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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

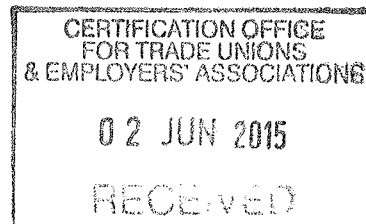
Name of Trade Union:	<input type="text" value="Communication Workers Union"/>				
Year ended:	<input type="text" value="30 December 2014"/>				
List no:	<input type="text" value="743T"/>				
Head or Main Office:	<input type="text" value="150 The Broadway
Wimbledon
London
SW19 1RX"/>				
Website address (if available)	<input type="text" value="www.cwu.org"/>				
Has the address changed during the year to which the return relates?	<table border="1" style="display: inline-table; margin-right: 20px;"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> </tr> </table> <table border="1" style="display: inline-table;"> <tr> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>				
No	<input checked="" type="checkbox"/>				
Acting General Secretary:	<input type="text" value="A P Kearns"/>				
Telephone Number:	<input type="text" value="020 8971 7200"/>				
Contact name for queries regarding	<input type="text" value="Kelly McIntyre"/>				
Telephone Number:	<input type="text" value="020 8971 7258"/>				
E-mail:	<input type="text" value="kmcintyre@cwu.org"/>				

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	156,471	3,922	-	349	160,742
FEMALE	35,818	842	-	60	36,720
TOTAL	192,289	4,764	-	409	A 197,462

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

1,994

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

197,462

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
National Executive Council Voting Member	P Donaghy	Not Replaced	Sep-14
National Executive Council Voting Member	D Jukes	Not Replaced	Aug-14

State whether the union is:

a. A branch of another trade union?

Yes No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		28,697,348
From Members: Other Income from Members (specify)	-	
Total Other Income from Members		-
Total of all Income from Members		28,697,348
Investment Income (as at page 12)		168,205
Interfund Transfers:		
National Welfare Fund (Fund 3)		17,173
Scholarship Fund (Fund 4)		31,468
Other Income:		
Income from Federations and Other Bodies (as at page 4)	-	
Income from Any Other Sources (as at page 4)	755,426	
Total of Other Income (as at page 4)		755,426
	TOTAL INCOME	29,669,620
EXPENDITURE		
Benefits to Members (as at page 5)		520,282
Administration Expenses (as at page 10)		18,861,788
Federation and Other Bodies:		
Affiliations and Associated Expenses (schedule A, pg 23)		1,053,401
Interfund Transfers:		
Property Reserve (Fund 5)		4,272
Rebates to Branches (Fund 6)		8,247,283
	TOTAL EXPENDITURE	28,687,026
	Surplus / (Deficit) for year	982,594
	Amount of General Fund at beginning of year	(10,862,171)
	Amount of General Fund at end of year	(9,879,577)

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and Other Bodies		
n/a		-
TOTAL FEDERATION AND OTHER BODIES		-
Other Income		
Bank Interest		-
Surplus on Sales of Diaries and Promotional Goods		15,333
Political Fund Management Charge		5,000
Elstead Hotel Management Charge		48,000
Corporation Tax Refund		2,442
Miscellaneous		2,054
Surplus on Revaluation of Investments		169,179
Surplus on Disposal of Fixed Assets		3,418
Surplus on Financial Income - Pension Scheme		510,000
TOTAL OTHER INCOME		755,426
TOTAL OF ALL OTHER INCOME		755,426

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation –		brought forward	(31,228)
Employment Related Issues:			
Employment Tribunals	347,748	Education and Training Services:	
		Education	551,510
Representation –			
Non Employment Related Issues:			
Legal and Medical Services	(1,827,790)	Negotiated Discount Services:	
		n/a	-
Communications:			
Publications and Publicity	921,357	Salary Costs:	
		n/a	-
Advisory Services:			
n/a	-	Other Benefits and Grants:	
		n/a	-
Dispute Benefits:			
n/a	-		
Other Cash Payments:			
Members Insurance Scheme	56,639		
Death Benefits	470,818		
carried forward	(31,228)	Total (should agree with figure in General Fund)	520,282

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Defence Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - Rebates from Branches (Fund 6)		82,483
	Other Income:		
	Total Other Income as Specified		-
	Total Income		82,483
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		-
	Total Expenditure		-
	Surplus / (Deficit) for the year		82,483
	Amount of Fund at Beginning of year		858,432
	Amount of Fund at the end of year (as Balance Sheet)		940,915
	Number of members contributing at end of year		n/a

FUND 3		Fund Account	
Name:	National Welfare Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Other Income:		
	Donations	48,474	
	Commissions	4,374	
	Total Other Income as Specified		52,848
	Total Income		52,848
Expenditure			
	Benefits to members		43,775
	Administration Expenses and Other Expenditure (as at page 10)		-
	Interfund Transfer - General Fund (page 3)		17,173
	Total Expenditure		60,948
	Surplus / (Deficit) for the year		(8,100)
	Amount of fund at beginning of year		60,948
	Amount of Fund at the end of year (as Balance Sheet)		52,848
	Number of members contributing at end of year		n/a

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Scholarship Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Other Income:		
	Commissions	51,182	
	Total other income as Specified		51,182
	Total Income		51,182
Expenditure			
	Benefits to Members		19,714
	Administration Expenses and Other Expenditure (as at page 10)		-
	Interfund Transfer - General Fund (page 3)		31,468
	Total Expenditure		51,182
	Surplus / (Deficit) for the year		-
	Amount of Fund at beginning of year		50,000
	Amount of Fund at the end of year (as Balance Sheet)		50,000
	Number of members contributing at end of year		n/a

FUND 5		Fund Account	
Name:	Property Reserve	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - General Fund (page 3)		4,272
	Interfund Transfer - Branch Fund (Fund 6)		76,156
	Other Income (specify)		-
	Total other income as specified		-
	Total Income		80,428
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		-
	Total Expenditure		-
	Surplus / (Deficit) for the year		80,428
	Amount of Fund at beginning of year		19,342,794
	Amount of Fund at the end of year (as Balance Sheet)		19,423,222
	Number of members contributing at end of year		n/a

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	Branch Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - General Fund (page 3)		8,247,283
	Other Income:		
	Total other Income as Specified		-
	Total Income		8,247,283
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		7,529,491
	Interfund Transfer - Defence Fund (Fund 2)		82,483
	Interfund Transfer - Property Reserve (Fund 5)		76,156
	Total Expenditure		7,688,130
	Surplus / (Deficit) for the year		559,153
	Amount of Fund at beginning of year		7,900,457
	Amount of Fund at the end of year (as Balance Sheet)		8,459,610
	Number of members contributing at end of year		n/a

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		
	£	£
Income		
Members Contributions and Levies		1,717,177
Investment Income (as at page 12)		-
Other Income:	-	
	Total Other Income as specified	-
	Total Income	1,717,177
Expenditure		
Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992		-
Administration Expenses in Connection with Political Objects:		
Labour Party Affiliation Fees		501,500
Regional Affiliation Fees		13,032
Campaigns		566,468
General Elections		429,951
Delegations to National Conference		93,144
Delegations to Regional Conference		5,689
Net Expenditure at Branches		(147,081)
Branch and Regional Expenses		2,445
Parliamentary Panel		66,334
Printing and Publicity		8,602
Travel and Meetings Expenses		1,598
Committee Expenses		2,423
Miscellaneous Expenses		45,911
Administration Charge		5,000
Bank Charges		589
Non-Political Expenditure		-
	Total Expenditure	1,595,605
	Surplus (Deficit) for the year	121,572
	Amount of political fund at beginning of year	1,527,891
	Amount of political fund at the end of year (as balance sheet)	1,649,463
	Number of members at end of year contributing to the political fund	164,823
	Number of members at end of the year not contributing to the political fund	32,639
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	22,589

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and Expenses of Staff		9,401,070
Salaries and Wages included in above	£ 7,475,252	
Auditors' Fees		83,595
Legal and Professional Fees		390,528
Occupancy Costs		1,437,457
Stationery, Printing, Postage, Telephone, etc.		3,498,210
Expenses of Executive Committee (Head Office)		1,887,922
Expenses of Conferences		1,105,397
Other Administrative Expenses:		
Branch Organisation and Recruitment		97,913
Regional and Divisional Representation		1,035,855
Elections and Ballots		262,399
International Activities		86,271
Branch Representation		3,752,712
Other Outgoings		
Interest Payable:		
Bank Loans (including Overdrafts)		-
Mortgages		2,789
Other Loans (Bank Charges & Interest)		79,185
Depreciation		310,817
Taxation (VAT)		47,141
Outgoings on Land and Buildings		-
Other Outgoings (specify)		
Collection Costs and Charges		442,514
FRS17 Pension Adjustment		2,260,000
Branch Honoraria		209,504
	Total	26,391,279
Charged to:	General Fund (Page 3)	18,861,788
	Branch Fund (Fund 6)	7,529,491
	Total	26,391,279

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary	Employers N.I. contributions	Benefits			Total
			Pension Contributions £	Description	Value £	
National Executive Council						
W Hayes - General Secretary	95,572.56	12,101.65	300.26		-	107,974.47
J Loftus - President	6,465.06	437.46	-		-	6,902.52
<u>Voting Members</u>						
M Baulch	2,289.38	30.91	-		-	2,320.29
P Donaghy	13,411.66	1,078.89	-		-	14,490.55
C Maden	1,095.78	59.62	-		-	1,155.40
J Malone	2,937.68	134.41	-		-	3,072.09
D Robertson	2,224.73	137.45	-		-	2,362.18
K Rose	42,023.36	5,619.09	-		-	47,642.45
I Ward	971.24	42.50	-		-	1,013.74
Additional Notes to the above analysis:						
* Any amounts which may be paid from Branch Fund to any National Executive Council members for services as branch or regional officials' are not included in the above.						
* The Union operates three superannuation schemes providing benefits on final pensionable pay, details of which are given elsewhere in the accounts.						
* Pension contributions shown for W Hayes, General Secretary relate to auto-enrolment into the NEST pension scheme.						
* The gross salary for K Rose, Voting Member, relates to a 14 month back dated payment for a long term substitution of an assistant secretary.						

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £	Other Fund(s) £
Rent from land and buildings	-	136,118
Dividends (gross) from:		
Equities (e.g. shares)	-	25,701
Interest (gross) from:		
Government securities (Gilts)	-	-
Mortgages	-	6,386
Local Authority Bonds	-	-
Bank and Building Societies	-	-
Other investment income (specify)	-	-
	-	168,205
		Total investment income
		168,205
		Credited to:
		General Fund (page 3)
		168,205
		Political Fund (Account 1)
		-
		Total Investment Income
		168,205

BALANCE SHEET as at 30 December 2014

(see notes 47 to 50)

Previous Year		£	£
18,152,719	Fixed Assets (at page 14)		18,166,020
	Investments (as per analysis on page 15)		
2,986,384	Quoted (Market value)	3,161,792	
2,316,348	Unquoted	2,219,177	
5,302,732	Total Investments		5,380,969
	Other Assets		
-	Loans to Other Trade Unions	-	
3,353,882	Sundry Debtors	2,978,937	
12,018,569	Cash at Bank and Cash In Hand	13,987,733	
15,372,451	Total of Other Assets		16,966,670
38,827,902	TOTAL ASSETS		40,513,659
(10,862,171)	General Fund (Fund 1)		(9,879,577)
858,432	Defence Fund (Fund 2)		940,915
60,948	National Welfare Fund (Fund 3)		52,848
50,000	Scholarship Fund (Fund 4)		50,000
19,342,794	Property Reserve Fund (Fund 5)		19,423,222
7,900,457	Branch Fund (Fund 6)		8,459,610
1,527,891	Political Fund (Account 1)		1,649,463
18,878,351	Total Funds		20,696,481
	LIABILITIES		
-	Amount held on behalf of central trade union political fund		-
-	Loans: From Other Trade Unions		-
146,490	Loans: Other (bank loans to branches)		104,347
-	Bank Overdraft		-
-	Tax Payable		-
1,380,609	Sundry Creditors		1,303,909
882,512	Accrued Expenses		936,871
2,919,940	Provisions		2,852,051
	Other Liabilities:		
4,380,000	Provision for Liabilities & Charges Pension		3,780,000
10,240,000	Pension Scheme Deficit		10,840,000
19,949,551	TOTAL LIABILITIES		19,817,178
18,878,351	NET ASSETS		20,696,481

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	19,314,284	-	788,459	12,203	175,000	20,289,946
Additions	-	-	324,118	-	-	324,118
Disposals	-	-	-	-	-	-
Revaluation / Transfers	4,272	-	9,489	-	-	13,761
At end of year	19,318,556	-	1,122,066	12,203	175,000	20,627,825
Accumulated Depreciation						
At start of year	1,548,098	-	566,426	12,203	10,500	2,137,227
Charges for year	197,127	-	110,190	-	3,500	310,817
Disposals	-	-	-	-	-	-
Revaluation/Transfers	4,272	-	9,489	-	-	13,761
At end of year	1,749,497	-	686,105	12,203	14,000	2,461,805
Net book value at end of year						
	17,569,059	-	435,961	-	161,000	18,166,020
Net book value at end of previous year						
	17,766,186	-	222,033	-	164,500	18,152,719

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

	All Funds Except Political Funds £	Political Fund £
QUOTED		
Equities (e.g. Shares):		
n/a	-	-
Government Securities (Gilts):		
n/a	-	-
Other Quoted Securities:		
Unit Trust Funds (at market value)	3,161,792	-
TOTAL QUOTED (as Balance Sheet)	3,161,792	-
Market Value of Quoted Investment	3,161,792	-
UNQUOTED		
Equities:		
Unity Trust Bank Plc (at cost)	900,732	-
Government Securities (Gilts):		
n/a	-	-
Mortgages:		
Union Mortgages	641,423	-
Bank and Building Societies:		
n/a	-	-
Other Unquoted Investments:		
Debenture & shares in Elstead Hotel (Bournemouth) Ltd	657,022	-
People's Press Printing Society Ltd	20,000	-
TOTAL UNQUOTED (as Balance Sheet)	2,219,177	-
Market Value of Unquoted Investments	2,219,177	-

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	X	NO	
If YES name the relevant companies:					
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)				
Elstead Hotel (Bournemouth) Ltd	1674002				
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES		NO	X
If NO, state the names of the persons in whom the shares controlled by the union are registered.					
COMPANY NAME	NAMES OF SHAREHOLDERS				
Elstead Hotel (Bournemouth) Ltd	Communication Workers Union				
	Anthony P Kearns				

SUMMARY SHEET

(see notes 60 to 71)

	All Funds Except Political Fund £	Political Fund £	Total Funds £
INCOME			
From Members	28,697,348	1,717,177	30,414,525
From Investments	168,205	-	168,205
Other Income (including increases by revaluation of assets)	859,456	-	859,456
Total Income	29,725,009	1,717,177	31,442,186
EXPENDITURE			
(including decreases by valuation of assets)			
Total Expenditure	28,028,451	1,595,605	29,624,056
Funds at beginning of year (including reserves)	17,350,460	1,527,891	18,878,351
Funds at end of year (including reserves)	19,047,018	1,649,463	20,696,481
ASSETS			
	Fixed Assets		18,166,020
	Investment Assets		5,380,969
	Other Assets		16,966,670
		Total Assets	40,513,659
LIABILITIES		Total Liabilities	19,817,178
NET ASSETS (Total Assets less Total Liabilities)			20,696,481

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.

1 Tangible Fixed Assets

Land and Buildings owned at 30 December 2014 comprised of:		Cost or valuation 30 Dec 2014	Net book value 30 Dec 2014
Description of Freehold Property	Cost or valuation details	£	£
150 The Broadway Wimbledon, London	Revaluation in 2011	13,507,549	13,075,096
Alvescot Lodge, Alvescot, Oxfordshire	Revaluation in 2010	1,969,337	1,895,053
Elstead Hotel Bournemouth, Dorset	Original cost to UCW	662,213	150,596
31 Edgecombe House, Southfields*	Revaluation in 2010	175,000	161,000
75 Garstang Road, Preston, Lancashire	Original cost to CWU plus additions	132,202	116,738
Seventeen properties owned by Branches	Original cost to CWU plus additions	3,047,255	2,331,576
		19,493,556	17,730,059

* Not used for Union business

The cost or valuation of fixed assets includes the original cost of assets purchased by the National Communications Union (NCU) and the Union of Communication Workers (UCW) or, in the case of certain land and buildings, subsequent revaluation by these former Unions. Depreciation includes the amount previously written-off cost or valuation in the accounts of the NCU and the UCW.

The Elstead hotel is subject to a leasehold interest granted to the Elstead Hotel (Bournemouth) Limited, a company wholly owned by Trustees on behalf of the Union, for a period of 20 years from 29 September 1994 (see note 4).

150 The Broadway, Wimbledon was purchased during 1997. The UCW Pension 2001 Scheme has a first legal charge of the property at 150 The Broadway, Wimbledon, to the value of £5,800,000 as security over the deficit in that particular pension fund (see note 5).

2 Investments and Long Term Loans

A full provision of £201,606 (2013: £201,606) has been made against the cost of shares in the headquarters building of Union Network International, as recovery of the amount invested is not envisaged.

The total original cost of quoted investments was £1,604,993 (2013 - £1,604,993). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

The total unquoted shares held by the Union as at 30 December 2014 is broken down by 885,367 shares in Unity Trust Bank and 20,000 shares in Peoples Press Printing Society Ltd.

3 Bank Loans and Overdrafts

The Union has guaranteed bank loans for certain Branches. At 30 December 2014 the amount guaranteed was £104,347 (2013 - £146,490).

4 Elstead Hotel (Bournemouth) Limited

The Union beneficially owns the entire share capital of Elstead Hotel (Bournemouth) Ltd, a company which operates as a hotel conference centre and provides educational facilities for the Union. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of the Elstead Hotel (Bournemouth) Ltd would not have a material impact on the accounts of the Union.

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

4 Elstead Hotel (Bournemouth) Limited (continued)

The draft accounts of the company as at 31 December 2014 show a loss for the 12 month period ended on that date of £6,237 and shareholders' funds at that date of £177,022. Included within Other Debtors (page 13) is an amount of £45,500 (2013 - £37,483) due from Elstead Hotel (Bournemouth) Ltd, relating to rent and management charge. Also included within Creditors (page 13) is an amount of £3,524 (2013 - £7,616) due to Elstead Hotel (Bournemouth) Ltd relating to accommodation.

The original cost of the Union's interest in this company is £2,025,000 advanced by the Union of Communication Workers prior to the date of merger in 1995. This was represented by a debenture and issue of shares.

During the year ended 31 December 2011 the Elstead Hotel cancelled 1,495,002 ordinary shares of nominal value £1 each as part of a share capital restructure. The Union's interest is now represented by:

- A debenture of £480,000 secured by a floating charge over the assets of the company.
- £50,000 ordinary shares of £1 each fully paid.

The accounting policy of the Union is to value unquoted investments at original cost or estimated current value if lower. In accordance with this policy the Union has revalued the shares of the company to an amount equal to the shareholders' funds as shown in the accounts of the company as at 31 December 2014. In December 2003, an impairment review was carried out and the Union reduced the carrying value of the shares by the shortfall in the valuation compared to the carrying value of the fixed assets held by the company.

During 2013, a decision was made to reclassify this impairment against the value of the property rather than the value of the shares. As such, the impairment against the shares has been reversed and instead, the impairment can now be seen against Land and Buildings (page 14).

The balance sheet value of the Union's interest in Elstead Hotel (Bournemouth) Ltd may be summarised as follows:

	Shares	Debenture
	£	£
As at 31 December 2013	183,251	480,000
Revaluation in year (based on draft accounts)	(6,229)	-
As at 30 December 2014	177,022	480,000

5 Staff Superannuation Schemes

At 30 December 2014 the Union operated three superannuation schemes providing benefits for Union employees based on final pensionable pay ("defined benefit schemes"). UCW Pensions 2001 and the NCU SSS are closed to new members. CWU 2000 Pension Scheme is open to new employees of the Union. All schemes are funded.

Contributions to the schemes are charged to the Income and Expenditure Account to spread the cost of pensions over employees' working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuaries at rates of between 27.8% and 41.9% of pensionable salaries. The actuaries use the projected unit method of valuation. Under this method the current service cost for closed schemes will increase as the members of the schemes approach retirement.

Amounts payable to the schemes by the union in accordance with actuarial advice were:

	2014	2013
	£	£
Staff Superannuation Schemes		
Normal Contributions	2,044,233	1,953,400
Special Contributions	1,665,767	2,666,600
	3,710,000	4,620,000

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

5 Staff Superannuation Schemes (continued)

The above amounts represent the amounts which would have been charged to the Income and Expenditure Account in 2014 and 2013, had Financial Reporting Standard No 17 "FRS 17" not been adopted in respect of accounting for retirement benefits. The amounts actually charged to the Income and Expenditure account and Statement of Total Recognised Gains and Losses are shown on pages 21.

The Union is considering the deficits in the various schemes in consultation with the respective scheme actuaries and taking advice on the amount of the future union contributions.

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with FRS 17, together with the assumptions used to determine the results, is set out below.

Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 30 December 2014. The deficit has been incorporated within the union's balance sheet in accordance with FRS 17.

The major assumptions used by the actuaries where:

	30 December	31 December
	2014	2013
Rate of Increase in Salaries	3.10 - 3.40%	3.50 - 4.50%
Rate of Increase in Pensions in Payment	2.10 - 3.20%	2.50 - 3.50%
Discount Rate	3.80%	4.50%
Inflations Rate	3.10 - 3.40%	3.50%

Mortality assumptions are based on a standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 25 years if they are male and for a further 28 years if they are female. For a member who retires in the future at age 60 the assumptions are that they will live on average for a further 26 years after retirement if they are male and for a further 29 years after retirement if they are female.

The Assets in the Schemes were:

	30 December	31 December
	2014	2013
	£m	£m
Diversified Growth Funds	49.6	47.2
Equities	13.5	14.0
Government Bonds	27.8	22.5
Corporate Bonds	15.6	12.9
Cash	0.4	0.6
	106.9	97.2
Irrecoverable Surplus	(7.5)	(3.0)
Total Assets	99.4	94.2

Analysis of amounts in Balance Sheet:

	30 December	31 December
	2014	2013
	£m	£m
<u>Changes in Present Value of Plan Liabilities</u>	£m	£m
Opening Value of Plan Liabilities	104.4	99.3
Current Service Costs	2.0	1.9
Interest Cost	4.7	4.2
Impact of Changes in Assumptions	2.6	2.9
Employee Contributions	0.3	0.3
Benefits and Other	(3.8)	(4.2)
Closing value of Plan Liabilities	110.2	104.4

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

5 Staff Superannuation Schemes (continued)

	30 December 2014	31 December 2013
	£m	£m
<u>Changes in Fair Value of Plan Assets</u>		
Opening Fair Value of Plan Assets	97.2	91.3
Expected Return on Assets	5.2	4.5
Actual Less Expected Return on Assets	4.3	0.7
Employer Contributions	3.7	4.6
Employee Contributions	0.3	0.3
Benefits and Other	(3.8)	(4.2)
	106.9	97.2
Irrecoverable Surplus on Plan Assets	(7.5)	(3.0)
Closing fair Value of Plan Assets	99.4	94.2
Present Value of Funded Obligations	(110.2)	(104.4)
Fair value of Plan Assets	99.4	94.2
Net Liability (as per balance sheet, page 13)	(10.8)	(10.2)

Analysis of the Amount Charged to Operating Surplus:

	30 December 2014	31 December 2013
	£m	£m
Current Service Cost	1.96	1.91
Past Service Cost	-	-
Total Operating Surplus	1.96	1.91

Analysis of the Amount (charged)/credited to Other Financial Income:

	30 December 2014	31 December 2013
	£m	£m
Expected Return on Pension Scheme Assets	5.18	4.48
Interest on Pension Scheme Liabilities	(4.67)	(4.19)
Net (charge) / credit	0.51	0.29

Analysis of amount recognised in the Statement of Total Recognised Gains and Losses (STRGL):

	30 December 2014	31 December 2013
	£m	£m
Actual Return Less Expected Return on Pension Schemes Assets	4.27	0.64
Experience Gains and Losses Arising on Scheme Liabilities	-	-
Changes in Assumptions Underlying the Present Value of Schemes Liabilities	(2.61)	(2.95)
Change in Irrecoverable Surplus on Plan Assets	(4.52)	(1.54)
	(2.86)	(3.85)

Defined Benefit Pension Plans:

	2014 £m	2013 £m	2012 £m	2011 £m	2010 £m
Defined Benefit Obligation	(110.2)	(104.4)	(99.3)	(88.0)	(79.4)
Plan Assets	99.4	94.2	89.9	83.6	75.4
Deficit	(10.8)	(10.2)	(9.4)	(4.4)	(4.0)
Experience Adjustments on Plan Liabilities *	(0.3)	(2.4)	0.6	(2.1)	2.1
Experience Adjustments on Plan Assets	4.3	0.7	1.9	4.9	1.9

* This item consists of gains/(losses) in respect of liability experience only and excludes any change.

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

6 Provision for Liabilities and Charges - Pensions

The Union's accounts need to show the value of the pension schemes that it sponsors. The accounting mechanism for doing this is called FRS 17 "Retirement Benefits". The assumptions used in calculating FRS 17 pension scheme valuations, as disclosed in note 5, are agreed between the employer and the schemes' actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

Using a FRS 17 valuation the Union's pension schemes at 30 December 2014 showed a total deficit of £10.84m.

	Date of Triennial Valuation	Triennial Valuation £m	FRS 17 Valuation £m	True and fair Override Additional Provision £m
UCW Pensions 2001	31/03/2012	(12.10)	(10.44)	(1.66)
NCU SSS	31/12/2011	(1.75)	2.35	(4.10)
CWU 2000	31/03/2011	(0.77)	(2.75)	1.98
		(14.62)	(10.84)	(3.78)

The latest triennial valuation reports as dated above are obviously not the same as the FRS 17 valuations at 30 December 2014. The Union were of the opinion that to include the pension schemes deficits at a FRS 17 accounting valuation of £10.84m at 30 December 2014 would have been misleading to its members, as the future funding plans/payments are based on the latest triennial valuations which total £14.62m.

As a result the Union decided to include a £3.78m (2013 - £4.38m) provision for the difference between the FRS 17 valuations and the latest triennial schemes in order to reflect its obligations to the schemes (as shown above). The movement in the true and fair provision has been recognised in the Statement of Total Gains and Losses and Reconciliation of Movement in Members' Funds (page 25)

By including the additional true and fair override provision in the accounts, the Union believes that they showed a prudent view of the pension schemes' deficits and that its members would be more able to understand the pension schemes funding obligations that the Union faces.

7 Branch Funds

The Branch Fund is ascertained from returns made by the branches of the Union. At 30 December 2014, there were 136 branches (2013 - 137). Branch Funds include Welfare Funds established under the rules of the Union. Branch Political Funds are incorporated into the Political Fund.

SUPPORTING SCHEDULES

A Federation and Other Bodies

Breakdown of Affiliations and Associated Expenses:

	30 December 2014	31 December 2013
	£	£
Trade Union Congress Affiliation	538,691	528,913
Scottish Trades Union Congress	22,689	22,521
Irish Congress of Trade Unions	11,941	11,326
Union Network International	304,863	308,581
Miscellaneous Affiliations	34,482	30,811
Delegations	111,394	78,624
Sundry Donations	29,341	12,478
Total as per General Fund Expenditure (page 3)	1,053,401	993,254

B List of Officials' as at 30 December 2014

National Executive Council Members

General Secretary - W Hayes

President - J Loftus

Vice President - B Shepherd

Voting Members

M Ali
P Browne
M Baulch
N Darbyshire
P Donaghy (position held until September 2014)
D Jukes (position held until August 2014)
M Kavanagh
J Loftus
C Maden
J Malone
C McGlynn
B O'Brien
K Quirke
D Robertson
K Rose
G Ryan
B Shepherd
J Upton
I Ward

SUPPORTING SCHEDULES (continued)

C Cash Flow Statement

	30 December 2014 £	31 December 2013 £
Net Cash Inflow from Operating Activities		
Total Fund Surplus (schedule D page 25)	4,078,130	4,761,105
Surplus on Revaluation of Investments	(169,179)	(445,673)
Deficit on Disposal of Quoted Investments	-	66
Surplus on Disposal of Fixed Assets	(3,418)	(159,809)
Depreciation Charges	310,817	436,789
Reclassification of Impairment against Elstead	-	(179,565)
Notional Pension Charge	(594,233)	(333,400)
Pension Deficit Reduction Payments	(1,665,767)	(2,666,600)
Decrease in Debtors	378,473	549,734
(Decrease) / Increase in Creditors	(86,698)	96,479
Increase in Political Fund Assets	(121,572)	(820,644)
Net Cash Inflow from Operating Activities	2,126,553	1,238,482
 Capital Expenditure		
Payments to Acquire Fixed Assets	(324,118)	(215,650)
 Management of Liquid Resources		
Proceeds from Sale of Assets	-	403,487
Proceeds from Insurance Claim	3,418	-
Long Term Loans Advanced	35,000	-
Repayment of Branch Bank Loans	(77,143)	(47,753)
Net Cash (Outflow) / Inflow from Management of Liquid Resources	(38,725)	355,734
 Financing		
Repayment of Long Term Loans	90,942	151,766
 Increase in Cash in the Year	1,854,652	1,530,332

Analysis of Changes in Net Liquid Funds:

	At 1 Jan 2014 £	Cash Flows £	At 30 Dec 2014 £
Cash in Hand and Imprests	148,647	25,926	174,573
Cash at Bank	4,724,864	1,431,512	6,156,376
Cash at Branches	5,614,092	397,214	6,011,306
Net Cash Position	10,487,603	1,854,652	12,342,255
 Bank Loans to Branches	(146,490)	42,143	(104,347)
 Net Liquid Funds	10,341,113	1,896,795	12,237,908

SUPPORTING SCHEDULES (continued)

D Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds

		FRS 17 Pension Adjustment directly to reserves	Transfer Between Funds	Surplus / (Deficit)	Fund Balances
	Fund Balances 30/12/14	2014	2014	2014	31/12/13
	£	£	£	£	£
General Fund (excluding Pension Fund)	4,740,423	-	(1,621,398)	2,603,992	3,757,829
Pension Fund (including Provision)	(14,620,000)	(2,260,000)	1,665,767	594,233	(14,620,000)
Total General Fund	(9,879,577)	(2,260,000)	44,369	3,198,225	(10,862,171)
Defence Fund	940,915			82,483	858,432
National Welfare Fund	52,848		(17,173)	9,073	60,948
Scholarship Fund	50,000		(31,468)	31,468	50,000
Property Reserve	19,423,222		80,428	-	19,342,794
Branch Fund	8,459,610		(76,156)	635,309	7,900,457
	19,047,018	(2,260,000)	-	3,956,558	17,350,460
Political Fund	1,649,463	-	-	121,572	1,527,891
Total Members' Funds and Recognised Gains and Losses	20,696,481	(2,260,000)	-	4,078,130	18,878,351

Fund surpluses and deficits are after allocations and transfers to other funds in accordance with the Union's accounting policies. Assets representing fund balances are summarised in the balance sheet on page 13.

ACCOUNTING POLICIES

(see notes 74 and 75)

- a) These accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards, modified by the revaluation of certain freehold property and investments and the inclusion of an additional liability in respect of the pension scheme deficit as a true and fair override (see note 6).

Income and expenditure is dealt with in the various fund accounts of the Union. The Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds summaries all fund surpluses and deficits of the Union.

- b) Depreciation is provided on all tangible fixed assets, except for freehold land, on a straight line basis, at rates estimated to write off the cost or valuation of each asset over its expected useful life.

The rates used are:

Buildings	2%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33⅓%

No depreciation is provided on freehold land. Where no information is available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used. Some of the buildings were revalued in 2010 and there is now a revaluation policy in place.

Original cost in the case of 150 The Broadway, Wimbledon, acquired as head office of the Union in 1997, includes capitalised interest, all acquisition and refurbishments costs and all costs incidental to the acquisition and removal of the head office of the Union to the location.

- c) Expenditure on leases other than finance leases ("operating leases") is charged to the General Fund Income and Expenditure Account in the period in which it is incurred.
- d) Investments are stated in the balance sheet on the following basis:
- | | |
|------------------------|---|
| Quoted investments - | at market value. |
| Unquoted investments - | at original cost or estimated current value as determined by either an independent 3rd party or board of the bank (Unity Trust Bank). |
- e) The carried policy for Union mortgages is contained within NEC document 86/10 (FOS 66/10) and circulated to branches on LTB 972/2010.
- f) The balance of the Property Reserve Fund is equated to the total costs or valuation of Land and Buildings less bank loans secured thereon by transfer to or from the General Fund and Branch Fund.
- g) Member's legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. No provision is made for outstanding legal costs not invoiced, or for reimbursements not received at the balance sheet date. All other income and expenditure is accounted for on an accruals basis.
- h) Provisions for future expenditure are included in the accounts only where the Union has a present obligation to meet such expenditure.
- i) Provision is made for corporation tax on investment income and capital gains arising in the year after relief given for provident benefits paid. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the unions properties or investments.
- j) Income and expenditure is shown in these accounts including Value Added Tax (VAT) where applicable.
- k) Contributions include those amounts receivable from members in respect of the year under review.

ACCOUNTING POLICIES

(see notes 74 and 75)

- l) Income from Conditional Fee Agreements is recognised in the accounts when the amount to be received is known with certainty.
- m) The Union's pension schemes are defined benefit schemes. The amounts charged to Income and Expenditure Account are the current service costs. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The assets of the schemes are held separately from those of the Union in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected method and a discounted rate equivalent to the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Acting General Secretary Signature: <u><i>A P Kearns</i></u> Name: <u>A P Kearns</u> Date: <u>30/04/2015</u>	Deputy General Secretary (P) Signature: <u><i>Dave Ward</i></u> Name: <u>D Ward</u> Date: <u>30/04/2015</u>
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CHECK LIST

(see notes 78 and 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES
HAS THE RETURN BEEN SIGNED? (see Page 19 and 21 and Notes 2 and 77)	YES
HAS THE AUDITORS REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES
A MEMBERS STATEMENT IS: (see Note 80)	ENCLOSED
HAS THE SUMMARY SHEET BEEN COMPLETED? (see Page 17 and Notes 7 and 59)	YES

AUDITORS REPORT

(see notes 81 to 86)

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

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

YES

- 2 Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- a) whether the trade union had 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) where the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES

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

YES

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

AUDITORS REPORT (continued)

(see notes 81 to 86)

Independent Auditor's Report

(As contained within the 2014 CWU Accounts)

We have audited the accounts of the Communication Workers Union for the year ended 30 December 2014 which comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the Union 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 members of the Union those matters we are required to state to them in an independent 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 members of the Union as a body, for our work, for this report, or for the opinion we have formed.

Respective Responsibilities of the Union's Executive Council and Auditor

As explained more fully in the Statement of Responsibilities of the Union, the Executive Council is responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and accounting standards.

We have been appointed as auditors and 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 (APB's) Ethical Standards for Auditor.

Scope of the Audit of the Accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Senior Deputy General Secretary to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 30 December 2014, and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

AUDITORS REPORT (continued)

(see notes 81 to 86)

Independent Auditor's Report (continued)

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 (Amended) requires us to report to you by, if in our opinion:

- The Union has not kept proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- A satisfactory system of control over transactions has not been maintained;
- The accounts are not in agreement with accounting records;
- We have not received all the information and expenditure we require for our audit.

Signature of Auditor:

Chantrey Vellacott DAC LLP

Name:

Chantrey Vellacott

Profession:

Registered Auditor Chartered Accountants

Address:

Russel Square House
10-12 Russell Square
London
WC1B 5LF

Date:

30/04/2015

Contact Name and Telephone Number:

GARETH JONES
0207 509 9214

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