2012	6,542,333	1,024,028	7,566,361
<i>Net book value at 31 December 2011</i>	<i>6,650,000</i>	<i>952,449</i>	<i>7,602,449</i>

The unions freehold property, 160 Falcon Road, London, was revalued by Cluttons, an external valuer, on the basis of open market value using standard RICS terms, as at 31 December 2011. The property is secured. At 31 December 2012 the PTC pension scheme had a charge over the property of £7.825 million.

EQUIPMENT	Office equipment	Computer equipment	Company cars	Total
Cost	£	£	£	£
Brought forward at 1 January 2012	2,636,674	1,744,613	51,408	4,432,695
Elimination of fully depreciated assets	(239,557)	(196,149)	-	(435,706)
Additions in year	201,731	620,787	-	822,518
Disposals	-	-	-	-
Carried forward at 31 December 2012	2,598,848	2,169,251	51,408	4,819,507
Depreciation				
Brought forward at 1 January 2012	(2,342,644)	(1,069,820)	(51,408)	(3,463,872)
Elimination of fully depreciated assets	239,557	196,149	-	435,706
Depreciation for year	(151,771)	(320,408)	-	(472,179)
Carried forward at 31 December 2012	(2,254,858)	(1,194,079)	(51,408)	(3,500,345)
Net book value at 31 December 2012	343,990	975,173	-	1,319,164
<i>Net book value at 31 December 2011</i>	<i>294,030</i>	<i>674,793</i>	<i>-</i>	<i>968,823</i>

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

12 Investments

Market value:	Equity	Bonds and Interest bearing stock	Unit Trusts and funds	Money market	Miscellaneous holdings at cost	Total Investment movement
	£	£	£	£	£	£
Cost brought forward 1 January 2012	2,062,917	306,962	1,110,597	683,316	951,030	5,114,822
Unrealised Gains/(Losses)	47,161	19,912	(65,877)	-	600	1,796
Market value carried forward 1 January 2012	2,110,078	326,874	1,044,720	683,316	951,630	5,116,618
Movement in year-cost						
Purchases-cost	65,604	-	26,163	(91,767)	-	-
Disposals-cost	(1,858,327)	(260,777)	(1,002,143)	3,470,249	(349,002)	-
Cash Drawdown	-	-	-	(3,956,757)	-	(3,956,757)
Miscellaneous	-	-	-	-	-	-
Cost carried forward 31 December 2012	270,194	46,185	134,617	105,041	602,028	1,158,065
Unrealised gains/(losses) in year	26,071	1,573	4,657	-	-	32,301
Market value carried forward 31 December 2012	296,265	47,758	139,274	105,041	602,028	1,190,366

	Appendix	2012 £	2011 £
Equities	H	296,265	2,110,079
Bonds and interest bearing stock	I	47,758	326,873
Unit trusts and funds	J	139,274	1,044,720
Money market	K	105,041	683,316
Miscellaneous holdings at cost	L	602,028	893,811
		1,190,366	5,116,618

13 Debtors

Recoverable in less than one year:

Membership subscription debtor	1,303,321	1,395,079
Other debtors	1,444,523	1,879,803
Prepayments	305,036	293,343

Recoverable in more than one year:

Credit Union	154,513	150,000
	3,207,393	3,718,225

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

14 Cash at bank and in hand	2012	2011
	£	£
Cash	4,350	2,036
Bank	709,742	482,438
Balances in hands of groups and branches	580,469	544,838
	<u>1,294,561</u>	<u>1,029,312</u>

15 Creditors: amounts falling due within less than one year

Trade creditors	1,477,771	2,119,117
Accruals	1,011,682	578,139
	<u>2,489,453</u>	<u>2,697,256</u>

Creditors: amounts falling due after one year

Creditors- Unity Trust Bank Plc	<u>150,000</u>	<u>150,382</u>
	<u>150,000</u>	<u>150,382</u>

Included in long term creditors and debtors is a loan obligation and liability to Unity Trust Bank signed on 15th June 2011. The loan was to assist in the initial set up costs of PCS Credit Union and is for a period not exceeding 13 years. The repayment is on an interest only basis for a period of three years with interest charged at 2.5% per annum over Unity's base rate (0.5% at time of loan approval). The interest incurred in 2012 has been charged to PCS general income and expenditure account.

Capitals and interest payments will commence 3 years after drawdown by regular monthly payments over a repayment profile of 10 years.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial Reporting Standard 17

The Union is required to comply fully with FRS17 in these accounts; this requires the following disclosures to be made.

The PCS operates two funded defined benefit pension schemes providing benefits based on length of service and final pensionable salary. The assets of each scheme are held separately by means of an independent trust advised by professional actuaries. In addition since the incorporation of the Association of Magisterial Officers, PCS has been a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme.

The pension charge to the general fund for all schemes for the period was £3,863,129 (2011: £3,900,000).

The PTC Pension Scheme

PCS operates this as a defined benefit scheme. The assets of the scheme are held, almost entirely, by Sarasin & Partners LLP in the form of individual holdings of equities, unit trusts, government securities and cash. An actuarial valuation of the scheme was carried out at 31 December 2009.

Employer contributions to the scheme charged to the general fund amounted to £2,682,072. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

The main actuarial assumptions were:

Rate of pay increases	3% pa
Rate of pension increases	3.25% pa
Investment return while an active member	3% pa
Investment return at all other times	4.7% pa

Expenses incurred in operating the scheme are charged to the PCS general fund income and expenditure account.

An interim valuation has been performed as at 31 December 2012 for FRS 17 purposes and the assumptions used and the deficit within the scheme are disclosed as follows

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS17 are set out below:

Main financial assumptions

	at 31 December 2012 (% p.a.)	<i>at 31 December 2011 (% p.a.)</i>	<i>at 31 December 2010 (% p.a.)</i>
Inflation assumption-RPI	3.0	<i>3.0</i>	<i>3.5</i>
Rate of general long-term increase in salaries	3.3	<i>3.3</i>	<i>4.5</i>
Rate of increases to pensions in payment	3.0	<i>3.0</i>	<i>3.5</i>
Discount rate for scheme liabilities	4.4	<i>4.7</i>	<i>5.5</i>

The scheme rules link to RPI not CPI.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The PTC Pension Scheme (continued)

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for expected future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26.7 years if they are male and for a further 29.2 years if they are female. For a member who retires in 2027 at age 60 the assumptions are that they will live on average for a further 28.3 years after retirement if they are male and for a further 30.8 years after retirement if they are female.

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

	Long-term rate of return expected at 31 December 2012 (% p.a.)	Value at 31 December 2012 £m	<i>Long-term rate of return expected at 31 December 2011 (% p.a.)</i>	<i>Value at 31 December 2011 £m</i>	<i>Long-term rate of return expected at 31 December 2010 (% p.a.)</i>	<i>Value at 31 December 2010 £m</i>
Equities	8.3	50.7	<i>8.7</i>	<i>43.4</i>	<i>8.5</i>	<i>49.2</i>
Property	7.3	4.3	<i>7.7</i>	<i>3.2</i>	<i>8.4</i>	<i>2.0</i>
Government bonds	2.7	3.3	<i>2.8</i>	<i>3.7</i>	<i>4.2</i>	<i>2.9</i>
Sun Life annuity contracts	3.6	9.5	<i>4.7</i>	<i>9.4</i>	<i>5.5</i>	<i>9.4</i>
Corporate bonds	4.4	5.0	<i>4.2</i>	<i>4.7</i>	<i>5.0</i>	<i>5.0</i>
Other	0.96	0.9	<i>1.8</i>	<i>2.0</i>	<i>1.5</i>	<i>0.9</i>
Combined	7.25*	73.7	<i>7.25*</i>	<i>66.4</i>	<i>7.5*</i>	<i>69.4</i>

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2012.

Reconciliation of funded status to balance sheet

	Value at 31 December 2012 £m	<i>Value at 31 December 2011 £m</i>	<i>Value at 31 December 2010 £m</i>
Fair value of scheme assets	73.7	<i>66.4</i>	<i>69.4</i>
Present value of funded defined benefit obligations	(95.4)	<i>(89.8)</i>	<i>(84.4)</i>
(Liability) recognised on balance sheet	(21.7)	<i>(23.4)</i>	<i>(15.0)</i>

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The PTC Pension Scheme (continued)

Analysis of income and expenditure charge

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Current service cost	1.4	1.5
Past service cost	0.5	0.2
Interest cost	4.2	4.6
Expected return on scheme assets	(4.8)	(5.2)
Expenses recognised in income and expenditure	<u>1.3</u>	<u>1.1</u>

Changes to the present value of the defined benefit obligation during the year

	Year ended 31 December 2012 m	Year ended 31 December 2011 m
Opening defined benefit obligation	89.8	84.4
Current service cost	1.4	1.5
Interest cost	4.2	4.6
Contributions by scheme participants	0.2	0.1
Actuarial losses on scheme liabilities*	2.1	2.3
Net benefits paid out	(2.8)	(3.3)
Past service cost	0.5	0.2
Closing defined benefit obligation	95.4	89.8

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Opening fair value of scheme assets	66.4	69.4
Expected return on scheme assets	4.8	5.2
Actuarial gains/(losses) on scheme assets	2.1	(7.9)
Contributions by the employer from all funds	3.0	2.9
Contributions by scheme participants	0.2	0.1
Net benefits paid out	(2.8)	(3.3)
Closing fair value of scheme assets	73.7	66.4

Actual return on scheme assets

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Expected return on scheme assets	4.8	5.2
Actuarial gain/(loss) on scheme assets	2.1	(7.9)
Actual return on scheme assets	<u>6.9</u>	<u>(2.7)</u>

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The PTC Pension Scheme (continued)

Analysis of amounts recognised in statement of total recognised gains and losses (STRGL)

	Year ended	Year ended
	31	31
	December	December
	2012	2011
	£m	£m
Total actuarial gains/(losses)	0.0	(10.2)
Total gain/(loss) in STRGL	0.0	(10.2)
Cumulative amount of (losses) recognised in STRGL	(25.1)	(25.1)

History of asset values, defined benefit obligation and surplus/(deficit) in scheme

	Year ended	Year ended	Year ended	Year ended	Year ended
	31	31	31	31	31
	December	December	December	December	December
	2012	2011	2010	2009	2008
	£m	£m	£m	£m	£m
Fair value of scheme assets	73.7	66.4	69.4	61.6	51.1
Defined benefit obligation	(95.4)	(89.8)	(84.4)	(83.7)	(65.8)
(Deficit)/surplus in scheme	(21.7)	(23.4)	(15.0)	(22.1)	(14.7)

History of experience gains and losses

	Year ended	Year ended	Year ended	Year ended	Year ended
	31	31	31	31	31
	December	December	December	December	December
	2012	2011	2010	2009	2008
	£m	£m	£m	£m	£m
Experience gains/(losses) on scheme assets	2.1	(7.9)	43.0	7.0	(14.9)
Experience (losses) gains on scheme liabilities*	(1.0)	0.2	4.0	(0.1)	0.1

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The CPSA Pension Scheme

PCS operates this as a defined benefit scheme. A full actuarial valuation of the scheme was carried out as at 31 December 2009.

The assets of the scheme are held by Legal & General and Hermes in the form of managed funds.

The main actuarial assumptions are:

Rate of pay increases	3% pa
Rate of pension increases	3.25% pa
Investment return while an active member	2% pa
Investment return at all other times	4.7% pa

The pension fund meets expenses incurred in operating the scheme.

Employer contributions to the scheme amounted to £1,067,765. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

An interim valuation has been performed as at 31 December 2012 for FRS 17 purposes and the assumptions used and the surplus within the scheme are disclosed as follows:

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS17 are set out below:

Main financial assumptions

	31 December 2012 (% p.a.)	<i>31 December 2011 (% p.a.)</i>	<i>31 December 2010 (% p.a.)</i>
Inflation assumption - CPI	2.3	<i>3.0</i>	<i>3.5</i>
Rate of general long-term increase in salaries	3.3	<i>3.3</i>	<i>4.5</i>
Rate of increases to pensions in payment	2.3	<i>2.0</i>	<i>2.6</i>
Discount rate for scheme liabilities	4.4	<i>4.7</i>	<i>5.5</i>

The scheme rules link inflation assumptions to CPI.

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26.7 years if they are male and for a further 29.2 years if they are female. For a member who retires in 2027 at age 60 the assumptions are that they will live on average for a further 28.3 years after retirement if they are male and for a further 30.8 years after retirement if they are female.

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The CPSA pension scheme (continued)

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

	Long-term rate of return expected	Value	Long-term rate of return expected	Value	Long-term rate of return expected	Value
	at 31 December 2012) (% p.a.)	at 31 December 2012 £m	at 31 December 2011 (% p.a.)	at 31 December 2011 £m	at 31 December 2010 (% p.a.)	at 31 December 2010 £m
Equities	8.3	34.4	8.7	31.9	8.5	30.5
Property	7.3	3.8	7.7	3.8	8.4	3.7
Government bonds	2.7	15.6	2.8	15.6	4.2	15.4
Corporate bonds	3.6	9.3	4.2	9.3	5.0	8.7
Other	1.0	0	1.8	0.0	1.5	0.2
Combined	6.5*	60.6	6.5*	60.6	6.75*	58.5

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2012.

Reconciliation of funded status to balance sheet

	Value at 31 December 2012 £m	Value at 31 December 2011 £m	Value at 31 December 2010 £m
Fair value of scheme assets	65.2	60.6	58.5
Present value of funded defined benefit obligations	(58.6)	(52.1)	(48.9)
Asset recognised on balance sheet	6.6	8.5	9.6

Analysis of income and expenditure charge

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Current service cost	1.7	1.8
Past service cost	0.3	0.3
Interest cost	2.4	2.6
Expected return on scheme assets	(3.6)	(3.7)
Expenses recognised in income and expenditure	(0.8)	1.0

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The CPSA pension scheme (continued)

Changes to the present value of the defined benefit obligation during the year

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Opening defined benefit obligation	52.1	48.9
Current service cost	1.7	1.8
Interest cost	2.4	2.6
Contributions by scheme participants	0.2	-
Actuarial losses/(gains) on scheme liabilities*	3.9	0.2
Net benefits paid out	(2.0)	(1.7)
Past service cost	0.3	0.3
Closing defined benefit obligation	58.6	52.1

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Opening fair value of scheme assets	60.6	58.5
Expected return on scheme assets	3.6	3.7
Actuarial gains/(losses) on scheme assets	1.4	(1.7)
Contributions by the employer from all funds	1.4	1.8
Contributions by scheme participants	0.2	-
Net benefits paid out	(2.0)	(1.7)
Closing fair value of scheme assets	65.2	60.6

Actual return on scheme assets

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Expected return on scheme assets	3.6	3.7
Actuarial gain/(loss) on scheme assets	1.4	(1.7)
Actual return on scheme assets	5.0	2.0

Analysis of amounts recognised in statement of total recognised gains and losses (STRGL)

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Total (loss)/gain in STRGL	(2.5)	(1.9)
Total actuarial (loss)/gain in STRGL	(2.5)	(1.9)
Cumulative amount of (losses) recognised in STRGL	(8.1)	(5.6)

Public and Commercial Services Union
Notes to the accounts
For the year ended 31 December 2012 (continued)

20 Financial reporting standard 17 (continued)

The CPSA pension scheme (continued)

History of asset values, defined benefit obligation and surplus in scheme

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m	Year ended 31 December 2010 £m	Year ended 31 December 2009 £m	Year ended 31 December 2008 £m
Fair value of scheme assets	65.2	60.6	58.5	53.8	48
Defined benefit obligation	(58.6)	(52.1)	(48.9)	(53.7)	(42.4)
Surplus in scheme	6.6	8.5	9.6	0.1	5.6

History of experience gains and losses

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m	Year ended 31 December 2010 £m	Year ended 31 December 2009 £m	Year ended 31 December 2008 £m
Experience (losses)/gains on scheme assets	1.4	(1.7)	3.5	4.4	(12.0)
Experience gains on scheme liabilities*	(0.9)	0.2	2.7	(0.3)	0.1

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

The General Federation of Trade Unions Pension Scheme (GFTU)

The union participates in the GFTU defined benefit pension scheme, a multi-employer scheme. Previously it was not possible to identify the union's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and as a result contributions were charged to the income and expenditure account as they were paid. Following discussions with the scheme actuary it has now been established that it is possible to identify the assets and liabilities attributable to the union. However, the officers of the union are of the opinion that the cost of obtaining the precise value of their share of the scheme deficit as at 31 December 2012 along with disclosures required to fully comply with FRS 17 "Retirement Benefits" outweighs the benefits given the known immaterial value of the union's share of assets and liabilities. Therefore these financial statements have continued to treat this scheme as if it were a defined contribution scheme.

The charge to PCS general fund for the year was £113,292 (2011: £280,712).

Reserves

	Year ended 31 December 2012 £m	Year ended 31 December 2011 £m
Funds as stated excluding pension assets/(liabilities)	11.9	15.9
FRS 17 liability	(21.7)	(23.4)
FRS 17 asset	6.6	8.5
Adjusted funds figure including pension assets/(liabilities)	(3.2)	1.0

G**Affiliation fees****APPENDIX TWO****2012**

	£
Abortion Rights	-
Action for Southern Africa	500
Amnesty International	500
Campaign for Freedom of Information	450
Criminal Justice Alliance	220
Cuban Solidarity Campaign	200
European Federation of Public Service Unions	59,962
Eurocadres	842
European Transport Workers Federation	1,819
Fabian Society	708
General Federation of Trade Unions	13,271
Hands Off Venezuela	500
Howard League	400
Institute of Employment Rights	530
International Transport Workers Federation	2,236
Justice Forum	14,084
Labour Research Department	4,088
London Citizens	1,800
National Pensioners Convention	1,375
Nicaragua Solidarity Campaign	375
Public Services International	148,685
STUC	41,111
Trade Justice Movement	500
Trades Unions Friends of Searchlight	150
TUC	746,255
UFE	4,843
UNI	27,792
Unite Against Fascism	200
United Campaign to Repeal the Anti TU Laws	650
Wales TUC	2,143
War on Want	500
Irish Congress of Trade Unions	7,278
The Fawcett Society	950
Hope Not Hate Yorkshire	200
Mena Solidarity Network	200
Palestine Solidarity Campaign	200
Venezuela Solidarity Campaign	200
Stop the War Coalition	100
CCS meetings	289
	1,086,105

Public and Commercial Services Union
Appendices to the accounts
For the year ended 31 December 2012 (continued)

H Equities

	Nominal holding 2012	Cost 2012 £	Market value 2012 £	Market value 2011 £
3I Infrastructure PLC ord NPV	7,500	6,977	9,139	48,020
Aggreko PLC 20p ordinary shares	530	2,458	9,225	90,945
ARM Holdings PLC 0.05p ordinary shares	-	-	-	30,141
Astrazeneca PLC 25c ordinary shares	580	16,907	16,872	104,011
BG Group PLC 10p ordinary shares	1,300	11,684	13,156	151,443
Blinkx PLC	-	-	-	4,537
BP PLC USD 25c ordinary shares	6,100	33,541	25,911	164,964
BT Group PLC 5p ordinary shares	-	-	-	97,385
Cairn Energy PLC 8/13p ordinary shares	630	2,699	1,669	16,099
Centrica PLC 6 14/81p ordinary shares	4,450	11,085	14,852	74,337
Ceres Power Holdings PLC 5p ordinary shares	-	-	-	1,795
F&C Asset Management PLC 1p ordinary shares	10,250	7,269	10,419	48,956
GlaxoSmithKline PLC 25p ordinary shares	1,250	14,971	16,681	132,413
HSBC Holdings PLC 50p ordinary shares	2,600	15,457	16,818	56,477
IMI PLC 25p ordinary shares	-	-	-	26,530
International Public Partnership Ltd 0.01p ordinary shares	6,000	6,681	7,539	64,012
Invensys PLC 10p ordinary shares	-	-	-	33,720
Invesco Perp UK Smaller Companies IT 20p ordinary share	4,600	6,464	10,649	50,680
Jupiter Fund Management PLC 25p ordinary shares	1,700	2,805	4,746	13,875
Legal & General	4,900	6,513	7,137	-
Lloyds Banking Group PLC 25p ordinary shares	28,050	37,921	13,441	38,805
Lonmin PLC \$1 ordinary shares	-	-	-	29,163
Marks & Spencer Group PLC 25p ordinary shares	2,040	7,475	7,805	78,233
Misys PLC ordinary 1 1/7 p ordinary shares	-	-	-	13,017
Mothercare PLC 50p ordinary shares	-	-	-	5,006
Pearson PLC 25p ordinary shares	1,350	9,226	16,045	100,509
Pennon Group PLC 40.7p ordinary shares	2,000	10,760	12,510	89,156
Prudential Corp PLC 5p ordinary shares	1,950	8,151	16,863	66,990
Rotork PLC 5p ordinary shares	480	3,729	12,226	72,319
Royal Dutch Shell PLC € 0.07 ordinary B shares	630	11,766	13,698	132,503
St James's Place PLC 15p ordinary shares	1,850	5,371	7,784	21,434
Tesco PLC 5p ordinary shares	-	-	-	84,337
Travis Perkins PLC 10p ordinary shares	600	6,043	6,525	25,504
Unilever PLC 3.19p ordinary shares	630	12,627	14,903	60,983
Vodafone Group PLC 10p ordinary shares	6,250	11,615	9,652	81,780
		270,194	296,265	2,110,078

Public and Commercial Services Union
Appendices to the accounts
For the year ended 31 December 2012 (continued)

I Bonds and interest bearing stock

	Nominal holding 2012	Cost 2012 £	Market value 2012 £	Market value 2011 £
4% Treasury stock 2016	30,000	-	-	34,663
5% Treasury stock 2025	55,000	-	-	72,555
4.25% Treasury stock 2027	20,000	-	-	24,495
4 1/2% Treasury stock 2034	50,000	-	-	63,836
iShares GBP Corporate Bond	1,100	46,185	47,758	131,324
		46,185	47,758	326,873

J Unit trusts and investment funds

	Nominal holding 2012	Cost 2012 £	Market value 2012 £	Market value 2011 £
BH Macro Ltd Ordinary NPV £ equity closed ended funds	450	7,900	8,838	67,568
NTS	35	3,722	3,451	17,629
Sarasin AgriSar Fund Class B Income	14,179	14,179	16,178	107,978
Sarasin CI Real Estate Equity Income	975	8,880	11,695	55,574
Sarasin OekoSar Equity Fund	1,040	99,936	99,112	795,971
		134,617	139,274	1,044,720

K Money market

	Nominal holding 2012	Cost 2012 £	Market value 2012 £	Market value 2011 £
Sarasin & Partners LLP Money Market		105,041	105,041	683,316
		105,041	105,041	683,316

Public and Commercial Services Union
Appendices to the accounts
For the year ended 31 December 2012 (continued)

L. Miscellaneous holdings

	Nominal holding 2012	Cost 2012 £	Market value 2012 £	Market value 2011 £
Members portfolio				
Accenture Ltd Class A common shares	40	744	1,637	1,370
Atos Origin SA €1 common stock	25	781	1,070	707
Babcock International Group PLC 60p ordinary share:	105	401	1,014	771
Balfour Beatty PLC 50p ordinary shares	250	915	685	662
Banco Santander SA	50	1,180	245	245
Cap Gemini SA €8	25	830	666	504
Capita Group PLC 2p ordinary shares	126	781	952	793
Computer Sciences Corporation common stock	30	831	739	458
Grupo Ferrovial SA €1	60	813	547	468
IBM Corporation common stock	15	750	1,768	1,775
Lonmin PLC	130	1,378	368	-
MITIE Group PLC 2.5p ordinary shares	400	852	1,050	975
Siemens AG no-par-value registered shares	15	733	999	925
Total Members' Portfolio		10,989	11,740	9,653
Miscellaneous holdings				
Unity Trust Bank PLC:				
: 'A' ordinary shares of £1	171,844	172,092	171,844	171,844
: 'C' ordinary shares of £1	102,728	105,128	102,728	102,728
Civil Service Housing Association 25p ordinary share:	800	200	200	200
Energy Prospects Co-operative Ltd £1 shares	1,000	1,000	1,000	1,000
Wortley Hall Ltd £5 shares	200	1,000	1,000	1,000
Trades Union British Trust	57,952	311,619	297,611	524,503
Trades Union European Trust	-	-	-	82,882
		602,028	586,123	1,036,686

CAMPAIGN & DISPUTE FUND EXPENDITURE

APPENDIX THREE

2012

(£)

Anti - jobs cuts campaign	(751,098)
Strategic legal cases	(623,991)
Policy ballots	(132,963)
Pay campaign	(109,222)
Industrial Action Ballots	(97,314)
Credit Union	(66,481)
Data Collection Exercise	(47,365)
DWP	(46,951)
Strike Pay (DWP)	(44,543)
NDC Agreed Campaigns	(23,196)
Commercial Sector Group	(9,000)
Centre for Labour and Social Studies	(5,000)
National Pensioners Convention	(5,000)
Trade Union Co-ordinating Group	(5,000)
Dept for Transport/Office of Deputy Prime Minister	(4,393)
Home Office	(3,869)
Personnel Campaigns	(2,074)
Spanish Miners Solidarity Committee	(2,000)
I E R Institute of Employment Rights	(1,714)
Durham Miners Gala Fund	(1,360)
Nat Shop Stewards N'Work	(1,000)
Right To Protest	(1,000)
James Callaghan Centenary Event	(1,000)
Working Class Movement Library	(1,000)
National Offenders Management Services Group	(805)
Fire Brigades Union	(500)
Youth Fight for Jobs	(300)
Action for Southern Africa	(200)
Defra	(170)
Vehicle Certification Agency	(114)
MITIE	(108)
Recognition Campaign	(70)
Ministry of Justice	(63)
Land Registry	-
Pensions campaign	-
Revenue and Customs Group	-
Health and safety	-
Banner Theatre Company Ltd	-
UK UnCut	-
Defend Yunus Bakhsh Campaign	-
Maritime & Coastguards Agency	-
Transfers to group hardship funds	-
TUC Playfair	-
Work life balance	-
Public Guardian Office	-
Shrewsbury 24 Campaign	-
Passport Agency	-
Dept for Transport/ODPM	-
Coastguard Group	-
Swansea Valley Miners Appeal Fund	-
Forestry Commission Group	-
TGWU Dispute	-
Unite Against Racism	-
Culture Media & Sports Group	-
Defend Council Housing	-
Barac Campaign	-

Trade Union -The State & Self Government Institution	-
TUC Black Workers Conference	-
Unite The Resistance	-
Equality & Human Rights Commission	-
Stop the War Coalition	-
Court Service	-
Total	<u><u>(1,988,863)</u></u>

POLITICAL FUND EXPENDITURE

APPENDIX FOUR

	2012 (£)
MYVC	(206,676)
Parliamentary work	(59,887)
Greening The Workplace	(19,101)
Unite Against Fascism	(16,204)
Scottish Campaigns	(8,863)
International Campaigns	(7,172)
Love Music - Hate Racism Festivals	(2,800)
Jobs campaign	-
Palestine Solidarity Campaign	-
Taxation Advice	-
TU Friends of Palestine	-
International Board Game	-
National campaign Against Fees and Cuts	-
Youth Fight For Jobs	-
Woman in Leadership TU Exchange	-
Miscellaneous	-
ACTSA	-
War on Want	-
AFL-CIO	-
Abdullah Muhsin Homing Fund	-
Chagos Islands Campaign	-
Campaign for Fair Taxation	-
Cuban Solidarity Campaign	-
Fascist Free Zone	-
Global Public Solutions	-
Hope not Hate	-
Jay Abatan Campaign	-
Justice for Colombia	-
Love Music - Hate Racism Carnival 2008	-
TU aid Palestine Zimbabwe and Swaziland	-
TUC Anti-Fascism Project	-
UN Anti Racism Conference	-
	<u>(320,703)</u>

APPENDIX FIVE

OTHER ADMINISTRATIVE EXPENSES	2012 (£)
Collection Costs	36,649
Exchange losses	-
Superannuation Fund Running Costs	231,034
Pension Protection Fund Levy	43,512
Staff Development Costs	118,881
Computer System Running Costs	642,728
Vehicle Running Costs	13,225
Research	82,926
Office Running Costs	178,412
Subsistence	142,474
Travel	290,286
Miscellaneous	21,882
Hospitality	3,600
Recruitment Publicity	8,775
National Organising Forums	299
Group Organising Forums	270
Regional Organising Forums	384
TUC Organising Academy	3,359
Youth Work	40,186
International Meetings	20,917
National Meetings	113,054
Facility Time Costs	25,742
National Elections	337,900
Groups, Occupational Assocs and Branches	276,557
Local Representatives	2,510,046
Public Relations	43,415
 TOTAL	 <u><u>5,186,513</u></u>

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS (Continued)

APPENDIX 6

	Gross Salary	Pension Contributions	Benefits	Total	Employers NI Contributions
<u>President</u>					
Janice Godrich	Nil	Nil	Nil	Nil	Nil
<u>Deputy President</u>					
Kevin McHugh	Nil	Nil	Nil	Nil	Nil
<u>Vice Presidents</u>					
S Bond	Nil	Nil	Nil	Nil	Nil
P Brown	Nil	Nil	Nil	Nil	Nil
J McNally	Nil	Nil	Nil	Nil	Nil

I Albert	Nil	Nil	Nil	Nil	Nil
C Bryant	Nil	Nil	Nil	Nil	Nil
I Crossland	Nil	Nil	Nil	Nil	Nil
A Dennis	Nil	Nil	Nil	Nil	Nil
M Derbyshire	Nil	Nil	Nil	Nil	Nil
M Ferguson	Nil	Nil	Nil	Nil	Nil
H Flanagan	Nil	Nil	Nil	Nil	Nil
C Gedling	Nil	Nil	Nil	Nil	Nil
J Green	Nil	Nil	Nil	Nil	Nil
K Greenway	Nil	Nil	Nil	Nil	Nil
S Hall	Nil	Nil	Nil	Nil	Nil
Z Holbourne	Nil	Nil	Nil	Nil	Nil
J Jamieson	Nil	Nil	Nil	Nil	Nil
A Jennings	Nil	Nil	Nil	Nil	Nil
E Kelly	Nil	Nil	Nil	Nil	Nil
A Khalif	Nil	Nil	Nil	Nil	Nil
N License	Nil	Nil	Nil	Nil	Nil
M Lloyd	Nil	Nil	Nil	Nil	Nil
D McFadden	Nil	Nil	Nil	Nil	Nil
L Merry	Nil	Nil	Nil	Nil	Nil
C Morrison	Nil	Nil	Nil	Nil	Nil
I Pope	Nil	Nil	Nil	Nil	Nil
A Reid	Nil	Nil	Nil	Nil	Nil
D Richards	Nil	Nil	Nil	Nil	Nil
G Siddall-Butchers	Nil	Nil	Nil	Nil	Nil
D Thomson	Nil	Nil	Nil	Nil	Nil
K Watts	Nil	Nil	Nil	Nil	Nil
H Wesley	Nil	Nil	Nil	Nil	Nil
J Wilde	Nil	Nil	Nil	Nil	Nil
P Williams	Nil	Nil	Nil	Nil	Nil

Public & Commercial Services Union

Statement of Officers Responsibilities

Under the Trade Union and Labour Relations (Consolidation) Act 1992 a trade union is required to:

- keep proper accounting records which give a true and fair view of the state of affairs of the PCS and explain its transactions;
- establish and maintain a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances;
- prepare an Annual Return for the Certification Officer giving a true and fair view of the Income and Expenditure Account and Balance Sheet;
- provide members of the PCS with an Income and Expenditure statement for the period, and
- prepare the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

PCS Rule 9.17(a) requires the NEC of the Union to present audited accounts to the Delegate Conference for approval and adoption.