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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Union of Shop, Distributive and Allied Workers (Usdaw)
Year ended:	31 December 2015
List no:	382T
Head or Main Office:	188 Wilmslow Road Manchester M14 6LJ
Website address (if available)	www.usdaw.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	John Hannett
Telephone Number:	0161 224 2804
Contact name for queries regarding	Nick Walker
Telephone Number:	0161 224 2804
E-mail:	nick.walker@usdaw.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)

ANNEXE 1 – OFFICERS IN POST

Title of Office	Name of Officer
General Secretary	John Hannett
President	Jeff Broome
Executive Council	Dennis Stinchcombe
	Barbara Wilson
	Barbara Woolford
	Simon Vincent
	Andrea Watts
	Maureen Bowen
	Brian Loughhead
	Michael Dixon
	Jean Hession
	Peter Devine
	Amy Murphy
	John Barstow
	Kevin Dolan
	Janet Jervis

ANNEXE 2 – AFFILIATIONS

International Affiliations	£000s
UNI Global Union	263
UNI Europa	50
EFFATT	10
IUF	23
IndustriALL Europe	3
IndustriALL Global	17
ITWF	31
ETWF	8
Total	405

Industrial Affiliations	£000s
British TUC	1,182
Irish TUC	46
Scottish TUC	60
Others	27
Total	1,315

Total Affiliations (£000s)	1,720
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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	188,674	8,135	-	-	196,809
FEMALE	233,850	9,944	-	-	243,794
TOTAL	422,524	18,079	-	-	440,603

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

15,072

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

437,314

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
Executive Council	Barbara McAllister	Andrea Watts	29.04.2015
Executive Council	David Chadwick Taylor	Brian Loughhead	29.04.2015
Executive Council	Patricia Fitzgerald	Michael Dixon	29.04.2015
Executive Council	Susan Coutts	Jean Hession	29.04.2015
Executive Council	Linda Craven	Kevin Dolan	29.04.2015
Executive Council	Danielle McCusker	Election result pending at year end date	20.07.2015

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)

	£000s	£000s
INCOME		
From Members: Contributions and Subscriptions		33,669
From Members: Other income from members (specify)		
Branch Balances Returned	-	
Total other income from members		-
Total of all income from members		33,669
Investment income (as at page 12)		4,715
Other Income		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	1,873	
Total of other income (as at page 4)		1,873
		TOTAL INCOME
		40,257
EXPENDITURE		
Benefits to members (as at page 5)		(1,018)
Administrative expenses (as at page 10)		(29,039)
Federation and other bodies (specify) (see Annexe 2)		
Net Interest Expenses	(1,720)	
Allocation to Education Fund	(1,991)	
Allocation to Organising and Development Fund	32	
Allocation to Organising and Development Fund	258	
Total expenditure Federation and other bodies		(3,421)
Taxation		-
		TOTAL EXPENDITURE
		(33,478)
		6,779
Surplus (deficit) for year		
		18,188
Pension Scheme Actuarial Gain		
		6,415
Amount of general fund at beginning of year		
		31,382
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	£ 000s	£ 000s
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Grant from BIS	891	
Sales of Stationery	124	
Magazine Sales and Advertising	173	
Affinity Partners Commission	48	
Legal Recoveries	625	
Miscellaneous	12	
TOTAL OTHER INCOME		1,873
TOTAL OF ALL OTHER INCOME		1,873

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£ 000s		£ 000s
Representation – Employment Related Issues Legal Costs	340	brought forward Education and Training services	340
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Sickness	327
		Maternity/Paternity	34
		Death	291
		Disablement and Distress	21
		Convalescent Homes	5
Other Cash Payments			
carried forward	340	Total (should agree with figure in General Fund)	1,018

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Branch Revenue Account	£ 000s	£ 000s
Income			
	From members		4,029
	Investment income (as at page 12)		76
	Other income (specify)	285	
	Total other income as specified		285
	Total Income		4,390
Expenditure			
	Benefits to members	-	
	Administrative expenses and other expenditure (as at page 10)	(3,936)	
	Total Expenditure		(3,936)
	Surplus (Deficit) for the year		454
	Amount of fund at beginning of year		7,732
	Amount of fund at the end of year (as Balance Sheet)		8,186
	Number of members contributing at end of year		437,314

FUND 3		Fund Account	
Name:	Education Fund	£ 000s	£ 000s
Income			
	From members		-
	Investment income (as at page 12)		-
	Other income (specify)		
	Allocation from General Fund	163	
	Total other income as specified		163
	Total Income		163
Expenditure			
	Benefits to members	-	
	Administrative expenses and other expenditure (as at page 10)	(195)	
	Total Expenditure		(195)
	Surplus (Deficit) for the year		(32)
	Amount of fund at beginning of year		35
	Amount of fund at the end of year (as Balance Sheet)		3
	Number of members contributing at end of year		437,314

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Organising and Development	£ 000s	£ 000s
Income			
	From members		-
	Investment income (as at page 12)		-
	Other income (specify)		
	Allocation from General Fund	1,500	
	Total other income as specified		1,500
	Total Income		1,500
Expenditure			
	Benefits to members	-	
	Administrative expenses and other expenditure (as at page 10)	(1,758)	
	Total Expenditure		(1,758)
	Surplus (Deficit) for the year		(258)
	Amount of fund at beginning of year		1,851
	Amount of fund at the end of year (as Balance Sheet)		1,593
	Number of members contributing at end of year		437,314

FUND 5		Fund Account	
Name:	Fund for International Trade Union Solidarity	£ 000s	£ 000s
Income			
	From members		-
	Investment income (as at page 12)		-
	Other income (specify)		
	Donations	5	
	Total other income as specified		5
	Total Income		5
Expenditure			
	Benefits to members	-	
	Administrative expenses and other expenditure (as at page 10)	(5)	
	Total Expenditure		(5)
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		29
	Amount of fund at the end of year (as Balance Sheet)		29
	Number of members contributing at end of year		437,314

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	Divisional Recruitment Fund	£ 000s	£ 000s
Income			
	From members		-
	Investment income (as at page 12)		-
	Other income (specify)		
	Transfer in from Branches	60	
	Total other income as specified		60
	Total Income		60
Expenditure			
	Benefits to members	-	
	Administrative expenses and other expenditure (as at page 10)	(63)	
	Total Expenditure		(63)
	Surplus (Deficit) for the year		(3)
	Amount of fund at beginning of year		43
	Amount of fund at the end of year (as Balance Sheet)		40
	Number of members contributing at end of year		437,314

FUND 7		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund		
		£ 000s	£ 000s	
Income	Members contributions and levies		2,160	
	Investment income (as at page 12)		-	
	Other income (specify)	-		
		Total other income as specified	-	
		Total income	2,160	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)	(1,250)		
	Administration expenses in connection with political objects (specify)	(1,266)		
	Non-political expenditure	-		
			Total expenditure	(2,516)
			Surplus (deficit) for year	(356)
			Amount of political fund at beginning of year	924
			Amount of political fund at the end of year (as Balance Sheet)	568
		Number of members at end of year contributing to the political fund	419,769	
		Number of members at end of the year not contributing to the political fund	20,834	
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund			20,834	

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)

	£ 000s
Administrative Expenses	
Remuneration and expenses of staff	19,247
Salaries and Wages included in above	£14,017
Auditors' fees	45
Legal and Professional fees	736
Occupancy costs	1,346
Stationery, printing, postage, telephone, etc.	2,573
Expenses of Executive Committee (Head Office)	60
Expenses of conferences	2,108
Other administrative expenses (specify)	
Union Learning	891
Recruitment and Development	1,767
Education	1,114
Profit on Sale of Motor Vehicles	(35)
Ballots	255
Journal	597
Travel	602
Campaigns	117
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	-
Mortgages	-
Other loans	-
Depreciation	1,552
Taxation	-
Outgoings on land and buildings (specify)	-
Other outgoings (specify)	
Total	32,975
Charged to:	
General Fund (Page 3)	29,039
Branch Fund (Account 2)	3,936
Total	32,975

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Salary Sacrifice Pension Contributio ns £	Description	Value £	
General Secretary	92,497	11,651	29,433	Union Car	11,165	144,746

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £ 000s
Rent from land and buildings			130
Dividends (gross) from:			
Equities (e.g. shares)			634
Interest (gross) from:			
Government securities (Gilts)			323
Mortgages			-
Local Authority Bonds			-
Bank and Building Societies			167
Other investment income (specify)			
Change in Market Value of Investments			(85)
Surplus on Sale of Property			3,622
			4,791
		Total investment income	4,791
		Credited to:	
		General Fund (Page 3)	4,715
		Branch Fund (Account 2)	76
		Fund (Account)	-
		Fund (Account)	-
		Fund (Account)	-
		Fund (Account)	-
		Political Fund	-
		Total Investment Income	4,791

BALANCE SHEET as at 31 December 2015

(see notes 47 to 50)

Previous Year		£ 000s	£ 000s
8,176	Fixed Assets (at page 14)		7,316
	Investments (as per analysis on page 15)		
33,645	Quoted (Market value £33.673m)	33,673	
19,486	Unquoted	31,245	
	Total Investments		64,918
	Other Assets		
-	Loans to other trade unions	-	
1,604	Sundry debtors	1,791	
13,347	Cash at bank and in hand	9,444	
-	Income tax to be recovered	-	
-	Stocks of goods	-	
-	Others (specify)	-	
	Total of other assets		11,235
76,258	TOTAL ASSETS		83,469
6,415	General Fund (Account 1)		31,382
7,732	Branch Fund (Account 2)		8,186
35	Education Fund (Account 3)		3
1,851	Organising and Development Fund (Account 4)		1,593
924	Political Fund (Account)		568
29	FITUS (Account 5)		29
43	Divisional Recruitment Fund (Account 6)		40
	LIABILITIES		
-	Amount held on behalf of central trade union political fund		
-	Loans: From other trade unions	-	
-	Loans: Other	-	
-	Bank overdraft	-	
-	Tax payable	-	
(1,452)	Sundry creditors	(1,994)	
-	Accrued expenses	-	
(57,777)	Provisions (Pension Liability)	(39,674)	
-	Other liabilities	-	
(59,229)	TOTAL LIABILITIES		(41,668)
17,029	TOTAL ASSETS		41,801

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment	Motor Vehicles	Computer Equipment	Total
	Freehold	Leasehold	£ 000s	£ 000s	£ 000s	£ 000s
		£ 000s				
Cost or Valuation						
At start of year		14,814	1,097	2,541	243	18,695
Additions		-	149	1,123	61	1,333
Disposals		(810)	(164)	(1,013)	(101)	(2,088)
Revaluation/Transfers		-	-	-	-	-
At end of year		14,004	1,082	2,651	203	17,940
Accumulated Depreciation						
At start of year		8,973	665	737	144	10,519
Charges for year		678	172	630	72	1,552
Disposals		(642)	(164)	(540)	(101)	(1,447)
Revaluation/Transfers		-	-	-	-	-
At end of Year		9,009	673	827	115	10,624
Net book value at end of year		4,995	409	1,824	88	7,316
Net book value at end of previous year		5,841	432	1,804	99	8,176

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

		All Funds Except Political Funds £ 000s	Political Fund £
	QUOTED		
	Equities (e.g. Shares)	16,307	
	Government Securities (Gilts)	11,727	
	Other quoted securities (to be specified)		
	Pooled Investment Vehicles	5,639	
	TOTAL QUOTED (as Balance Sheet)	33,673	
	Market Value of Quoted Investment	33,673	
	UNQUOTED		
	Equities	4,460	
	Government Securities (Gilts)	-	
	Mortgages	-	
	Bank and Building Societies	-	
	Other unquoted investments (to be specified)		
	Short Term Deposits	26,785	
	TOTAL UNQUOTED (as Balance Sheet)	31,245	
	Market Value of Unquoted Investments	31,245	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input 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 £ 000s	Political Funds £ 000s	Total Funds £ 000s
INCOME			
From Members	37,698	2,160	39,858
From Investments	4,791	-	4,791
Other Income (including increases by revaluation of assets)	22,074	-	22,074
	64,563	2,160	66,723
EXPENDITURE (including decreases by revaluation of Total Expenditure)	(39,435)	(2,516)	(41,951)
 Funds at beginning of year (including reserves)	 16,105	 924	 17,029
Funds at end of year (including reserves)	41,233	568	41,801
 ASSETS			
	Fixed Assets		7,316
	Investment Assets		64,918
	Other Assets		11,235
		Total Assets	83,469
LIABILITIES		Total Liabilities	41,668
NET ASSETS (Total Assets less Total Liabilities)			41,801

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 following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Union's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as issued in August 2014 for the first time. The amendments to FRS 102 subsequently issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the Union is provided in note 25.

The financial statements are prepared on the historical cost basis except for Investments and Pension Scheme Assets which are stated at fair value unless they cannot be reliably measured.

Income is recorded on an accruals basis.

Expenditure is charged to the Income and Expenditure Account on an accruals basis, with the exception of branch funds (see below).

The Executive Council have considered the future profitability of the Union and its ability to continue as a going concern. The Executive Council are satisfied that, for the foreseeable future, the Union can meet its projected expenditure and working capital requirements. The Union enjoys a stable and growing membership base and holds sufficient cash and liquid assets to draw upon. Consequently the financial statements have been prepared on a going concern basis.

Members' Contributions

Members' contributions are recognised on an accruals basis (ie when deducted from members' salaries).

Legal Costs

The Union is at any time involved in numerous legal cases on behalf of its members. There is an inherent risk that substantial costs and disbursements could be incurred on any case. Legal costs and disbursements are charged to the financial statements as incurred, together with an estimate for additional costs or recoveries which they reasonably believe may occur in the following or subsequent years.

Branch Funds

The movement on the Branch Revenue Account is based upon returns received at Central Office from midday on Friday, 2 January 2015 to midday on Friday, 1 January 2016.

The balance of branch funds is the total of balances shown on the last returns available for each branch on Friday, 1 January 2016.

Branch expenses are charged to the Branch Revenue Account and do not form part of the Income and Expenditure account.

Corporation Tax

Taxation for the year is chargeable on investment income, capital gains and other non-trading taxable income, less provident benefits, and on any trading profits. There is no charge for the year as provident benefits exceed the investment income and capital gains, and there are no profitable trading activities.

Tangible Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided on a straight line basis on cost as follows:

Freehold Land	Nil
Buildings.	5%
Fixtures and Fittings	20%
Motor Vehicles	25%
Computer Equipment	33.3%

General Funds

All monies received on behalf of the Union in respect of contributions, donations or otherwise, other than payments appropriated to any Fund established in accordance with Rule 41, form one central Fund for general purposes and a separate Fund for political purposes.

Political Funds

The objects of the Union include the furtherance of political objects. Monies received on behalf of the Political Fund are credited direct to the Fund and do not form part of the Income and Expenditure Account. Any payments in respect of such objects are made directly out of the Political Fund.

Education Funds

The objects of the Union include the provision of educational facilities for members. A surplus is allocated from the general fund to cover future expenditure. Such expenditure is charged to the Income and Expenditure Account on an accruals basis.

Organising and Development Fund

The objects of the Union include the organising and development of members of the Union. A surplus is allocated from the general fund to cover future expenditure. Such expenditure is charged to the Income and Expenditure Account on an accruals basis.

ACCOUNTING POLICIES

(see notes 74 and 75)

Divisional Recruitment Fund

The objects of the Union include the recruitment of new members in each of the Union's seven Divisions. A fund for this purpose is comprised of donations made voluntarily by Branches.

Union Learning Fund

The objects of the Union include the provision of learning facilities for members to bridge skills gaps. Grants are received from BIS in respect of expenditure on this fund.

Post-Retirement Benefits

The Union operates a staff superannuation scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Union. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The pension scheme deficit is recognised in full. The movement in the deficit is split between operating charges, finance items and actuarial gains and losses in the statement of other comprehensive income.

Unpaid Pension Contributions

Any unpaid contributions to the scheme which are payable as at the balance sheet date are recognised as a creditor due within one year.

Investments

Investments are stated at fair value unless they cannot be reliably measured in which case investments are held at cost.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

<p>General Secretary's Signature: <u>John Hannett</u></p> <p>Name: John Hannett</p> <p>Date: <u>2/6/16</u></p>	<p>Central Treasurer's Signature: <u>N Walker</u> (or other official whose position should be stated)</p> <p>Name: Nick Walker</p> <p>Date: <u>2ND JUNE 2016</u></p>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

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 the Union of Shop, Distributive and Allied Workers for the year ended 31 December 2015 set out on pages 52 to 64. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Union's members, as a body, in accordance with Section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 (the Act). 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 Executive Council and Auditor

As explained more fully in the Executive Council's Responsibilities Statement set out above, the Executive Council is responsible for the preparation of financial statements which give a true and fair view. We have been appointed as Auditor under Section 35 of the Trade Union and Labour Relations (Consolidation) Act 1992 and report in accordance with the Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

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/auditscopeukprivate.

Opinion on Financial Statements


In our opinion the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice of the state of the Union's affairs as at 31 December 2015 and of its surplus for the year then ended.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following matters where the Act requires us to form an opinion as to:

- whether the trade union has kept proper accounting records in accordance with the requirements of Section 28;
- whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of Section 28; and
- whether the accounts to which the report relates agree with accounting records.

ANTONY WHITTLE (Senior Statutory Auditor)
 For and on behalf of KPMG LLP, Statutory Auditor
 Chartered Accountants
 1 St Peter's Square
 Manchester
 M2 3AE

Signature(s) of auditor or auditors:		
Name(s):	ANTONY WHITTLE	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	1 ST. PETERS SQUARE MANCHESTER M2 3AE	
Date:	2 JUNE 2016	
Contact name and telephone number:		

Notes on Transition to FRS 102

25 – Explanation of transition to FRS 102 from old UK GAAP

As stated in the accounting policies, these are the Union's first financial statements prepared in accordance with FRS 102.

The accounting policies have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

In preparing their FRS 102 balance sheet, the Union have adjusted amounts reported in previous financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 102 has affected the Union's financial position and financial performance is set out in the following tables (and the notes that accompany the tables).

Reconciliation of Balance Sheet

	Note	1 January 2014			31 December 2014		
		Adopted UK GAAP £000	Effect of transition to FRS 102 £000	FRS 102 £000	Adopted UK GAAP £000	Effect of transition to FRS 102 £000	FRS 102 £000
Fixed Assets							
Tangible fixed assets	8	8,673	-	8,673	8,176	-	8,176
Investments	9	40,210	8,204	48,414	46,826	6,306	53,131
Current Assets							
Debtors	10	1,313	-	1,313	1,604	-	1,604
Cash at bank balances	11	13,439	-	13,439	13,347	-	13,347
Creditors falling due within One Year	12	(1,365)	-	(1,365)	(1,452)	-	(1,452)
Net Current Assets		<u>13,387</u>	<u>-</u>	<u>13,387</u>	<u>13,499</u>	<u>-</u>	<u>13,499</u>
Net Assets excluding Pension Liability		62,270	8,204	70,474	68,501	6,306	74,806
Pension Liabilities	7	(44,199)	-	(44,199)	(57,777)	-	(57,777)
Net Assets including Pension Liabilities		18,071	8,204	26,275	10,721	6,306	17,029
Represented by:							
General Revenue Account	13	7,454	8,204	15,658	107	6,306	6,415
Branch Revenue Account	14	7,460	-	7,460	7,732	-	7,732
Political Fund No.1	15	552	-	552	288	-	288
Political Fund No.2	16	554	-	554	636	-	636
FITUS	17	29	-	29	29	-	29
Education Fund	18	144	-	144	35	-	35
Organising & Development Fund	19	1,842	-	1,842	1,851	-	1,851
Divisional Recruitment Fund	20	36	-	36	43	-	43
Shareholders' Equity		18,071	8,204	25,081	10,721	6,306	17,029

Notes on Transition to FRS 102

Due to the requirement under FRS 102 to recognise Investments at market value, adjustments have been made to recognise the change in the fair value of investments in the balance sheet with a corresponding movement in Income and Expenditure account (below).

Reconciliation of Income and Expenditure Account and Other Comprehensive Income for 2014

	Note	Adopted UK GAAP £000	Effect of transition to FRS 102 £000	FRS 102 £000
Income				
Contributions	1	33,627	-	33,627
Other income	6	3,802	-	3,802
		37,429	-	37,429
Expenditure				
Provision of benefits	2	675	-	675
Legal cost	3	415	-	415
Operating expenses	4	29,068	39	29,107
Net interest (Income)/ Expenses	5	(55)	1,894	1,839
		(30,103)	(1,933)	(32,036)
Operating Surplus		7,326	(1,933)	5,393
Surplus on sale of investment		690	(690)	-
Surplus on the sale of property		123	-	123
Change in market value of investment	9	-	(1,206)	(1,206)
Surplus for the Financial Year		8,139	(3,829)	4,310
Allocated to:				
General Fund	13	8,239	(3,829)	4,410
Education Fund	18	(109)	-	(109)
Organising & Development Fund	19	9	-	9
		8,139	(3,829)	4,310
Actuarial gain/ (loss) recognised in the Pension Scheme	7	(15,586)	1,933	(13,653)
Total recognised (loss)/gains relating to the Financial Year		(7,447)	(1,896)	(9,343)

Notes to the Reconciliation of Income and Expenditure

Due to the requirement under FRS 102 to recognise Investments at market value, adjustments have been made to recognise the change in the fair value of investments in the balance sheet with a corresponding movement in the Income and Expenditure account.

Amendments were also made to reflect changes to pension accounting under FRS 102, which does not allow credits for the expected outperformance of assets. Administration costs are also included alongside service costs rather than deducted from expected return on assets.