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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	The Fire Brigades Union
Year ended:	31 December 2015
List no:	332T
Head or Main Office:	Bradley House 68 Coombe Road Kingston Upon Thames Surrey KT2 7AE
Website address (if available)	fbu.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:	Matt Wrack
Telephone Number:	020 8541 1765
Contact name for queries regarding	Nigel Headley
Telephone Number:	020 8541 1765
E-mail:	nigel.headley@fbu.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

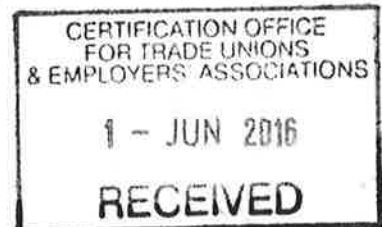
The address to which returns and other documents should be sent are:

**For Unions based in England and Wales:**

Certification Office for Trade Unions and Employers' Associations  
22<sup>nd</sup> Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

**For Unions based in Scotland:**

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



(Revised February 2011)

## The Fire Brigades Union

List of Officers in Post as at 31 December 2015

M. Wrack	General Secretary
A. Dark	Assistant General Secretary
J. McGhee	National Officer
S. Starbuck	National Officer
D. Green	National Officer

# 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	31,856	1,554			<b>33,410</b>
FEMALE	2,322	78			<b>2,400</b>
TOTAL	34,178	1,632			<b>A 35,810</b>

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

0
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Number of members at end of year contributing to the General Fund

35,810
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## OFFICERS IN POST

(see note 12)

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

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
National officer	Paul Woolstenholmes		31 January 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)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		8,691,572
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		8,691,572
<b>Investment income (as at page 12)</b>		50,156
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	38,454	
<b>Total of other income (as at page 4)</b>		38,454
		<b>TOTAL INCOME</b>
		8,780,182
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		434,315
<b>Administrative expenses (as at page 10)</b>		7,791,611
<b>Federation and other bodies (specify)</b>		
TUC	102,993	
Other	57,281	
<b>Total expenditure Federation and other bodies</b>		160,274
<b>Taxation</b>		
		<b>TOTAL EXPENDITURE</b>
		8,386,200
		Surplus (deficit) for year
		393,982
		Amount of general fund at beginning of year as restated under FRS 102 (see below)
		452,404
		Amount of general fund at end of year
		846,386

The general fund brought forward has been restated as a result of the transition to FRS 102, the new UK accounting standard for the year ended 31 December 2015. The date of transition was the 1 January 2014. The general fund brought forward per the 2014 signed AR21 was £246.8k. The increase of £205.6k is due to an increase in the value of the investment portfolio which has been restated from historical cost to market value. Further detail can be seen in the Note 13 of the notes to the accounts which are attached.

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

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Sale of publications and merchandise	632	
Other income	12,039	
Commission received	15,510	
VAT recoverable	10,273	
<b>TOTAL OTHER INCOME</b>		<b>38,454</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>38,454</b>

## ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		<b>brought forward</b>	
		Education and Training services Education	153,496
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications			
		Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
		Legal fees	278,259
Dispute Benefits		Support	2,560
Other Cash Payments			
<b>carried forward</b>		<b>Total (should agree with figure in General Fund)</b>	<b>434,315</b>

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Accident and injury fund	£	£
<b>Income</b>			
	From members		1,401,400
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		1,401,400
<b>Expenditure</b>			
	Benefits to members		1,156,751
	Administrative expenses and other expenditure (as at page 10)		211,813
	<b>Total Expenditure</b>		1,368,564
	<b>Surplus (Deficit) for the year</b>		32,836
	<b>Amount of fund at beginning of year</b>		5,203,281
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		5,236,117
	<b>Number of members contributing at end of year</b>		34,086

FUND 3		Fund Account	
Name:	Union learning fund	£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Grants		764,331
	<b>Total other income as specified</b>		
	<b>Total Income</b>		764,331
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		764,331
	<b>Total Expenditure</b>		764,331
	<b>Surplus (Deficit) for the year</b>		0
	<b>Amount of fund at beginning of year</b>		0
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		0
	<b>Number of members contributing at end of year</b>		0

(See notes 24 and 25)

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

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



(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		<b>Total other income as specified</b>	
		<b>Total Income</b>	
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		<b>Total Expenditure</b>	
		<b>Surplus (Deficit) for the year</b>	
		<b>Amount of fund at beginning of year</b>	
		<b>Amount of fund at the end of year (as Balance Sheet)</b>	
		<b>Number of members contributing at end of year</b>	

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

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>f</b>	<b>f</b>
<b>Income</b>	Members contributions and levies		244,637
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		244,637
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		368,709
	Non-political expenditure		
	Total expenditure		368,709
	Surplus (deficit) for year		(124,072)
	Amount of political fund at beginning of year		804,863
	Amount of political fund at the end of year (as Balance Sheet)		680,791
	Number of members at end of year contributing to the political fund		29,481
	Number of members at end of the year not contributing to the political fund		6,329
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		5,407

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

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

(see notes 32 and 33)

<b>Administrative Expenses</b>		£
Remuneration and expenses of staff		2,107,435
Salaries and Wages included in above	£1,260,319	
Auditors' fees		47,120
Legal and Professional fees		533,769
Occupancy costs		643,502
Stationery, printing, postage, telephone, etc.		827,089
Expenses of Executive Committee (Head Office)		888,975
Expenses of conferences		315,164
Other administrative expenses (specify)		
Firefighter		234,540
Commissions, reports and goods for presentation/campaigns		213,506
Organisation		1,793,823
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation and p/l disposal of assets and investments		22,599
Taxation		
Outgoings on land and buildings (specify)		
ULF/comprehensive expense/donations/advertising/ballots/bank charges		883,233
Other comprehensive expense, being the FRS 102 movements on the defined benefit pension scheme		257,000
<b>Total</b>		<b>8,767,755</b>
Charged to:		
General Fund (Page 3)		7,791,611
Fund (Account 2)		211,813
Fund (Account 3)		764,331
Fund (Account )		
Fund (Account )		
<b>Total</b>		<b>8,767,755</b>

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions £	Other Benefits		
				Description	Value £	
General Secretary	72,178	8,891	48,503	Car	6,003	135,575
Assistant General Secretary	68,087	8,284	45,755	Car	5,909	128,035
National Officer	62,851	7,748	42,236	Car and fuel	12,949	125,784
National Officer	62,851	7,676	42,236	Car, fuel and loan	12,580	125,343
National Official	62,851	7,752	42,236	Car and fuel	10,314	123,153
National Official	5,214	628	3,504	Car	297	9,643

## ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			42,027
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			8,129
Other investment income (specify)			
<b>Total investment income</b>			<b>50,156</b>
Credited to:			
General Fund (Page 3)			50,156
Fund (Account )			
Fund (Account )			
Fund (Account )			
Fund (Account )			
Fund (Account )			
Political Fund			
<b>Total Investment Income</b>			<b>50,156</b>

## BALANCE SHEET as at 31 December 2015

(see notes 47 to 50)

Previous Year RESTATED*		£	£
2,457,691	<b>Fixed Assets</b> (at page 14)		2,154,675
	<b>Investments</b> (as per analysis on page 15)		
956,029	Quoted at market value (Historical cost £745,437)	941,099	
240,530	Unquoted at fair value (Historical cost £240,530)	480,530	
1,196,559	<b>Total Investments</b>		1,421,629
	<b>Other Assets</b>		
312,829	Long term loans		175,834
948,067	Debtors		807,864
4,287,644	Cash at bank and in hand		4,584,605
	Others (specify)		
5,548,540	<b>Total of other assets</b>		5,568,303
9,202,790	<b>TOTAL ASSETS</b>		9,144,607
452,404	Fund (Account 1)		846,386
5,203,281	Fund (Account 2)		5,236,117
	Superannuation Fund (Account )		
804,863	Political Fund (Account 1)		680,791
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
375,207	Trade creditors		343,442
121,679	Hire purchase		
375,690	Sundry creditors		208,065
945,666	Accrued expenses		713,806
	Provisions		
924,000	Pension liabilities		1,116,000
2,742,242	<b>TOTAL LIABILITIES</b>		2,381,313
9,202,790	<b>TOTAL ASSETS</b>		9,144,607

\* The 2014 comparatives have been restated as a result of the transition to FRS 102, the new UK accounting standard. The date of transition was 1 January 2014 and the accounts for the year ended 31 December are the first set of accounts to be prepared under FRS 102.

## FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year	2,157,456	748,045	1,251,624	164,721		4,321,846
Additions			81,674			81,674
Disposals	(100,000)			(19,790)		(119,790)
Revaluation/Transfers						
At end of year	2,057,456	748,045	1,333,298	144,931		4,283,730
<b>Accumulated Depreciation</b>						
At start of year	784,172	185,398	753,627	140,958		1,864,155
Charges for year	40,066	18,701	222,975	17,948		299,690
Disposals	(15,000)			(19,790)		(34,790)
Revaluation/Transfers						
At end of year	809,238	204,099	976,602	139,116		2,129,055
<b>Net book value at end of year</b>						
	1,248,218	543,946	356,696	5,815		2,154,675
<b>Net book value at end of previous year</b>						
	1,373,284	562,647	497,997	23,763		2,457,691

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)	941,099	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED AT MARKET VALUE (as Balance Sheet)	941,099	
Historical Cost of Quoted Investment	735,437	
<b>UNQUOTED</b>		
Equities		
Unity Trust Bank	480,000	
Other	530	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED AT FAIR VALUE (as Balance Sheet)	480,530	
Historical Cost of Unquoted Investments	240,530	



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

## SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	10,092,972	244,637	10,337,609
From Investments	50,156		50,156
Other Income (including increases by revaluation of assets)	1,042,785		1,042,785
<b>Total Income</b>	11,185,913	244,637	11,430,550
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	10,759,095	368,709	11,127,804
<b>Funds at beginning of year as restated under FRS 102</b> (including reserves)	5,655,685	804,863	6,460,548
<b>Funds at end of year</b> (including reserves)	6,082,503	680,791	6,763,294
<b>ASSETS</b>			
Fixed Assets			2,154,675
Investment Assets			1,421,629
Other Assets			5,568,303
		<b>Total Assets</b>	9,144,607
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	2,381,313
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			6,763,294

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

SEE ATTACHED

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

#### 1 Accounting Policies

- (a) These accounts have been prepared under the historical cost convention and in accordance with UK GAAP, including Financial Reporting Standard 102 ("FRS 102"), modified by the revaluation of fixed asset investments. Income and expenditure is dealt with in the various fund accounts of the union.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102. The union transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance are set out in note 13.

- (b) Fixed assets are initially recorded at cost. 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	2.50%
Computer equipment	25%
Fixtures or fittings	10% or 20%
Motor vehicles	25%

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.

- (c) Rental payments in respect of operating leases are charged to the general fund income and expenditure account in the period in which they are incurred. Assets held under finance leases and hire purchase contracts are capitalised and depreciated over the shorter period of the lease and the useful economic lives of the assets. The finance charges are allocated over the period of the lease and are charged to the statement of comprehensive income.

- (d) Investments are stated in the balance sheet on the following basis:

Quoted investments – at market value

Unquoted investments – at market value unless no market value can be obtained without undue care and effort, in which case they are held at cost.

Provision is made against investments where there is a permanent impairment in value. Income from the investments is recognised when the monies are received.

- (e) Members' 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.
- (f) Provisions for future expenditure are included in the accounts, only where the union has a present obligation to meet such expenditure.
- (g) Provision is only made for material 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 union's properties or investments.
- (h) Under FRS 102, deferred tax is recognised in respect of all timing differences which are differences between the taxable profits and total comprehensive income that arises from the inclusion of income and expenses in tax assessments in periods difference from those in which they are recognised in the financial statements. No deferred tax has been recognised in respect of the revaluation of investments to market value on the basis that sufficient provident benefits exist to cover the capital gains should the investments be sold.
- (i) Contributions include those amounts receivable from members in respect of the year under review.

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

- (j) The union operates two defined benefit pension schemes as detailed in Note 9. The national officials' scheme is in a net asset position. The asset has been recognised in accordance with section 28 of FRS 102 on the basis that it would be recoverable by the union after members' benefits have been secured, as detailed in the scheme rules. The staff scheme is in a net liability position. The pension scheme asset and pension scheme liability are shown separately on the Statement of Financial Position and not offset as this is not allowed under FRS 102.

For the defined benefit schemes the amounts charged to the operating profit are the costs arising from the employee services rendered during the period and the costs of plan introductions, benefit changes, settlements and curtailments. They are included in staff costs. The net interest cost on the defined benefit liability is charged to the profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in the net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Association in the separate trustee administered funds. Pension schemes assets are measured at fair value and liabilities are measured on the actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each date of the statement of financial position.

- (k) Accident and injury fund contributions are recognised on an accrual basis in accordance with union rules. Provisions for expenditure are included in the accounts when there is certainty that a future payment will be made as at the date of the statement of financial position.
- (l) All union learning fund grant income is recognised as and when the union is entitled to the monies and matched against relevant expenditure.
- (m) The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the union. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

#### *Taxation*

The tax expense for the year comprises current and deferred tax. Management estimation is required to determine the amount of deferred tax assets or liabilities that need to be recognised, based upon likely timing and level of future taxable profits.

#### *Defined benefit pension and other post-employment benefits*

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 9.

#### *Depreciation and residual values*

Management have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

	2015 £	2014 £
<b>2 Benefits</b>		
Legal fees	<b>278,259</b>	444,803
Education	<b>153,496</b>	162,472
Accident and injury claims	<b>1,156,751</b>	1,083,614
Payments for support	<b>2,560</b>	25,950
	<b>1,591,066</b>	1,716,839
<b>3 Administration</b>		
Salaries and national insurance contributions	<b>1,657,659</b>	1,769,438
Pension contributions	<b>585,223</b>	624,917
FRS102 pension scheme adjustment (note 9)	<b>(97,000)</b>	(209,000)
Travel	<b>339,026</b>	320,122
Mileage	<b>497,046</b>	540,005
Hotels	<b>196,532</b>	259,160
Subsistence and evening meals	<b>398,604</b>	423,204
Officials' allowance	<b>624,214</b>	627,102
Motor expenses	<b>12,467</b>	37,262
PAYE agreement	<b>4,637</b>	7,321
Other organising expenses	<b>29,843</b>	38,178
Trade union leave	<b>823,594</b>	730,543
Reports, journals and subscriptions	<b>75,307</b>	66,432
Ballot expenses	<b>37,416</b>	69,671
Donations	<b>114,599</b>	78,190
Goods for presentations and campaigning	<b>47,954</b>	266,679
Repairs and renewals	<b>33,975</b>	32,344
Office expenses	<b>578,601</b>	548,631
Communications	<b>619,337</b>	615,954
Printing and stationery	<b>266,086</b>	259,610
Advertising	<b>20,661</b>	59,200
Insurance	<b>30,926</b>	36,681
Bank charges and interest payable	<b>18,475</b>	17,513
Audit, pension audit and accountancy	<b>47,120</b>	41,440
Professional fees	<b>617,179</b>	399,461
	<b>7,579,481</b>	7,660,058

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

	Land & buildings £	Fixtures fittings & equipment £	Motor vehicles £	Total £
<b>4 Fixed assets</b>				
<b>Cost</b>				
1 January 2015	2,905,501	1,251,624	164,721	4,321,846
Additions	–	81,674	–	81,674
Disposals	(100,000)	–	(19,790)	(119,790)
31 December 2015	<u>2,805,501</u>	<u>1,333,298</u>	<u>144,931</u>	<u>4,283,730</u>
<b>Depreciation</b>				
1 January 2015	969,570	753,627	140,958	1,864,155
Charge for the year	58,767	222,975	17,948	299,690
Disposals	(15,000)	–	(19,790)	(34,790)
31 December 2015	<u>1,013,337</u>	<u>976,602</u>	<u>139,116</u>	<u>2,129,055</u>
<b>Net book value</b>				
31 December 2015	<u><b>1,792,164</b></u>	<u><b>356,696</b></u>	<u><b>5,815</b></u>	<u><b>2,154,675</b></u>
<b>Net book value</b>				
31 December 2014	<u>1,935,931</u>	<u>497,997</u>	<u>23,763</u>	<u>2,457,691</u>
<b>5 Investments</b>				
Quoted equities and unit trusts (note 5a)			<b>2015 £</b>	2014 £
			<b>941,099</b>	956,029
Unquoted equities (note 5b)			<b>480,530</b>	240,530
<b>Fair value of total investments</b>			<u><b>1,421,629</b></u>	<u>1,196,559</u>
<b>a) Quoted equities and unit trusts</b>				
			<b>2015 £</b>	2014 £
Market value at 1 January			<b>956,029</b>	904,779
Additions at fair value			<b>24,802</b>	63,121
Disposal proceeds			<b>(29,295)</b>	(43,771)
Change in fair value of investments				
Realised loss on sale of investments			<b>(497)</b>	(8,075)
(Loss)/surplus on revaluation of financial assets to fair value			<b>(9,940)</b>	39,975
<b>Market value at 31 December</b>			<u><b>941,099</b></u>	<u>956,029</u>
<b>Historical cost at 31 December</b>			<u><b>745,437</b></u>	<u>750,427</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

### 5 Investments (continued)

All investments related to quoted investments on readily accessible markets, primarily the London Stock Exchange. Investment are carried at fair value, being the market value at the year end. Asset sales and purchases are recognised at their transaction value. The main investment risk lies in the combination of uncertain investment markets and volatility in yield. The union manages these risks by retaining expert advisors.

#### b) Unquoted equities

Unquoted shares held by the union at the year end are broken down as follows:

- > 240,000 Unity Trust Bank plc ordinary shares held at fair value of £2/share.
- > 530 Labour Education, Rec. and Holiday Homes Ltd shares held at cost of £1/share.

	2015 £	2014 £
Market value at 1 January	240,530	240,530
Surplus on revaluation of financial assets to fair value	240,000	–
<b>Market value at 31 December</b>	<b>480,530</b>	<b>240,530</b>

No provision for permanent impairment in value of investments is considered necessary.

### 6 Long-term loans

	2015 £	2014 £
<b>Mortgages repayable</b>	<b>152,799</b>	289,794
<b>Loans – co-op societies</b>		
CRS London Ltd.	35	35
People's Press Printing Society Ltd.	20,000	20,000
<b>Loans – co-op societies</b>		
Scottish TUC	3,000	3,000
	<b>175,834</b>	<b>312,829</b>

The mortgage loans to officials are secured by a charge on the property.

Under FRS 102, financial assets such as mortgages should be held at the present value of future payments discounted at a market rate of interest for a similar instrument. The union has made the decision not to reduce the value of the mortgages to amortised cost on the basis that this adjustment would be misleading to the users of the financial statements as it does not reflect the cash position of the mortgages. Furthermore, the adjustment is immaterial to the financial statements.



## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

	2015 £	2014 £
<b>7 Debtors</b>		
Trade debtors	<b>399,114</b>	514,598
Other debtors	<b>108,407</b>	148,348
Prepayments	<b>300,343</b>	285,121
	<b>807,864</b>	948,067

	2015 £	2014 £
<b>8 Current liabilities</b>		
Trade creditors	<b>343,442</b>	375,207
Hire purchase creditors	-	121,679
Other creditors	<b>208,065</b>	375,690
Accruals	<b>713,806</b>	945,666
	<b>1,265,313</b>	1,818,242

### 9 Defined benefit pension fund

	Staff Scheme		Officials' Scheme	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Opening balance	<b>(1,743)</b>	(1,439)	<b>819</b>	1,095
Current service cost	<b>(195)</b>	(159)	<b>(231)</b>	(197)
Administration expenses	<b>(17)</b>	(17)	<b>(21)</b>	(21)
Contributions by the union	<b>301</b>	343	<b>260</b>	260
Gain on settlements	<b>(2,139)</b>	-	-	-
Loss on business combinations	<b>2,139</b>	-	-	-
Total service cost	<b>89</b>	167	<b>8</b>	42
Net interest cost	<b>(61)</b>	(81)	<b>29</b>	50
Actuarial (loss)/gain	<b>(423)</b>	(390)	<b>166</b>	(368)
Closing balance	<b>(2,138)</b>	(1,743)	<b>1,022</b>	819

	Combined	
	2015 £'000	2014 £'000
Opening balance	<b>(924)</b>	(344)
Current service cost	<b>(426)</b>	(356)
Administration expenses	<b>(38)</b>	(38)
Contributions by the union	<b>561</b>	603
Gain on settlements	<b>(2,139)</b>	-
Loss on business combinations	<b>2,139</b>	-
Total service cost	<b>97</b>	209
Net interest cost	<b>(32)</b>	(31)
Actuarial loss	<b>(257)</b>	(758)
Closing balance	<b>(1,116)</b>	(924)

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

#### 9 Defined benefit pension fund (continued)

The major assumptions used by the actuary for the national officials' scheme.

	At 31.12.2015	At 31.12.2014
Rate of increase in salaries	1.5%	1.5%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.2%	1.9%
Allowance for pension in payment increases of RPI or 5% if less	3.2%	2.9%
Discount rate	3.8%	3.5%
Inflation rate (RPI)	3.2%	2.9%
Inflation rate (CPI)	2.2%	1.9%

The assets in the scheme and the expected rate of return for the national officials' scheme

	% of total Scheme assets	Value at 31.12.2015 £'000	% of total Scheme assets	Value at 31.12.2014 £'000
With profits fund	48%	4,303	45%	3,830
Secured annuities	52%	4,612	55%	4,759
Total market value of assets		<u>8,915</u>		<u>8,589</u>

The major assumptions used by the actuary for the clerical staff scheme.

	At 31.12.2015	At 31.12.2014
Rate of increase in salaries	1.5%	1.5%
Rate of increase for deferred pensioners	2.2%	2.5%
Rate of increase of pensions in payment	3.2%	3.1%

The mortality assumptions are in accordance with the S1PA CMI 2011 (1.25%)

The assets in the scheme and the expected rate of return for the clerical staff scheme

	% of total Scheme assets	Value at 31.12.2015 £'000	% of total Scheme assets	Value at 31.12.2014 £'000
Cash accumulation policy	40%	1,950	50%	2,610
Secured annuities	60%	2,932	50%	2,605
Total market value of assets		<u>4,882</u>		<u>5,215</u>

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

### 9 Defined benefit pension fund (continued)

The amounts recognised in the statement of financial position are as follows:

	2015 National officials' scheme £'000	2015 Clerical staff scheme £'000	2015 Total £'000	2014 National officials' scheme £'000	2014 Clerical staff scheme £'000	2014 Total £'000
Present value of defined benefit obligation	(7,893)	(7,020)	(14,913)	(7,770)	(6,958)	(14,728)
Fair value of scheme assets	8,915	4,882	13,797	8,589	5,215	13,804
Net asset/(liability) recognised	1,022	(2,138)	(1,116)	819	(1,743)	(924)

The amounts recognised in the income and expenditure account are as follows:

Service costs	231	195	426	197	159	356
Administration expenses	21	17	38	21	17	38
Net interest (credit)/charge	(29)	61	32	(50)	81	31
Gain on settlements	(2,139)	–	(2,139)	–	–	–
Loss on business combinations	2,139	–	2,139	–	–	–
Total recognised	223	273	496	168	257	425
Actual return on scheme assets	256	(517)	(261)	772	(97)	675

The amounts recognised in other comprehensive income:

Actuarial gains/(losses)	153	285	438	(859)	(39)	(898)
Return on assets excluding amount included in net interest	(46)	(708)	(754)	444	(351)	93
Experience gains arising on the plan liabilities	59	–	59	47	–	47
Total recognised	166	(423)	(257)	(368)	(390)	(758)

## NOTES TO THE ACCOUNTS

For the year ended 31 December 2015

### 9 Defined benefit pension fund (continued)

	2015 National officials' scheme £'000	2015 Clerical staff scheme £'000	2015 Total £'000	2014 National officials' scheme £'000	2014 Clerical staff scheme £'000	2014 Total £'000
Reconciliation of opening and closing balances of the present value of scheme liabilities:						
Scheme liabilities at 1 January	7,770	6,958	14,728	6,623	7,411	14,034
Current service cost	231	195	426	197	159	356
Expenses	21	–	21	21	–	21
Secured liability in members' names	–	–	–	–	(872)	(872)
Interest cost	273	252	525	299	335	634
Contributions by scheme participants	42	31	73	43	32	75
Settlements	–	(7,020)	(7,020)	–	–	–
Business combination	–	7,020	7,020	–	–	–
Actuarial (gain)/loss	(212)	(285)	(497)	812	39	851
Benefits paid	(232)	(131)	(363)	(225)	(146)	(371)
Scheme liabilities at 31 December	7,893	7,020	14,913	7,770	6,958	14,728

Reconciliation of opening and closing balances of the fair value of scheme assets

Fair value of scheme assets at 1 January	8,589	5,215	13,804	7,718	5,972	13,690
Expected return on scheme assets	302	191	493	349	254	603
Expenses	–	(17)	(17)	–	(17)	(17)
Actuarial (loss)/gain	(46)	(708)	(754)	444	(351)	93
Contributions by employer	260	301	561	260	343	603
Contributions by scheme participants	42	31	73	43	32	75
Settlements	–	(4,881)	(4,881)	–	–	–
Business combination	–	4,881	4,881	–	–	–
Secured liability in members' names	–	–	–	–	(872)	(872)
Benefits paid	(232)	(131)	(363)	(225)	(146)	(371)
Fair value of scheme assets at 31 December	8,915	4,882	13,797	8,589	5,215	13,804

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

#### 9 Defined benefit pension fund (continued)

##### *National Officials' Scheme*

The most recently completed actuarial valuation as at 31 October 2011 showed a surplus of £28,000, hence no deficit contribution is required. However in accordance with the actuarial valuation, the union has agreed with the trustees that it will pay 67.2% of pensionable earnings in respect of the cost of accruing benefits. This includes an allowance to cover standard administration and management fees that are deducted annually from the scheme's assets. In addition, the employer will pay amounts into the scheme equal to the levy payments made by the scheme to the Pension Protection Fund. Insurance premiums for death in service benefits and any fees other than standard policy charges are also payable in addition as and when they are due. Member contributions are payable in addition at the rate of 11.0% of pensionable pay. Contributions will be revised as part of the 31 October 2014 valuation.

##### *FBU Clerical Staff Pension Scheme - future funding obligation*

The last actuarial valuation of the FBU Clerical Staff Pension Scheme was performed by the Actuary for the Trustees as at 30 June 2014. The union agreed to pay annual contributions of 30.00% of members' pensionable salaries, less the members' contributions, each year, plus payments to pay off the deficit of £106,000 pa for 10 years. The Scheme closed to future accrual on 30 October 2015, and all assets and liabilities were transferred to the FBU Pension Scheme on 23 December 2015. The union agreed to continue contributions in line with the existing Schedule of Contributions, with the first valuation of the FBU Pension Scheme to be performed in 2016.

##### *Transition from FRS 17 to FRS 102*

Annuities held in the name of the trustees have been included as an asset and in the defined benefit obligation. The amounts are of equal value and there is no change in the amount of net defined benefit asset/liability. Interest cost is equal to interest income and actuarial gains/losses on the assets is equal to actuarial gains/losses on the defined benefit obligation.

Administration (that is non investment expenses) are now shown separately from the current service cost. Under FRS17, such expenses were included in the service cost.

Under FRS17 the expected return on the defined benefit scheme assets was recognised in the profit or loss account. Under FRS102, a net interest cost, based on the net defined benefit liability is recognised in the profit or loss account. There has been no change in the defined benefit liability at either 31 December 2015 or 31 December 2014. The effect of the changes has been to increase the cost to the profit or loss account in the year to 31 December 2014 by £44,000 and increase the credit in other comprehensive income by the same amount.

#### 10 Taxation

The union is not liable to tax on income from its members. Taxation is payable to the extent that investment income and capital gains exceed allowable provident benefits.

#### 11 Operating leases

As at 31 December 2015 the union has future commitments under non-cancellable operation leases as follows:

	2015 £	2014 £
Within one year	106,842	114,298
Between two and five years	93,842	199,968
In more than five years	-	-

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

#### 12 Key management personnel

Key management personnel compensation of £647,533 (2014 – £748,021) was paid in the year, comprising salary, benefits in kind, employer national insurance contributions and employer pension contributions. See analysis of officials' salaries and benefits for a further breakdown of the key management personnel compensation.

#### 13 Transition statement

This is the first year that the union has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The transition date was 1 January 2014. The union's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 December 2014. The transition to FRS 102 has resulted in a number of changes in the union's accounting policies compared to those used when applying previous UK GAAP. The following explanatory notes to the financial statements describe the difference between the results presented under previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended 31 December 2014, as well as the fund totals in the opening statement of financial position (i.e. at the date of transition, being 1 January 2014).

	Total funds as at 1 January 2014	Income and expenditure for the year ended 31 December 2014	Other comprehensive income for the year ended 31 December 2014	Total funds as at 31 December 2014
	£	£	£	£
Total funds as stated under previous UK GAAP	6,449,117	673,829	(868,000)	6,254,946
<b>Transitional adjustments:</b>				
1) Revaluation of investments	171,676	33,926	–	205,602
2) Inclusion in Income and Expenditure of interest on defined benefit scheme assets rather than expected return on scheme assets	–	(110,000)	–	(110,000)
2) Inclusion of actual returns on scheme assets in Other Comprehensive Income	–	–	110,000	110,000
<b>Total funds as stated under FRS 102</b>	<b>6,620,793</b>	<b>597,755</b>	<b>(758,000)</b>	<b>6,460,548</b>

#### 1) Revaluation of investments

Under previous UK GAAP, the union adopted a policy of measuring investment assets at cost less impairments. FRS 102 requires that investments be measured at fair value, with changes in fair value recognised in the statement of comprehensive income. The effect has been to uplift the value of investments at the date of transition, being 1 January 2014, and adjusting the value of these investments to fair value during the year ended 31 December 2014.

#### 2) Pension movements

Under previous UK GAAP the expected return on the defined benefit scheme assets was recognised in Income and Expenditure. Under FRS 102, a net interest cost, based on the net defined benefit liability is recognised in the statement of comprehensive income. There has been no change in the defined benefit liability – the effect has been to increase the cost to the Income and Expenditure and increase the credit to Other Comprehensive Income.

# ACCOUNTING POLICIES



(see notes 74 and 75)

SEE ATTACHED.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

General Secretary's Signature: <u></u> Name: <u>  Matt Wrack  </u>	President's Signature: <u></u> (or other official whose position should be stated) Name: <u>  Alan McLean  </u>
Date: <u>  16<sup>th</sup> May 2016  </u>	Date: <u>  16<sup>th</sup> May 2016  </u>

## 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)	ENCLOSE D	<input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

#### 1 Accounting Policies

- (a) These accounts have been prepared under the historical cost convention and in accordance with UK GAAP, including Financial Reporting Standard 102 ("FRS 102"), modified by the revaluation of fixed asset investments. Income and expenditure is dealt with in the various fund accounts of the union.

Before 2015 the financial statements were prepared in accordance with UK GAAP applicable prior to the adoption of FRS 102. The union transitioned from previous UK GAAP to FRS 102 as at 1 January 2014. Details of how FRS 102 has affected the reported financial position and financial performance are set out in note 13.

- (b) Fixed assets are initially recorded at cost. 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	2.50%
Computer equipment	25%
Fixtures or fittings	10% or 20%
Motor vehicles	25%

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.

- (c) Rental payments in respect of operating leases are charged to the general fund income and expenditure account in the period in which they are incurred. Assets held under finance leases and hire purchase contracts are capitalised and depreciated over the shorter period of the lease and the useful economic lives of the assets. The finance charges are allocated over the period of the lease and are charged to the statement of comprehensive income.
- (d) Investments are stated in the balance sheet on the following basis:  
Quoted investments – at market value  
Unquoted investments – at market value unless no market value can be obtained without undue care and effort, in which case they are held at cost.  
Provision is made against investments where there is a permanent impairment in value. Income from the investments is recognised when the monies are received.
- (e) Members' 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.
- (f) Provisions for future expenditure are included in the accounts, only where the union has a present obligation to meet such expenditure.
- (g) Provision is only made for material 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 union's properties or investments.
- (h) Under FRS 102, deferred tax is recognised in respect of all timing differences which are differences between the taxable profits and total comprehensive income that arises from the inclusion of income and expenses in tax assessments in periods difference from those in which they are recognised in the financial statements. No deferred tax has been recognised in respect of the revaluation of investments to market value on the basis that sufficient provident benefits exist to cover the capital gains should the investments be sold.
- (i) Contributions include those amounts receivable from members in respect of the year under review.



## NOTES TO THE ACCOUNTS

### For the year ended 31 December 2015

- (j) The union operates two defined benefit pension schemes as detailed in Note 9. The national officials' scheme is in a net asset position. The asset has been recognised in accordance with section 28 of FRS 102 on the basis that it would be recoverable by the union after members' benefits have been secured, as detailed in the scheme rules. The staff scheme is in a net liability position. The pension scheme asset and pension scheme liability are shown separately on the Statement of Financial Position and not offset as this is not allowed under FRS 102.

For the defined benefit schemes the amounts charged to the operating profit are the costs arising from the employee services rendered during the period and the costs of plan introductions, benefit changes, settlements and curtailments. They are included in staff costs. The net interest cost on the defined benefit liability is charged to the profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in the net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Association in the separate trustee administered funds. Pension schemes assets are measured at fair value and liabilities are measured on the actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each date of the statement of financial position.

- (k) Accident and injury fund contributions are recognised on an accrual basis in accordance with union rules. Provisions for expenditure are included in the accounts when there is certainty that a future payment will be made as at the date of the statement of financial position.
- (l) All union learning fund grant income is recognised as and when the union is entitled to the monies and matched against relevant expenditure.
- (m) The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the union. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

#### *Taxation*

The tax expense for the year comprises current and deferred tax. Management estimation is required to determine the amount of deferred tax assets or liabilities that need to be recognised, based upon likely timing and level of future taxable profits.

#### *Defined benefit pension and other post-employment benefits*

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 9.

#### *Depreciation and residual values*

Management have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that the asset lives and residual values are appropriate.

# 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)

SEE ATTACHED

Signature(s) of auditor or auditors:	MOORE STEPHENS LLP	
Name(s):	MOORE STEPHENS LLP	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	150 ADELPH QUAY STREET LONDON EC1A 4AB	
Date:	24/05/2016	
Contact name and telephone number:	GARETH JONES 020 7334 9191	

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

## M2 ACCOUNTS AND FINANCIAL STATEMENTS

### STATEMENT OF THE EXECUTIVE COUNCIL'S RESPONSIBILITIES

The legislation relating to trade unions requires the union to submit a return for each calendar year to the Certification Officer for Trade Unions and Employers' Associations. This return contains accounts, which must give a true and fair view of the state of affairs of the union at the year end and of its transactions for the year then ended. The accounts set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Officer for Trade Unions and Employers' Associations.

In relation to The Fire Brigades Union these requirements are the responsibility of the executive council. The accounts of the union have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing the accounts the executive council is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on the going concern basis unless it is inappropriate to do so.

The executive council is responsible for keeping proper accounting records and establishing and maintaining a satisfactory system of control over its records and transactions in order to comply with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). It is also responsible for safeguarding the assets of the union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The union is also responsible for the maintenance and integrity of the corporate and financial information included on the union's website. Legislation in the UK governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FIRE BRIGADES UNION

We have audited the financial statements of The Fire Brigades Union for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 EXECUTIVE COUNCIL AND AUDITOR

As explained more fully in the statement of the executive council's responsibilities, 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 auditor 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 (APB) Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE ACCOUNT

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 national treasurer's and general secretary's introduction 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 accounts:

- give a true and fair view of the state of the union's affairs as at 31 December 2015, and of its surplus for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

## 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 explanations we require for our audit.

*Moore Stephens LLP*

**Gareth Jones (Senior Statutory Auditor)**

### **Moore Stephens LLP**

Chartered Accountants  
Registered Auditor  
150 Aldersgate Street  
London  
EC1A 4AB  
Date 12 April 2016