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- PRINT ON ONE SIDE ONLY

# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Musicians' Union
Year ended:	31 December 2014
List no:	154T
Head or Main Office:	60/62 Clapham Road London SW9 0JJ
Website address (if available)	www.musiciansunion.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	John Smith
Telephone Number:	020 7582 5566
Contact name for queries regarding	Sailesh P Mehta
Telephone Number:	020 7388 7000
E-mail:	smehta@hwfisher.co.uk

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

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

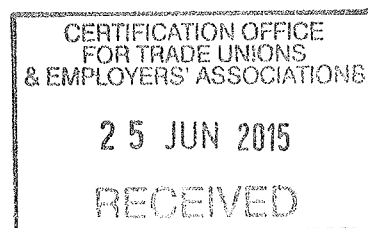
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

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

For Unions based in Scotland:

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



(Revised February 2011)

**Appendix A**

**MUSICIANS' UNION**

**OFFICERS IN POST AS AT 31 DECEMBER 2014**

<b><u>Region</u></b>	<b><u>Member</u></b>	<b><u>From</u></b>	<b><u>To</u></b>
Scotland & Northern Ireland	A Gascoine	01-Jan-14	31-Dec-14
Scotland & Northern Ireland	R Noakes	01-Jan-14	31-Dec-14
North of England	K Dyson	01-Jan-14	31-Dec-14
North of England	E Spencer	01-Jan-14	31-Dec-14
North of England	D Pigott	01-Jan-14	31-Dec-14
Midlands	P Hartley	01-Jan-14	31-Dec-14
Midlands	A Seabrook	01-Jan-14	31-Dec-14
East & South East England	P Williams	01-Jan-14	31-Dec-14
East & South East England	A Hopgood	01-Jan-14	31-Dec-14
East & South East England	H Bennett	01-Jan-14	31-Dec-14
East & South East England	J Pullman	01-Jan-14	31-Dec-14
Wales & South West England	A Gleadhill	01-Jan-14	31-Dec-14
Wales & South West England	T Edwards	01-Jan-14	31-Dec-14
London	D Lee	01-Jan-14	31-Dec-14
London	R Finlay	01-Jan-14	31-Dec-14
London	G Newson	01-Jan-14	31-Dec-14
London	J Edney	01-Jan-14	31-Dec-14
London	S Levine	01-Jan-14	31-Dec-14
London	L Worsley	01-Jan-14	31-Dec-14
London	B White	01-Jan-14	31-Dec-14

## Appendix B

### MUSICIANS' UNION

#### Schedule of other admin expenses

2014

Repairs and maintenance	47,273.00
Motor vehicle costs	11,624.00
Hire of equipment	33,836.00
Computer costs	199,711.00
Section Committees	42,940.00
Ballot expenses	38,077.00
Sundry expenses	46,432.00
Bank charges	18,415.00
VAT previous periods	11,934.00
Advertising	44,291.00
Member incentive	505.00
Public relations	7,940.00
Leaflets	28,168.00
Research	121.00
Events, Exhibitions & Seminars	23,972.00
Bulk email	7,535.00
Marketing	
Other Promotional	51,291.00
Grants and awards	28,852.00
Delegates expenses including travel	14,341.00
Investment management fees	66,105.00
MU Re-branding	
IT Projects	335.00
Net finance charge	(171,000)
Provision against investment	130,710.00
Provision against cash investment	
Profit on disposal of property	(53,673)
Website development	
Other Digital Communications	9,800.00
War Horse Band Payments	4,000.00
Brand Management	39,373.00
	<u>682,908.00</u>

# 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	21,597	177	12	102	<b>21,888</b>
FEMALE	8,799	90	6	24	<b>8,919</b>
TOTAL	30,396	267	18	126	<b>A 30,807</b>

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

6
28,997

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

## OFFICERS IN POST

(see note 12)

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

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
See Appendix A			

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		4,969,329
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		4,969,329
<b>Investment income (as at page 12)</b>		634,445
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)	2,778,750	
Income from any other sources (as at page 4)		
<b>Total of other income (as at page 4)</b>		2,778,750
	<b>TOTAL INCOME</b>	<b>8,382,524</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		1,275,513
<b>Administrative expenses (as at page 10)</b>		5,902,393
<b>Federation and other bodies (specify)</b>		
Trade Unions	82,091	
Other Affiliations	128,068	
<b>Total expenditure Federation and other bodies</b>		210,159
<b>Taxation</b>		202,661
	<b>TOTAL EXPENDITURE</b>	<b>7,590,726</b>
Surplus (deficit) for year		791,798
Amount of general fund at beginning of year		13,806,003
Actuarial loss arising from pension		(92,000)
Amount of general fund at end of year		14,505,801

# 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>		
Collection and Distribution Collection Fee	158,554	
Services, Sound and Vision Corporation	24,000	
Dubbing agreements	164,800	
BBC	1,151,229	
ITV	72,232	
Employment Creation Fund	46,950	
The Educational Recording Agency Limited	750,907	
Commission and other income	11,758	
Undistributable monies from C&D account	250,740	
PPL uncleared cheques	147,580	
<b>TOTAL OTHER INCOME</b>		<b>2,778,750</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>2,778,750</b>

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	360,410	<b>brought forward</b>	840,007
		Education and Training services	87,653
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications	391,511	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
		Instrument Insurance	184,000
Dispute Benefits		Public Liability Insurance	47,781
		Internet development	
		Tax protection insurance	66,072
		Music Supported Here Campaign	
		Contribution towards benevolent fund	50,000
Other Cash Payments Personal Accident Insurance	88,086		
<b>carried forward</b>	840,007	<b>Total (should agree with figure in General Fund)</b>	1,275,513

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>	Benevolent Fund	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		
	Investment income (as at page 12)		1,233
	Other income (specify)		
	Donations	79,393	
	<b>Total other income as specified</b>		80,626
	<b>Total Income</b>		80,626
<b>Expenditure</b>			
	Benefits to members	133,024	
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		133,024
	<b>Surplus (Deficit) for the year</b>		(52,398)
	<b>Amount of fund at beginning of year</b>		391,103
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		338,705
	<b>Number of members contributing at end of year</b>		N/A

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>	Collection & Distribution No. 3	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Funds received	288,163	
	<b>Total other income as specified</b>		288,163
	<b>Total Income</b>		288,163
<b>Expenditure</b>			
	Benefits to members	716,152	
	Administrative expenses and other expenditure (as at page 10)	276,966	
	<b>Total Expenditure</b>		993,118
	<b>Surplus (Deficit) for the year</b>		(704,955)
	<b>Amount of fund at beginning of year</b>		999,699
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		294,744
	<b>Number of members contributing at end of year</b>		N/A



(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>	Collection & Distribution No. 4	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Funds received	1,029,450	
	<b>Total other income as specified</b>		1,029,450
	<b>Total Income</b>		1,029,450
<b>Expenditure</b>			
	Benefits to members	737,820	
	Administrative expenses and other expenditure (as at page 10)	132,328	
	<b>Total Expenditure</b>		870,148
	<b>Surplus (Deficit) for the year</b>		159,302
	<b>Amount of fund at beginning of year</b>		0
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		159,302
	<b>Number of members contributing at end of year</b>		N/A

<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 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		87,855
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		87,855
	Total income		87,855
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		39,738
	Administration expenses in connection with political objects (specify)		13,319
	Non-political expenditure		72,153
	Total expenditure		125,210
	Surplus (deficit) for year		(37,355)
	Amount of political fund at beginning of year		87,643
	Amount of political fund at the end of year (as Balance Sheet)		50,288
	Number of members at end of year contributing to the political fund		25,778
	Number of members at end of the year not contributing to the political fund		5,029
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		3,932

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£</b>	<b>£</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		4,077,413
Salaries and Wages included in above	£3,126,233	
Auditors' fees		39,654
Legal and Professional fees		35,300
Occupancy costs		352,193
Stationery, printing, postage, telephone, etc.		142,030
Expenses of Executive Committee (Head Office)		113,478
Expenses of conferences		50,833
Other administrative expenses (specify)		
Regional committee expenses		70,813
Appendix B		682,908
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		337,771
Taxation		
Outgoings on land and buildings (specify)		
Grants and Benefits		133,024
Collection and Distribution Administration Fees		158,554
Collection and Distribution Undistributable Monies to the Main Fund		250,740
	<b>Total</b>	6,444,711
Charged to:	General Fund (Page 3)	5,902,393
	Fund (Account 2)	133,024
	Collection and Distribution Fund No. 3 (Account 3)	276,966
	Collection and Distribution Fund No. 4 (Account 4)	132,328
	<b>Total</b>	6,444,711



# 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)			263,078
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			11,527
Other investment income (specify)			
Profit or (loss) on Sale of Investments			276,001
Profit or (loss) on Exchange Rates			85,072
		Total investment income	635,678
		Credited to:	
		General Fund (Page 3)	634,445
		Fund (Account 2)	1,233
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	635,678

# BALANCE SHEET as at 31 DECEMBER 2014

(see notes 47 to 50)

Previous Year		£	£
1,388,088	<b>Fixed Assets</b> (at page 14)		1,242,710
	<b>Investments</b> (as per analysis on page 15)		
10,358,137	Quoted (Market value £ 11,891,624)	10,791,785	
65,085	Unquoted	65,085	
10,423,222	<b>Total Investments</b>		10,856,870
	<b>Other Assets</b>		
	Loans to other trade unions		
1,486,150	Sundry debtors		1,567,374
2,999,152	Cash at bank and in hand		2,511,741
	Income tax to be recovered		
411,337	Stocks of goods		250,000
	Others (specify)		
4,896,639	<b>Total of other assets</b>		4,329,115
16,707,949	<b>TOTAL ASSETS</b>		16,428,695
13,806,003	Main Fund (Account 1)		14,505,801
391,103	Benevolent Fund (Account 2)		338,705
999,699	Collection and Distribution No. 3 Fund (Account 3)		294,744
	Collection and Distribution No. 4 Fund (Account 4)		159,302
87,643	Political Fund (Account )		50,288
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
179,164	Tax payable		203,789
1,280,353	Sundry creditors		1,332,662
	Accrued expenses		
(433,596)	Provisions		(706,596)
397,580	Other liabilities		250,000
16,707,949	<b>TOTAL LIABILITIES</b>		16,428,695
16,707,949	<b>TOTAL ASSETS</b>		16,428,695

# 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	2,055,145		314,307	461,959		2,831,411
Additions	10,334		18,179	167,255		195,768
Disposals				(148,924)		(148,924)
Revaluation/Transfers						
At end of year	2,065,479		332,486	480,290		2,878,255
<b>Accumulated Depreciation</b>						
At start of year	981,675		243,558	218,090		1,443,323
Charges for year	156,871		32,837	148,062		337,770
Disposals				(145,548)		(145,548)
Revaluation/Transfers						
At end of year	1,138,546		276,395	220,604		1,635,545
<b>Net book value at end of year</b>						
	926,933		56,091	259,686		1,242,710
<b>Net book value at end of previous year</b>						
	1,073,470		70,749	243,869		1,388,088





# 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 checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
MU Nominee Company Ltd.	3243018		
<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 checked="" 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		
	Held in trust by John Smith, General Secretary, MU		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	4,969,329	87,855	5,057,184
From Investments	635,678		635,678
Other Income (including increases by revaluation of assets)	3,766,462		3,766,462
<b>Total Income</b>	9,371,469	87,855	9,459,324
<b>EXPENDITURE</b> (including decreases by revaluation of Total Expenditure)			
<b>Total Expenditure</b>	9,269,722	125,210	9,394,932
<b>Funds at beginning of year</b> (including reserves)	15,196,805	87,643	15,284,448
<b>Funds at end of year</b> (including reserves)	15,298,552	50,288	15,348,840
<b>ASSETS</b>			
Fixed Assets			1,242,710
Investment Assets			10,856,870
Other Assets			4,329,115
		<b>Total Assets</b>	16,428,695
<b>LIABILITIES</b>		<b>Total Liabilities</b>	1,079,855
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			15,348,840

**MUSICIANS' UNION AR21**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**RECONCILIATION OF OTHER INCOME PER INDIVIDUAL FUNDS TO THE SUMMARY SHEET (£)**

	<u>Main Fund</u> <u>Page 3</u>	<u>Benevolent Fund</u> <u>Page 6</u>	<u>C &amp; D No. 3</u> <u>Page 6</u>	<u>C &amp; D No. 4</u> <u>Page 7</u>	<u>Sub total</u>
Other income per individual fund sheets	2,778,750	79,393	288,163	1,029,450	4,175,756
Less:					
Collection and Distribution Account collection fee (*)	(158,554)				(158,554)
Undistributable monies from C & D No 3 account (*)	(249,721)				(249,721)
Undistributable monies from C & D No 4 account (*)	(1,019)				(1,019)
	<u>2,369,456</u>	<u>79,393</u>	<u>288,163</u>	<u>1,029,450</u>	<u>3,766,462 (**)</u>

\* Per Note 1 of the MU accounts, page 16

\*\* Total of Other Income per the Summary Sheet (AR21, page 17)

# 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.



# 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)

ATTACHED →

# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>H W Fisher &amp; Co</i>	
Name(s):	H W Fisher & Company	
Profession(s) or Calling(s):	Chartered Accountants Statutory auditors	
Address(es):	Acre House 11 – 15 William Road London, NW1 3ER United Kingdom	
Date:	<i>10 June 2015</i>	
Contact name and telephone number:	Sailesh P Mehta 0207 388 7000	

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



**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF THE  
MUSICIANS' UNION**



We have audited the financial statements of the Musicians' Union for the year ended 31 December 2014, set out on pages 3 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of the Union's Executive Committee and auditors**

As explained more fully in the Statement of Responsibilities of the Executive Committee on page 1, the Union's Executive Committee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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 Union's Executive Committee; and overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion, the accounts give a true and fair view of the state of the Union's affairs as at 31 December 2014 and of its income and expenditure for the year then ended.

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

We are required by the Trade union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Union has not kept proper accounting records.
- The accounts are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

A handwritten signature in black ink, appearing to read 'H W Fisher &amp; Company', is written over a circular stamp or seal.

**H W FISHER & COMPANY**

*Chartered Accountants  
Statutory Auditor*

Acre House  
11-15 William Road  
London NW1 3ER  
United Kingdom

Dated: 6 May 2015

## MUSICIANS' UNION

### ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2014

#### Accounting Convention

The accounts are prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### Contribution Income

Contribution income is accounted for on an accruals basis.

#### Investment Income

Investment income is accounted for on an accruals basis.

#### Other Income

Certain receipts in the Main Fund are accounted for once received as they are non-contractual and are not received on predetermined dates.

#### Expenditure

All expenditure in the accounts is inclusive of VAT where applicable.

#### Depreciation

Depreciation is provided on all tangible fixed assets on a straight line basis, at rates estimated to write off the cost of each asset as follows:

Land & Buildings	-	2% per annum on cost
Fixtures and fittings	-	10/20% per annum on cost
Computer equipment	-	33% per annum on cost
Telephones	-	20/50% per annum on cost
Motor vehicles	-	33% per annum on cost

#### Corporation Tax

Corporation tax is payable on investment income, chargeable gains and certain other income less allowances for provident benefit expenditure.

#### Investments

Investments are stated at cost. Provision is made against investments where there is a permanent diminution in value.

#### Forward Foreign Exchange Contracts

Where the Union uses forward foreign exchange contracts the gains and losses at the end of the contract are taken to the income and expenditure account

#### Pension Costs

From 1 January 2008 the Union contributes into a Group Personal Pension plan on behalf of all permanent officials and staff, including the active (now deferred) members of the defined benefit scheme at 31 December 2007. This is a defined contribution scheme and contributions are charged to the Income and Expenditure Account when payable.

The Union also operates a defined benefit scheme which closed to future accruals from 31 December 2007. All active scheme members at 31 December 2007 became deferred members. Contributions to the scheme are charged to the Income and Expenditure Account in accordance with the advice of a qualified Actuary.

#### Operating Leases

Rental payments in respect of operating leases are charged to the Income and Expenditure Account.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

The notes on pages 16 - 26 relate to the Main Fund.

	2014 £	2013 £
<b>1. OTHER INCOME</b>		
Collection and Distribution Account collection fee	158,554	138,634
Services, Sound and Vision Corporation	24,000	26,116
Dubbing agreements	164,800	162,400
BBC - cable revenue	1,151,229	916,460
ITV & Other cable revenue	72,232	97,431
Employment Creation Fund	46,950	37,346
The Educational Recording Agency Limited	750,907	659,477
Commission and other income	11,758	17,991
PPL Uncleared Cheques	147,580	-
Undistributable monies from C & D No 3 account	249,721	87,466
Undistributable monies from C & D No 4 account	1,019	-
	<u>2,778,750</u>	<u>2,143,321</u>
	2014 £	2013 £
<b>2. EMPLOYEE COSTS</b>		
Salaries and national insurance	3,126,233	2,950,864
Pensions to retired officials	3,863	9,384
Pension costs	932,833	873,942
Organising expenses	184,071	159,751
Training and sundry expenses	24,413	16,606
	<u>4,271,413</u>	<u>4,010,547</u>
	2014 £	2013 £
<b>3. PROPERTY AND EQUIPMENT COSTS</b>		
Rent, rates, light, heat and cleaning	299,051	297,440
Repairs and maintenance	47,273	49,726
Motor vehicle costs	11,624	11,548
Hire of equipment	33,836	34,470
Profit on disposal of fixed assets	(53,673)	(40,459)
Depreciation	337,771	301,732
IT costs	199,711	115,951
Insurance	53,142	59,982
	<u>928,735</u>	<u>830,390</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
<b>4. COMMITTEES, DELEGATES &amp; STEWARDS</b>		
Executive committee	113,478	105,546
Delegates conference	50,833	107,483
Section committees	42,940	57,316
Regional committees	20,772	20,301
Stewards' commission	50,041	48,019
	<u>278,064</u>	<u>338,665</u>

	2014 £	2013 £
<b>5. BENEFITS TO MEMBERS</b>		
Legal defence of members	360,410	201,409
The Musician	256,547	264,778
Training and education services	22,995	11,516
Instrument insurance	184,000	184,000
Public liability insurance	47,781	46,894
Personal accident insurance	88,086	89,352
Tax Protection insurance	66,072	86,072
Diaries, publications & loyalty pins	134,964	137,362
Members training	64,658	30,730
Internet development	-	23,531
	<u>1,225,513</u>	<u>1,075,644</u>

	2014 £	2013 £
<b>6. ADMINISTRATIVE EXPENSES</b>		
Printing, postage, stationery and telephone	142,030	177,245
Ballot expenses	38,077	43,199
Magazine/Publication subscriptions	15,464	13,429
Archiving costs	5,033	5,420
Catering	14,529	15,819
Sundry expenses	11,406	9,070
Bank charges	18,415	17,723
VAT previous periods	11,934	(12,779)
	<u>256,888</u>	<u>269,126</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
<b>7. COMMUNICATIONS</b>		
Advertising	44,291	60,043
Member incentive	505	-
Public relations	8,061	5,905
Leaflets	28,168	4,502
Events, Exhibitions & Seminars	23,972	22,154
Bulk email	7,535	9,363
Other Digital Communications	9,800	121
Website Development	-	142,563
Brand Management	39,373	53,841
Other Promotional	51,291	57,936
	<u>212,996</u>	<u>356,428</u>
	2014 £	2013 £
<b>8. GRANTS &amp; AFFILIATION FEES</b>		
Grants and awards	28,852	33,076
Donation to MU Benevolent Fund	50,000	-
Trades Union Congress	82,091	80,070
GFTU	26,667	26,356
Other affiliations	11,719	13,648
	<u>199,329</u>	<u>153,150</u>
	2014 £	2013 £
<b>9. INTERNATIONAL REPRESENTATION</b>		
FIM Affiliation fees	89,682	92,415
Delegates expenses	14,341	23,974
	<u>104,023</u>	<u>116,389</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
<b>10. PROFESSIONAL COSTS</b>		
Audit fee	39,654	37,007
Legal and professional	25,474	63,820
Investment management fees	66,105	67,139
Property management fees	9,826	3,516
	<u>141,059</u>	<u>171,482</u>
	2014 £	2013 £
<b>11. PROJECT COSTS</b>		
War Horse Band Payments	4,000	-
IT Projects	335	20,314
	<u>4,335</u>	<u>20,314</u>
	2014 £	2013 £
<b>12. INVESTMENT INCOME</b>		
Income from listed investments	262,268	270,418
Bank interest receivable	11,104	28,890
Profit on sale of investments	276,001	143,825
Net gains on forward foreign exchange contracts	85,072	128,804
	<u>634,445</u>	<u>571,937</u>
	2014 £	2013 £
<b>13. CORPORATION TAX</b>		
Corporation tax at 23.25% (2013 : 24.5%)	203,789	179,164
Tax on investment interest income	(1,128)	13,606
WHT Tax Deducted	-	1,388
	<u>202,661</u>	<u>194,158</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

	Land & Buildings £	Fixtures Fittings and Equipment £	Motor Vehicles £	Total £
<b>14. FIXED ASSETS</b>				
<b>Cost</b>				
At 1 January 2014	2,055,145	314,307	461,959	2,831,411
Additions	10,334	18,179	167,255	195,768
Disposals	-	-	(148,924)	(148,924)
At 31 December 2014	2,065,479	332,486	480,290	2,878,255
<b>Accumulated Depreciation</b>				
At 1 January 2014	981,675	243,558	218,090	1,443,323
Charge for the year	156,871	32,837	148,062	337,770
Relating to disposals	-	-	(145,548)	(145,548)
At 31 December 2014	1,138,546	276,395	220,604	1,635,545
<b>Net book value</b>				
At 31 December 2014	926,933	56,091	259,686	1,242,710
At 31 December 2013	1,073,470	70,749	243,869	1,388,088

	Unlisted investments £	Listed investments £	Total £
<b>15. INVESTMENTS</b>			
<b>Cost</b>			
At 1 January 2014	65,085	10,638,568	10,703,653
Additions	-	1,408,946	1,408,946
Disposals	-	(844,589)	(844,589)
At 31 December 2014	65,085	11,202,925	11,268,010
<b>Provision for diminution in value</b>			
At 1 January 2014	-	374,210	374,210
Decrease of provision in year	-	130,709	130,709
At 31 December 2014	-	504,919	504,919
<b>Net book value</b>			
At 31 December 2014	65,085	10,698,006	10,763,091
At 31 December 2013	65,085	10,264,358	10,329,443
<b>Market Value</b>			
At 31 December 2014	65,085	12,404,615	12,469,700
At 31 December 2013	65,085	11,746,127	11,811,212

The Union considers the market value of the unlisted investments to be equivalent to cost.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

16. PPL INDEMNITY FUND

	£
<b>A. Bank Account</b>	
Balance at 1 January 2014	411,337
Paid to MU Main Fund	(161,337)
Balance on deposit at 31 December 2014	<u>250,000</u>

	Indemnity Reserve £	Uncleared Cheques £	Total £
<b>B. PPL Indemnity Reserve</b>			
Balance at 31 December 2014	<u>250,000</u>	-	<u>250,000</u>

The PPL uncleared cheques balance was transferred to the Main Fund along with all interest accrued, as agreed with PPL. The bank account was closed in January 2014 and the indemnity is held in the MU accounts as a creditor.



MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

	2014	2013
	£	£
<b>17. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>A. Reconciliation of surplus after investment operations to net cash inflow from operating activities</b>		
Surplus after investment operations	994,459	440,571
Bank interest received	(11,104)	(28,890)
Income from listed investments	(262,268)	(270,418)
Depreciation	337,770	301,732
Movement of provision against investments	130,710	199,603
Pension costs	(365,000)	(347,000)
Profit on sale of fixed assets	(53,673)	(40,459)
(Profit) on sale of investments	(276,001)	(143,825)
(Increase)/Decrease in creditors	(113,486)	61,171
(Decrease)/Increase in debtors	(72,017)	124,054
<b>Net cash inflow from operating activities</b>	<u>309,390</u>	<u>296,539</u>
	<b>Cash at bank and on deposit</b>	
	£	
<b>B. Analysis of net funds</b>		
At 1 January 2014	2,074,717	
Cashflow	(22,349)	
<b>At 31 December 2014</b>	<u>2,052,368</u>	

**18. OPERATING LEASES**

At 31 December 2014, the Union had the following annual obligations under non-cancellable operating leases:

	2014		2013	
	Plant & Equipment £	Land & Buildings £	Plant & Equipment £	Land & Buildings £
Expiring within one year	-	-	-	9,750
Expiring between one to two years	19,663	46,746	-	-
Expiring between two to five years	12,355	10,243	23,795	47,239
Expiring in more than five years	-	18,000	8,223	18,000
	<u>32,018</u>	<u>74,989</u>	<u>32,018</u>	<u>74,989</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

19. STAFF PENSION SCHEMES

The Musicians' Union operates two pension schemes as follows:

**(a) Defined Contribution Scheme**

The Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Union in an independently administered fund. The charge for the year was £611,265 (2013: £573,541).

**(b) Defined Benefit Scheme**

The Union operates a funded defined benefit pension scheme. This provided benefits based on final pensionable pay.

A full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 January 2012. It showed that the actuarial value of the assets at 1 January 2012 was £13,500,000. The estimated actuarial value of the liabilities was assessed as being £14,132,000, which represents an actuarial deficit of £632,000. This results in a funding level of 96% comparing the assets to the projected liabilities.

**FRS 17**

The full actuarial valuation carried out as at 1 January 2012, has been updated by the Union's actuaries to take account of FRS 17 in order to assess the liabilities of the scheme as at 31 December 2014. The scheme assets are stated at their market value as at 31 December 2014.

The main financial assumptions, used in preparing the 2014 valuation under FRS 17, were:

	2014	2013	2012
Rate of increase in pensionable salaries	3.10%	3.65%	3.10%
Rate of increase in pensions in payment	3.10%	3.65%	3.10%
Discount rate	3.60%	4.40%	4.30%
Inflation assumption	3.20%	3.65%	3.10%
Revaluation rate for deferred pensioners	3.20%	3.65%	3.10%
Loading for mortality improvements:			
Mortality table	S1PA CMI_2011 [1.5%]	S1PA CMI_2011 [1.5%]	S1PA CMI_2011 [1.5%]

**Net assets of the scheme**

The fair value of the net assets in the scheme and the expected rate of return at 31 December 2014 were:

	2014 £'000	2013 £'000	2012 £'000
Total market value of assets	11,042	9,841	9,154
Present value of liabilities	(10,336)	(9,408)	(8,859)
Surplus in the scheme in accordance with FRS 17	706	433	295
Expected long rate of return of insurance policy	3.40%	5.90%	5.80%

This includes the value of the annuities purchased and the corresponding liabilities.

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

19 . STAFF PENSION SCHEMES (continued)

Present values of scheme liabilities, fair value of assets and surplus

	2014 £'000	2013 £'000	2012 £'000
Fair value of scheme assets	11,042	9,841	9,154
Present value of scheme liabilities	10,336	9,408	8,859
Surplus in scheme	<u>706</u>	<u>433</u>	<u>295</u>

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2014 £'000	2013 £'000
Scheme liabilities at start of period	(9,408)	(8,859)
Current service cost		-
Interest cost	(410)	(374)
Contributions by scheme participants		-
Actuarial loss	(694)	(496)
Change due to settlements or curtailments		-
Benefits paid, death in service insurance premiums and expenses	176	321
Scheme liabilities at end of period	<u>(10,336)</u>	<u>(9,408)</u>

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

	2014 £'000	2013 £'000
Fair value of scheme assets at start of period	9,841	9,154
Expected return on scheme assets	581	527
Actuarial gains	602	287
Contributions by employer	194	194
Contributions by scheme participants		-
Benefits paid, death in service insurance premiums and expenses	(176)	(321)
Fair value of scheme assets at end of year	<u>11,042</u>	<u>9,841</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

19 . STAFF PENSION SCHEMES (continued)

The following is an analysis of the amounts recognised in the income and expenditure account and statement of total recognised gains and losses:

**Movement in the FRS 17 deficit during the year**

	2014 £'000	2013 £'000
<u>Income and expenditure account</u>		
Current service cost	-	-
Other finance income	-	-
Losses on Settlements and Curtailments	-	-
Expected return on pension scheme assets	(581)	(527)
Interest on pension scheme liabilities	410	374
Total charge to income and expenditure	<u>(171)</u>	<u>(153)</u>

Actuarial loss recognised in the statement of total recognised gains and losses

	2014	2013
Actual return less expected return on pension scheme assets	602	287
- As percentage of year end scheme assets	5%	3%
Experience gains and losses arising on the scheme liabilities	(694)	(496)
- As percentage of present value of year end scheme liabilities	7%	5%
of the		
scheme liabilities	(706)	(433)
- As percentage of present value of year end scheme liabilities	7%	-5%
Total amount recognised	<u>(798)</u>	<u>(642)</u>
- As percentage of present value of year end scheme liabilities	8%	7%

**Movement in the surplus during the year**

	2014	2013
Surplus in scheme at beginning of year	433	295
Movement in year:		
Net finance charge	171	153
Contributions	194	194
	365	347
Actuarial (loss)	(92)	(209)
Surplus in the scheme at the end of the year	<u>706</u>	<u>433</u>

MUSICIANS' UNION

MAIN FUND

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2014

19 . STAFF PENSION SCHEMES (continued)

The actuarial gains and losses are those resulting from the actual performance of the scheme being different from that predicted, for example from changes in economic conditions, from the performance of the investment managers who manage the scheme's assets or from changes in the demographic profile of the Unions employees.

	2014	2013	2012	2011
<b>History of experience gains and losses</b>				
Difference between the expected and actual return on scheme assets:				
Amount (£'000)	706	433	295	298
Percentage of scheme assets	6.4%	4.4%	3.0%	3.7%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	(694)	(496)	(826)	(290)
Percentage of the present value of the scheme liabilities	-6.7%	-5.3%	-8.8%	-3.7%
Total amount recognised in the statement of total recognised gains and losses:				
Amount (£'000)	602	287	534	(127)
Percentage of the present value of the scheme liabilities	5.8%	3.1%	5.7%	-1.6%