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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Prospect
Year ended:	31 December 2014
List no:	771T
Head or Main Office:	8 Leake Street LONDON SE1 7NN
Website address (if available)	Enquiries:prospect.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:	Mr M Clancy
Telephone Number:	02079026600
Contact name for queries regarding	Maria McLaughlin
Telephone Number:	02079026675
E-mail:	Maria.mclaughlin@prospect.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

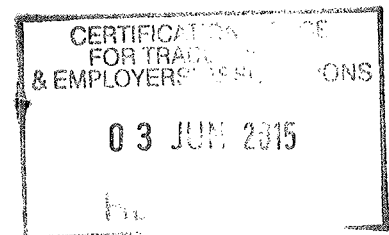
The address to which returns and other documents should be sent are:

**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)

# 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	82,550	1,268	9	2,387	<b>86,214</b>
FEMALE	26,537	380	1	2,126	<b>29,044</b>
TOTAL	109,087	1,648	10	4,513	A <b>115,258</b>

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

381
106,406

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

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)

	£'000	£'000
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		16,242
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		16,242
<b>Investment income (as at page 12)</b>		788
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	107	
<b>Total of other income (as at page 4)</b>		107
		<b>TOTAL INCOME</b>
		17,137
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		898
<b>Administrative expenses (as at page 10)</b>		15,710
<b>Federation and other bodies (specify) see attached</b>		
Donations	423	
New Movement in Pension Scheme	15	
	7,596	
<b>Total expenditure Federation and other bodies</b>		8,034
<b>Taxation</b>		
		<b>TOTAL EXPENDITURE</b>
		24,642
		TRANSFER OF ENGAGEMENTS (BACM)
		332
		<b>Surplus (deficit) for year</b>
		(7,173)
		Amount of general fund at beginning of year
		26,151
		Amount of general fund at end of year
		18,978

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

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Membership Services Income	30	
Journal Income	25	
Sundry Income	12	
Net VAT Refund	40	
<b>TOTAL OTHER INCOME</b>		<b>107</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>107</b>

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues	100	<b>brought forward</b>	688
		Education and Training services	210
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications Journal/Annual Report	500	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments Death Benefit	88		
<b>carried forward</b>	<b>688</b>	<b>Total (should agree with figure in General Fund)</b>	<b>898</b>

FUND 2		Fund Account	
Name:		£	£
<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>		

FUND 3		Fund Account	
Name:		£	£
<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 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>		

FUND 6		Fund Account	
Name:		£	£
<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>	

FUND 7		Fund Account	
Name:		£	£
<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>£'000</b>	<b>£'000</b>
<b>Income</b>	Members contributions and levies		61
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		61
<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)		47
	Non-political expenditure		
	Total expenditure		47
	Surplus (deficit) for year		14
	Amount of political fund at beginning of year		604
	Amount of political fund at the end of year (as Balance Sheet)		618
	Number of members at end of year contributing to the political fund		101,400
	Number of members at end of the year not contributing to the political fund		13,858
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		2,872

<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)

Administrative Expenses		£'000
Remuneration and expenses of staff		11,742
Salaries and Wages included in above	£7,666,843	
Auditors' fees		46
Legal and Professional fees		65
Occupancy costs		904
Stationery, printing, postage, telephone, etc.		670
Expenses of Executive Committee (Head Office)		12
Expenses of conferences		380
Other administrative expenses (specify)		
NEC & Other Committee/Local Democratic Organisations	985	
Research/Editorial publishing – Publications	123	
Ballots/Recruitment/Other Admin	228	1,336
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		555
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
	<b>Total</b>	15,710
Charged to:	General Fund (Page 3)	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £'000	Employers N.I. contributions £'000	Benefits		Total £'000
			Pension Contributions £'000	Other Benefits Description	
General Secretary	109	13	21	Car 3	146

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £'000
Rent from land and buildings			300
Dividends (gross) from:			
Equities (e.g. shares)			509
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Profit on sale of investments including £13K charges			102
Provision on investments			(123)
		Total investment income	788
Credited to:			
		General Fund (Page 3)	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	

# BALANCE SHEET as at 31 DECEMBER 2014

(see notes 47 to 50)

Previous Year £'000	£'000		£'000	£'000
	15,455	<b>Fixed Assets</b> (at page 14)		15,328
	17,129	<b>Investments</b> (as per analysis on page 15)		
	425	Quoted (Market value £ 22,644)	17,385	
	17,554	Unquoted	153	17,538
	33,009	<b>Total Investments</b>		32,866
		<b>Other Assets</b>		
		Loans to other trade unions		
	1,608	Sundry debtors		1,568
	1,574	Cash at bank and in hand		2,339
		Income tax to be recovered		
		Stocks of goods		
		Others (specify)		
	3,182	<b>Total of other assets</b>		3,907
	36,191	<b>TOTAL ASSETS</b>		36,773
	26,151	Fund (Account )		18,976
		Fund (Account )		
		Superannuation Fund (Account )		
	604	Political Fund (Account )		618
		Revaluation Reserve		
		<b>LIABILITIES</b>		
		Amount held on behalf of central trade union political fund		
		Loans: From other trade unions		
		Loans: Other		
		Bank overdraft		
		Tax payable		
	881	Sundry creditors		1,028
		Accrued expenses		
		Provisions		
	8,555	Other liabilities – Pension Scheme		16,151
	36,191	<b>TOTAL LIABILITIES</b>		36,773

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
	Freehold £'000	Leasehold £'000				
<b>Cost or Valuation</b>						
At start of year	16,485		1,097	793		18,375
Additions			328	154		482
Disposals			(350)	(182)		(532)
Revaluation/Transfers						
At end of year	16,485		1,075	765		18,325
<b>Accumulated Depreciation</b>						
At start of year	1,732		837	351		2,920
Charges for year	247		175	114		536
Disposals	-		(350)	(109)		(459)
Revaluation/Transfers	-					
At end of year	1,979		662	356		2,997
<b>Net book value at end of year</b>	14,506		413	409		15,328
<b>Net book value at end of previous year</b>	14,753		260	442		15,455

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund  £'000
Equities (e.g. Shares)	3,267	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Unit Trusts	14,118	
TOTAL QUOTED (as Balance Sheet)	17,385	
Market Value of Quoted Investment	22,644	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies	32	
Other unquoted investments (to be specified)		
Unquoted Shares	121	
TOTAL UNQUOTED (as Balance Sheet)	153	
Market Value of Unquoted Investments	153	

# 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:			
<b>COMPANY NAME</b>	<b>COMPANY REGISTRATION NUMBER (if not registered in England &amp; Wales, state where registered)</b>		
Prospect Members Services Ltd (dormant)	4284384		
Prospect Custodian Trustees Ltd	3836445		
<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.			
<b>COMPANY NAME</b>	<b>NAMES OF SHAREHOLDERS</b>		



# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £'000	Political Funds £'000	Total Funds £'000
<b>INCOME</b>			
From Members	16,243	61	16,304
From Investments	789	-	789
Other Income (including increases by revaluation of assets)	438	-	106
<b>Total Income</b>	17,470	61	17,199
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	24,645	47	24,692
<b>Funds at beginning of year</b> (including reserves)	26,151	604	26,755
<b>Funds at end of year</b> (including reserves)	18,976	618	19,594
<b>ASSETS</b>			
Fixed Assets			15,328
Investment Assets			17,538
Other Assets			3,907
		<b>Total Assets</b>	36,773
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	17,179
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			19,594

**PROSPECT NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

<b>1 COMMITTEES AND CONFERENCES</b>		
National committees	112	126
National and sector conferences	380	90
	492	216
<b>2 LOCAL DEMOCRATIC ORGANISATION AND EDUCATION</b>		
Professional, departmental and other groups	148	143
Branches and sections	738	841
Education and training	211	235
	1,097	1,219
<b>3 EMPLOYMENT COSTS</b>		
Staff salary costs	9,648	9,477
Additional pension contributions	1,253	1,494
Travel, subsistence and mobile phones	640	650
Other staffing costs	334	315
	11,875	11,936
<b>4 PROPERTY COSTS</b>		
Rent, rates and service charges	450	526
Light and heat	98	97
Decoration, repairs and maintenance	133	112
Cleaning and security	161	152
Property depreciation	247	247
Insurance and health and safety	62	65
	1,151	1,199
<b>5 ADMINISTRATION &amp; OTHER SUPPLIES</b>		
Equipment maintenance and repairs	56	61
Printing, stationery and postage	241	239
Telephone	78	83
Computer services	329	286
Intranet	47	0
Other office services	95	90
Bank charges and collection of subscriptions	19	13
Research, publications and subscriptions	42	44
Editorial publishing and publicity	82	74
Legal, professional and audit fees	110	123
	1,099	1,013
<b>6 BENEFITS TO MEMBERS</b>		
Affiliations and donations	438	491
Members' benefits	769	737
Recruitment and organisation	128	51
	1,335	1,279
<b>7 OTHER INCOME</b>		
Membership services/net VAT recovered	70	135
Net journal income	25	48
Other income	11	11
	106	194

**PROSPECT NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

<b>8 TANGIBLE FIXED ASSETS</b>					
<b>COST</b>					
At 1 January 2014	16,485	1,097	793	18,375	
Additions	—	328	154	482	
Disposals	—	(350)	(182)	(532)	
At 31 December 2014	16,485	1,075	765	18,325	
<b>Depreciation</b>					
At 1 January 2013	1,732	837	351	2,920	
Charge for the year	247	175	114	536	
Disposals	—	(350)	(109)	(459)	
At 31 December 2014	1,979	662	356	2,997	
<b>Net book value</b>					
At 31 December 2014	14,506	413	409	15,328	
At 31 December 2013	14,753	260	442	15,455	
<b>9 INVESTMENTS</b>					
<b>Cost</b>					
At 1 January 2014	17,675		121	17,796	
Additions	1,946		122	2,068	
Disposals	(1,569)			(1,569)	
Net movement in cash deposits	(271)			(271)	
At 31 December 2014	17,781		243	18,024	
<b>Provision for diminution in value</b>					
At 1 January 2014					
Increase in provision					
At 31 December 2014					
<b>Net book value</b>					
At 31 December 2014					
At 31 December 2013					
<b>Net book value</b>					
At 31 December 2014	17,538		17,538		
At 31 December 2013	17,534		17,534		
<b>Market value</b>					
Quoted equities and gilts					
Unit trusts	3,267	3,452	3,959	3,959	
Bank deposits	14,118	14,176	18,685	18,685	
Unquoted shares	32	32	32	32	
	121	121	121	121	
	17,538	17,781	22,797	22,797	

# PROSPECT NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

## 15 STAFF PENSION SCHEMES (continued)

### Net liabilities of the scheme

The net pension assets recognised in the union's balance sheet as at 31 December 2014 are as follows:

	PPS			CPS	
	2014	2013	2014	2013	
	£'000	£'000	£'000	£'000	%
Equities	31,200	28,557	8,595	5,893	
Government bonds	39,000	1,394	612	982	
Property	4,680	4,182	826	982	
Gifts	—	33,456	215	1,965	
Cash/Other	3,120	2,091	330	—	
Total market value of assets	78,000	69,700	10,578	9,822	
Present value of liabilities	(84,300)	(72,100)	(20,429)	(15,977)	
Scheme (Deficit)	(6,300)	(2,400)	(9,851)	(6,155)	

The expected long term rate of return was:

	PPS		CPS	
	2014	2013	2014	2013
	n/a*	%	%	%
		5.6	5.2	5.5

\*This assumption is not applicable under FRS 102

### Analysis of FRS17 movement:

	PPS		CPS	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Current service cost	(1,700)	(1,600)	(343)	(265)
Past service cost	—	(100)	—	—
Contributions	2,000	2,400	507	494
Return on scheme assets	3,900	545	—	—
Interest on scheme liabilities	(3,300)	(738)	—	—
Net finance cost	600	100	(193)	(240)
FRS17 movement	900	800	(29)	(11)
Actuarial (loss)/gain	(4,800)	100	(3,667)	979
FRS17 (liability) brought forward	(3,900)	900	(3,696)	968
FRS17 (liability) carried forward	(2,400)	(3,300)	(6,155)	(7,123)
	(6,300)	(2,400)	(9,851)	(6,155)

# PROSPECT NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

## 15 STAFF PENSION SCHEMES (continued)

Analysis of the amount recognised on the statement of total recognised gains and losses:

	PPS			CPS		
	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000
Actual return less expected return on pension scheme assets	5,000	2,700	5,000	2,700	(57)	280
- As percentage of year end scheme assets	6.41%	3.87%	6.41%	3.87%	(0.54%)	2.83%
Experience gains and (losses) arising on the scheme liabilities	0	0	0	0	(380)	(7)
- As percentage of present value of year end scheme liabilities	0%	0%	0%	0%	(1.86%)	(0.04%)
Changes in assumptions underlying the present value of scheme liabilities	(9,800)	(2,600)	(9,800)	(2,600)	(3,230)	692
ACTUARIAL GAIN/(LOSS) RECOGNISED	(4,800)	100	(4,800)	100	(3,667)	979
As percentage of present value of year end scheme liabilities	(5.70%)	0.14%	(5.70%)	0.14%	(17.95%)	6.12%

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

	PPS			CPS		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	72,100	67,200	72,100	15,977	15,942	15,942
Current service cost	1,700	1,600	1,700	343	265	265
Interest cost	3,300	2,800	3,300	738	671	671
Contributions by scheme participants	400	400	400	85	83	83
Actuarial (gains)/losses on scheme liabilities	9,800	(2,600)	9,800	(3,610)	(699)	(699)
Net benefits paid out	(3,000)	2,600	(3,000)	(324)	(285)	(285)
Past service cost	0	100	0	0	0	0
Closing defined benefit obligation	84,300	72,100	84,300	20,429	15,977	15,977

### Changes to the fair value of Scheme assets during the year

	PPS			CPS		
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of scheme assets	69,700	63,900	69,700	9,822	8,819	8,819
Expected return on scheme assets	3,900	2,900	3,900	545	431	431
Actuarial gains/(losses) on scheme assets	5,000	2,700	5,000	(57)	280	280
Contributions by the employer	2,000	2,400	2,000	507	494	494
Contributions by scheme participants	400	400	400	85	83	83
Net benefits paid out	(3,000)	(2,600)	(3,000)	(324)	(285)	(285)
Closing fair value of scheme assets	78,000	69,700	78,000	10,578	9,822	9,822

# 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.

A large, empty rectangular box with a black border, intended for the user to enter or attach notes to the accounts. The box occupies most of the page's vertical space below the instructions.

# ACCOUNTING POLICIES

(see notes 74 and 75)

## PROSPECT ACCOUNTING POLICIES YEAR ENDED 31 DECEMBER 2014

The accounts have been prepared in accordance with applicable accounting standards. The specific accounting policies adopted are set out below.

### **Accounting convention**

The accounts are prepared under the historical cost convention.

### **Subscriptions**

Subscriptions are accounted for on an accruals basis.

### **Expenditure**

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

### **Tangible fixed assets**

Tangible fixed assets are stated at cost and depreciated as set out below.

### **Depreciation**

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Freehold buildings – 50 years

Furniture and fittings – 10 years

Office equipment – 4 years

Motor vehicles are depreciated to reduce the book value of the vehicles to their realisable value at the balance sheet date.

### **Pension costs**

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the Projected Unit Method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The net movements in the pension funds are transferred to the general fund and are made up of the following: the increase in the present values of the union's defined benefit pension schemes expected to arise from employee service in the period; finance charges which include the expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time and the actuarial gains and losses are recognised.

### **Corporation tax**

Corporation tax is payable on interest income, rental income and chargeable gains arising on the disposal of properties and investments but only to the extent that these exceed expenditure on provident benefits.

### **Branches**

The transactions of the branches during the period are included in these accounts as are the net assets held directly by them at the balance sheet date.

### **Investments**

Investments are stated at cost less any provision for impairment.

### **Leases**

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over the shorter period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital outstanding and are charged to the income and expenditure account. Operating lease rentals are charged to the income and expenditure account in equal instalments over the period of the lease.

# SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u>Michael Clancy</u>  Name: <u>Michael CLANCY</u>  Date: <u>27/5/15</u>	Chairman's Signature: <u>Alan K Grey</u> (or other official whose position should be stated)  Name: <u>ALAN K Grey</u>  Date: <u>27/5/15</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

# AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
  - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES/NO

If "No" please explain below.

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

YES/NO

If "No" please explain below.

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

# AUDITOR'S REPORT (continued)

## Report of the independent auditors to the members of Prospect

We have audited the financial statements of Prospect for the year ended 31 December 2014, set out on pages 25 to 42. 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 National Executive Committee and auditors**

As explained more fully in the Statement of Responsibilities of the National Executive Committee on page 1, the Union's National 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 National Executive Committee; and the overall presentation of the financial statements.

**Opinion on financial statements**  
In our opinion the financial

statements 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 financial statements 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.

**H W FISHER & COMPANY**  
Chartered Accountants  
Statutory Auditor  
Acre House  
11/15 William Road  
London NW1 3ER  
Dated: 17 March 2015

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Signature(s) of auditor or auditors:

*HW Fisher & Co*

Name(s):

*HW FISHER & CO*

Profession(s) or Calling(s):

*CHARTERED ACCOUNTANTS  
STATUTORY AUDITOR*

Address(es):

*ACRE HOUSE  
11-15 WILLIAM ROAD  
LONDON NW1 3ER*

Date:

*1 June 2015*

Contact name and telephone number:

*SALWAH P MURTA  
020 7388 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.