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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:

Year ended:

List no:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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General Secretary:

Telephone Number:

Contact name for queries regarding

Telephone Number:

E-mail:

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

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

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

For Unions based in England and Wales:  
 Certification Office for Trade Unions and Employers' Associations  
 22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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



(Revised February 2011)

**B List of Officials' as at 31 December 2015**

**National Executive Council Members**

General Secretary - D Ward (position held from June 2015)  
General Secretary - W Hayes (position held until May 2015)

President - J Loftus

Vice President - B Shepherd

Voting Members

M Ali  
P Browne  
S Banbury (position held from April 2015)  
M Baulch  
A Bouch (position held from April 2015)  
T Cooper (position held from April 2015)  
N Darbyshire  
T Fussey (position held from April 2015)  
S Jones (position held from December 2015)  
M Kavanagh  
J Loftus  
C Maden  
J Malone  
C McGlynn  
B O'Brien  
K Quirke (position held until April 2015)  
D Robertson (position held until October 2015)  
K Rose  
G Ryan (position held until April 2015)  
B Shepherd  
J Upton  
I Ward

# 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	151,721	3,844	-	341	155,906
FEMALE	35,063	886	-	57	36,006
TOTAL	186,784	4,730	-	398	A 191,912

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

1,993
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Number of members at end of year contributing to the General Fund

191,912
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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
General Secretary	W Hayes	D Ward	Jun-15
NEC Voting Member	n/a	S Banbury	Apr-15
NEC Voting Member	n/a	A Bouch	Apr-15
NEC Voting Member	n/a	T Cooper	Apr-15
NEC Voting Member	n/a	T Fussey	Apr-15
NEC Voting Member	K Quirke	n/a	Apr-15
NEC Voting Member	D Robertson	S Jones	Oct-15
NEC Voting Member	G Ryan	n/a	Apr-15

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		28,498,458
<b>From Members:</b> Other Income from Members (specify)	-	
<b>Total Other Income from Members</b>		-
<b>Total of all Income from Members</b>		28,498,458
<b>Investment Income</b> (as at page 12)		182,069
<b>Interfund Transfers:</b>		
National Welfare Fund (Fund 3)		25,648
Scholarship Fund (Fund 4)		8,037
<b>Other Income:</b>		
Income from Federations and Other Bodies (as at page 4)	-	
Income from Any Other Sources (as at page 4)	2,489,842	
<b>Total of Other Income (as at page 4)</b>		2,489,842
	<b>TOTAL INCOME</b>	<b>31,204,054</b>
<b>EXPENDITURE</b>		
<b>Benefits to Members</b> (as at page 5)		2,461,959
<b>Administration Expenses</b> (as at page 10)		19,044,200
<b>Federation and Other Bodies:</b>		
Affiliations and Associated Expenses (schedule A, pg 24)		1,020,793
<b>Interfund Transfers:</b>		
Property Reserve (Fund 5)		-
Rebates to Branches (Fund 6)		8,345,415
	<b>TOTAL EXPENDITURE</b>	<b>30,872,367</b>
	Surplus / (Deficit) for year	331,687
	Amount of General Fund at beginning of year as restated under FRS 102*	(9,580,860)
	Amount of General Fund at end of year	(9,249,173)

\* The brought forward funds, including the General Fund, have been restated as a result of the transition to FRS102, the new UK accounting standard for the year ended 31 December 2015. The date of transition was 1 January 2014. Total funds at 30 December 2014 per the 2014 signed AR21 were £20,696,481. The funds at 30 December 2014 following transition to FRS102 were £26,485,371. The impact of FRS 102 has been described in note 9 to this return.

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

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and Other Bodies</b>		
n/a		-
<b>TOTAL FEDERATION AND OTHER BODIES</b>		-
<b>Other Income</b>		
Bank Interest		-
Surplus on Sales of Diaries and Promotional Goods		4,681
Political Fund Management Charge		5,000
Elstead Hotel Management Charge		96,000
Corporation Tax Refund		2,355
Miscellaneous		1
Surplus on Revaluation of Investments		851,770
Release of Additional PAYE/NIC Liability		1,530,035
<b>TOTAL OTHER INCOME</b>		<b>2,489,842</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>2,489,842</b>

## ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation –		<b>brought forward</b>	1,905,496
Employment Related Issues:			
Employment Tribunals	360,154	Education and Training Services:	
		Education	556,463
Representation –			
Non Employment Related Issues:			
Legal and Medical Services	(190,786)	Negotiated Discount Services:	
		n/a	-
Communications:			
Publications and Publicity	1,123,093	Salary Costs:	
		n/a	-
Advisory Services:			
n/a	-	Other Benefits and Grants:	
		n/a	-
Dispute Benefits:			
n/a	-		
Other Cash Payments:			
Members Insurance Scheme	52,225		
Death Benefits	560,810		
<b>carried forward</b>	1,905,496	<b>Total (should agree with figure in General Fund)</b>	2,461,959

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Defence Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - Rebates from Branches (Fund 6)		83,458
	Other Income:		
	<b>Total Other Income as Specified</b>		-
	<b>Total Income</b>		83,458
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		-
	<b>Total Expenditure</b>		-
	<b>Surplus / (Deficit) for the year</b>		83,458
	<b>Amount of Fund at Beginning of year</b>		940,915
	<b>Amount of Fund at the end of year (as Balance Sheet)</b>		1,024,373
	<b>Number of members contributing at end of year</b>		n/a

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>National Welfare Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Donations	29,150	
	Commissions	5,367	
	<b>Total Other Income as Specified</b>		34,517
	<b>Total Income</b>		34,517
<b>Expenditure</b>			
	Benefits to members		27,200
	Administration Expenses and Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		25,648
	<b>Total Expenditure</b>		52,848
	<b>Surplus / (Deficit) for the year</b>		(18,331)
	<b>Amount of fund at beginning of year</b>		52,848
	<b>Amount of Fund at the end of year (as Balance Sheet)</b>		34,517
	<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>	<b>Scholarship Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Commissions	48,476	
	<b>Total other income as Specified</b>		48,476
	<b>Total Income</b>		48,476
<b>Expenditure</b>			
	Benefits to Members		40,439
	Administration Expenses and Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		8,037
	<b>Total Expenditure</b>		48,476
	<b>Surplus / (Deficit) for the year</b>		-
	<b>Amount of Fund at beginning of year</b>		50,000
	<b>Amount of Fund at the end of year (as Balance Sheet)</b>		50,000
	<b>Number of members contributing at end of year</b>		n/a

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Property Reserve</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - General Fund (page 3)		-
	Interfund Transfer - Branch Fund (Fund 6)		49,001
	Other Income (specify)		-
	<b>Total other income as specified</b>		-
	<b>Total Income</b>		49,001
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		-
	<b>Total Expenditure</b>		-
	<b>Surplus / (Deficit) for the year</b>		49,001
	<b>Amount of Fund at beginning of year (restated under FRS 102)</b>		24,261,216
	<b>Amount of Fund at the end of year (as Balance Sheet)</b>		24,310,217
	<b>Number of members contributing at end of year</b>		n/a



(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Branch Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - General Fund (page 3)		8,345,415
	Other Income:		
	<b>Total other Income as Specified</b>		-
	<b>Total Income</b>		8,345,415
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (page 10)		7,858,910
	Interfund Transfer - Defence Fund (Fund 2)		83,458
	Interfund Transfer - Property Reserve (Fund 5)		49,001
	<b>Total Expenditure</b>		7,991,369
	<b>Surplus / (Deficit) for the year</b>		354,046
	<b>Amount of Fund at beginning of year</b>		9,111,789
	<b>Amount of Fund at the end of year (as Balance Sheet)</b>		9,465,835
	<b>Number of members contributing at end of year</b>		n/a

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>£</b>	<b>£</b>
<b>Income</b>	Members Contributions and Levies		1,680,292
	Investment Income (page 12)		-
	Other Income:		-
	Total Other Income as specified		-
	<b>Total Income</b>		<b>1,680,292</b>
<b>Expenditure</b>			
	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992		-
	Administration Expenses in Connection with Political Objects:		
	Labour Party Affiliation Fees		501,500
	Regional Affiliation Fees		22,142
	Campaigns		92,361
	General Elections		611,059
	Delegations to National Conference		63,526
	Delegations to Regional Conference		6,369
	Net Expenditure at Branches		570,780
	Branch and Regional Expenses		3,144
	Parliamentary Panel		62,001
	Printing and Publicity		43,084
	Postage		90,246
	Travel and Meetings Expenses		910
	Committee Expenses		2,682
	Miscellaneous Expenses		67,613
	Administration Charge		5,000
	Depreciation to Furniture, Equipment, Computers and Motor Vehicles		2,049
	Bank Charges		394
	Non-Political Expenditure		-
	<b>Total Expenditure</b>		<b>2,144,860</b>
	Surplus (Deficit) for the year		(464,568)
	Amount of political fund at beginning of year		1,649,463
	Amount of political fund at the end of year (as balance sheet)		1,184,895
	Number of members at end of year contributing to the Political Fund		160,522
	Number of members at end of the year not contributing to the Political Fund		31,390
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the Political Fund		21,600

# 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		9,456,299
Salaries and Wages included in above	£ 7,728,530	
Auditors' Fees		76,007
Legal and Professional Fees		722,177
Occupancy Costs		1,402,101
Stationery, Printing, Postage, Telephone, etc.		3,714,733
Expenses of Executive Committee (Head Office)		1,891,935
Expenses of Conferences		1,083,667
Other Administrative Expenses:		
Branch Organisation and Recruitment		124,825
Regional and Divisional Representation		1,080,372
Elections and Ballots		687,470
International Activities		35,232
Branch Representation		4,010,311
<b>Other Outgoings</b>		
Interest Payable:		
Bank Loans (including Overdrafts)		-
Mortgages		-
Other Loans (Bank Charges & Interest)		76,293
Depreciation		436,007
Taxation (VAT)		(148,912)
Outgoings on Land and Buildings		-
Other Outgoings (specify)		
Collection Costs and Charges		475,822
Branch Honoraria		188,771
Financial Expense - Pension Scheme		620,000
Pension Adjustment		970,000
	<b>Total</b>	26,903,110
Charged to:	General Fund (Page 3)	19,044,200
	Branch Fund (Fund 6)	7,858,910
	<b>Total</b>	26,903,110

# 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 £	
<b>National Executive Council</b>						
D Ward - General Secretary	55,292.26	6,298.05	15,170.37		-	76,760.68
W Hayes - General Secretary	63,377.58	8,006.51	218.52		-	71,602.61
<u>Voting Members</u>						
M Baulch	2,970.60	67.34	-		-	3,037.94
C Maden	5,361.25	398.00	-		-	5,759.25
J Malone	6,643.10	600.71	-		-	7,243.81
I Ward	1,994.79	22.08	-		-	2,016.87

Additional Notes to the above analysis:

- \* Any amounts which may be paid from the Branch Fund to any National Executive Council members for services as branch or regional officials' are not included in the above.
- \* The Union operates three superannuation schemes providing benefits on final pensionable pay, details of which are given elsewhere in the accounts.
- \* Pension contributions shown for W Hayes, General Secretary relate to auto-enrolment into the NEST pension scheme.
- \* For the period covering these statutory accounts (2015) the CWU was in discussion regarding a contractual loss of office payment relating to the former General Secretary, W Hayes.

## ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings	-		134,406
Dividends (gross) from:			
Equities (e.g. shares)	-		17,359
Interest (gross) from:			
Government securities (Gilts)	-		-
Mortgages	-		30,304
Local Authority Bonds	-		-
Bank and Building Societies	-		-
Other investment income (specify)	-		-
	-		182,069
		Total investment income	182,069
		Credited to:	
		General Fund (page 3)	182,069
		Political Fund (Account 1)	-
		Total Investment Income	182,069

## BALANCE SHEET as at 31 December 2015

(see notes 47 to 50)

Previous Year (restated*)		£	£
23,954,910	<b>Fixed Assets</b> (page 14)		23,928,996
	<b>Investments</b> (as per analysis on page 15)		
3,161,792	Quoted (Market value)	3,241,755	
2,219,177	Unquoted	2,915,175	
5,380,969	<b>Total Investments</b>		6,156,930
	<b>Other Assets</b>		
-	Loans to Other Trade Unions	-	
2,978,937	Sundry Debtors	3,313,306	
13,987,733	Cash at Bank and Cash In Hand	12,027,856	
16,966,670	<b>Total of Other Assets</b>		15,341,162
46,302,549	<b>TOTAL ASSETS</b>		45,427,088
(9,580,860)	General Fund (Fund 1)		(9,249,173)
940,915	Defence Fund (Fund 2)		1,024,373
52,848	National Welfare Fund (Fund 3)		34,517
50,000	Scholarship Fund (Fund 4)		50,000
24,261,216	Property Reserve Fund (Fund 5)		24,310,217
9,111,789	Branch Fund (Fund 6)		9,465,835
1,649,463	Political Fund (Account 1)		1,184,895
26,485,371	<b>Total Funds</b>		26,820,664
	<b>LIABILITIES</b>		
-	Amount held on behalf of central trade union political fund		-
-	Loans: From Other Trade Unions		-
104,347	Loans: Other (bank loans to branches)		31,817
-	Bank Overdraft		-
-	Tax Payable		-
1,303,909	Sundry Creditors		1,950,387
936,871	Accrued Expenses		1,000,961
2,852,051	Provisions		1,003,259
	Other Liabilities:		
3,780,000	Provision for Liabilities & Charges - Pensions		7,430,000
10,840,000	Pension Scheme Deficit		7,190,000
19,817,178	<b>TOTAL LIABILITIES</b>		18,606,424
26,485,371	<b>NET ASSETS</b>		26,820,664

\* The brought forward funds, including the General Fund, have been restated as a result of the transition to FRS102, the new UK accounting standard for the year ended 31 December 2015. The date of transition was 1 January 2014. Total funds at 30 December 2014 per the 2014 signed AR21 were £20,696,481. The funds at 30 December 2014 following transition to FRS102 were £26,485,371. The impact of FRS 102 has been described in note 9 to this return.

## 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	24,156,550	-	1,122,066	12,203	175,000	25,465,819
Additions	-	-	412,141	-	-	412,141
Disposals	-	-	-	-	-	-
Revaluation / Transfers	-	-	7,243	-	-	7,243
At end of year	24,156,550	-	1,541,450	12,203	175,000	25,885,203
<b>Accumulated Depreciation</b>						
At start of year	798,601	-	686,105	12,203	14,000	1,510,909
Charges for year	238,097	-	196,459	-	3,500	438,056
Disposals	-	-	-	-	-	-
Revaluation/Transfers	-	-	7,242	-	-	7,242
At end of year	1,036,698	-	889,806	12,203	17,500	1,956,207
<b>Net book value at end of year</b>	23,119,852	-	651,644	-	157,500	23,928,996
<b>Net book value at end of previous year (restated under FRS 102)</b>	23,357,949	-	435,961	-	161,000	23,954,910

## ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

	All Funds Except Political Fund £	Political Fund £
<b>QUOTED</b>		
Equities (e.g. Shares):		
n/a	-	-
Government Securities (Gilts):		
n/a	-	-
Other Quoted Securities:		
Unit Trust Funds (at market value)	3,241,755	-
<b>TOTAL QUOTED AT MARKET VALUE (Balance Sheet)</b>	<b>3,241,755</b>	<b>-</b>
Historical Cost of Quoted Investment	1,604,933	-
<b>UNQUOTED</b>		
Equities:		
Unity Trust Bank Plc (at market value)	1,770,735	-
Government Securities (Gilts):		
n/a	-	-
Mortgages:		
Union Mortgages	565,614	-
Bank and Building Societies:		
n/a	-	-
Other Unquoted Investments:		
Debenture & Shares in Elstead Hotel (Bournemouth) Ltd	558,826	-
People's Press Printing Society Ltd	20,000	-
<b>TOTAL UNQUOTED AT FAIR VALUE (Balance Sheet)</b>	<b>2,915,175</b>	<b>-</b>
Historical Cost of Unquoted Investments	2,045,172	-



## 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>		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 25px; height: 25px; text-align: center;">YES</td> <td style="width: 25px; height: 25px; text-align: center;">X</td> <td style="width: 25px; height: 25px; text-align: center;">NO</td> <td style="width: 25px; height: 25px;"></td> </tr> </table>	YES	X	NO	
YES	X	NO				
If YES name the relevant companies:						
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)					
Elstead Hotel (Bournemouth) Ltd	1674002					
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 25px; height: 25px; text-align: center;">YES</td> <td style="width: 25px; height: 25px;"></td> <td style="width: 25px; height: 25px; text-align: center;">NO</td> <td style="width: 25px; height: 25px; text-align: center;">X</td> </tr> </table>	YES		NO	X
YES		NO	X			
If NO, state the names of the persons in whom the shares controlled by the union are registered.						
COMPANY NAME	NAMES OF SHAREHOLDERS					
Elstead Hotel (Bournemouth) Ltd	Communication Workers Union					
	Anthony P Kearns					

# SUMMARY SHEET

(see notes 60 to 71)

	All Funds Except Political Fund £	Political Fund £	Total Funds £
<b>INCOME</b>			
From Members	28,498,458	1,680,292	30,178,750
From Investments	182,069	-	182,069
Other Income (including increases by revaluation of assets)	2,572,835	-	2,572,835
<b>Total Income</b>	<b>31,253,362</b>	<b>1,680,292</b>	<b>32,933,654</b>
<b>EXPENDITURE</b>			
<b>Total Expenditure</b>	<b>30,453,501</b>	<b>2,144,860</b>	<b>32,598,361</b>
<b>Funds at beginning of year restated under FRS 102 (including reserves)</b>			
	24,835,908	1,649,463	26,485,371
<b>Funds at end of year (including reserves)</b>			
	25,635,769	1,184,895	26,820,664
<b>ASSETS</b>			
	Fixed Assets		23,928,996
	Investment Assets		6,156,930
	Other Assets		15,341,162
		<b>Total Assets</b>	<b>45,427,088</b>
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	<b>18,606,424</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			
			<b>26,820,664</b>

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

## 1 Tangible Fixed Assets

Land and Buildings owned at 31 December 2015 comprised of:		Cost or valuation 31 Dec 2015	Net book value 31 Dec 2015
Description of Freehold Property	Cost or valuation details	£	£
150 The Broadway Wimbledon, London	Revaluation on transition to FRS 102 at 1 January 2014	18,150,000	17,859,600
Alvescot Lodge, Alvescot, Oxfordshire	Revaluation in 2010	1,969,337	1,879,320
Elstead Hotel Bournemouth, Dorset	Revaluation in 2010	662,213	140,942
31 Edgecombe House, Southfields*	Revaluation in 2010	175,000	157,500
75 Garstang Road, Preston, Lancashire	Revaluation on transition to FRS 102 at 1 January 2014	200,000	192,000
Seventeen properties owned by Branches	Revaluation on transition to FRS 102 at 1 January 2014	3,175,000	3,047,990
		<b>24,331,550</b>	<b>23,277,352</b>

\* not used for Union business

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

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

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

## 2 Investments and Long Term Loans

A full provision of £201,606 (2014 - £201,606) has been made against the cost of shares in the headquarters building of Union Network International, as recovery of the amount invested is not envisaged.

Under FRS 102, financial assets such as mortgages should be held at the present value of the future payments discounted at a market rate of interest for a similar instrument. This would result in the Union having to reduce the value of their mortgages by £100k to take into consideration the time value of money. The Union has made the decision not to process this adjustment on transition to FRS 102 on the basis that it would be misleading to users of the financial statements as it does not reflect the cash position of the mortgages and is considered immaterial to the accounts.

The total original cost of quoted investments was £1,604,993 (2014 - £1,604,993). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

The total unquoted shares held by the Union as at 31 December 2015 is broken down by 885,367 shares in Unity Trust Bank at £2 per share and 20,000 shares in Peoples Press Printing Society Ltd at a cost of £1 per share.

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 2 Investments and Long Term Loans (continued)

The Union sold its full holding of F&C shares (quoted investments) on the 14th January 2016 and purchased an additional 175,000 shares in Unity Trust Bank on the 22nd January 2016.

### 3 Elstead Hotel (Bournemouth) Limited

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

The draft accounts of the company as at 31 December 2015 show a loss for the 12 month period ended on that date of £98,196 and shareholders' funds at that date of £78,826. Included within Sundry Debtors (page 13) is an amount of £55,196 (2014 - £45,500) due from Elstead Hotel (Bournemouth) Ltd, relating to rent and management charge.

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

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

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

In line with FRS 102, the accounting policy of the Union is to value unquoted investments at fair value where this can be obtained without undue cost. In accordance with this policy the Union has revalued the shares of the company to an amount equal to the shareholders' funds as shown in the accounts of the company as at 31 December 2015. In December 2003, an impairment review was carried out and the Union reduced the carrying value of the shares by the shortfall in the valuation compared to the carrying value of the fixed assets held by the company. During 2013, a decision was made to reclassify this impairment against the value of the property rather than the value of the shares. As such, the impairment against the shares has been reversed and instead the impairment is now included within accumulated depreciation of Land and Buildings.

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

	<b>Shares</b>	<b>Debenture</b>
	<b>£</b>	<b>£</b>
As at 30 December 2014	177,022	480,000
Revaluation in year (based on draft accounts)	(98,196)	-
As at 31 December 2015	<b>78,826</b>	<b>480,000</b>

### 4 Provision for Liabilities and Charges - Pensions

The Union's accounts need to show the value of the pension schemes that it sponsors using the accounting treatment prescribed by Section 28 of FRS 102. The assumptions used in calculating the Section 28 pension scheme valuations, as disclosed in note 5, are agreed between the employer and the scheme's actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

Using the Section 28 valuation the Union's pension schemes at 31 December 2015 showed a total deficit of £7.19m.

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 4 Provision for Liabilities and Charges - Pensions (continued)

	Date of Triennial Valuation	Triennial Valuation £m	Section 28 Valuation £m	True and fair Override Additional Provision £m
UCW Pensions 2001	31/03/2012	(12.10)	(9.89)	(2.21)
NCU SSS	31/12/2011	(1.75)	2.12	(3.87)
CWU 2000	31/03/2011	(0.77)	0.58	(1.35)
		(14.62)	(7.19)	(7.43)

The latest triennial valuation reports as dated above are obviously not the same as the Section 28 valuations at 31 December 2015. The Union was of the opinion that to include the pension schemes deficits at a Section 28 accounting valuation of £7.19m at 31 December 2015 would have been misleading to its members, as the future funding plans/payments are based on the latest triennial valuations which total £14.62m.

As a result the Union decided to include a £7.43m (2014 - £3.78m) provision for the difference between the Section 28 valuations and the latest triennial valuations in order to reflect its obligations to the schemes (as shown above). The movement in the true and fair provision has been recognised in Administrative Expenses and Other Outgoings as shown on page 10 and in the balance sheet on page 13.

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

### 5 Staff Superannuation Schemes

At 31 December 2015 the Union operated three superannuation schemes providing benefits for Union employees based on final pensionable pay "defined benefit (DB) schemes". The CWU 2000 Pension Scheme is open to new employees of the Union and the UCW Pensions 2001 and NCU SSS are closed. All schemes are funded.

Contributions to the schemes are charged to the Statement of Comprehensive Income to spread the cost of pensions over employees' working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuaries at rates of between 25.5% and 41.9% of pensionable salaries. The actuaries use the projected unit method of valuation. Under this method the current service cost for closed schemes will increase as the members of the schemes approach retirement.

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

	2015 £	2014 £
<b>Staff Superannuation Schemes</b>		
Normal Contributions	2,085,200	2,044,233
Special Contributions	1,714,800	1,665,767
	3,800,000	3,710,000

The above amounts represent the amounts which would have been charged to the Statement of Comprehensive Income in 2015 and 2014, had Section 28 of FRS 102 not been adopted in respect of accounting for retirement benefits. The amounts actually charged to Administrative Expenses and Other Outgoings are shown on page 22.

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

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with Section 28, together with the assumptions used to determine the results, is set out

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 5 Staff Superannuation Schemes (continued)

Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 31 December 2015. The deficit has been incorporated within the Union's balance sheet in accordance with Section 28.

The major assumptions used by the actuaries where:

	<b>31 December</b>	30 December
	<b>2015</b>	2014
Rate of Increase in Salaries	2.2 - 3.3%	3.10 - 3.40%
Rate of Future Pension Increases	2.2 - 3.4%	2.10 - 3.20%
Discount Rate	3.8 - 4.1%	3.80%
RPI Inflation Assumption	3.2 - 3.5%	3.10 - 3.40%

Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 26 years if they are male and for a further 29 years if they are female. For a member currently aged 40 who retires at age 60 the assumptions are that they will live on average for a further 28 years after retirement if they are male and a further 30 years after retirement if they are female.

The Assets in the Schemes were:

	<b>31 December</b>	30 December
	<b>2015</b>	2014
	<b>£m</b>	£m
Hedge Funds	51.0	49.7
Diversified Growth Funds	13.0	-
Equities	-	13.5
Government Bonds	25.2	27.8
Corporate Bonds	15.1	15.6
Cash	0.4	0.4
	<b>104.7</b>	106.9
Irrecoverable Surplus	(3.7)	(7.5)
<b>Total Assets</b>	<b>101.0</b>	99.4

Analysis of Amounts in Balance Sheet:

	<b>31 December</b>	30 December
	<b>2015</b>	2014
	<b>£m</b>	£m
<u>Changes in Present Value of Plan Liabilities</u>		
Opening Value of DB Obligations	110.2	104.4
Current Service Cost	2.2	2.0
Interest Cost on DB Obligation	4.2	4.7
Re-measurement - Changes in Assumptions (gains)/losses	(4.7)	2.6
Contributions by Participants	0.3	0.3
Benefits Paid	(4.0)	(3.8)
<b>Closing DB Obligation</b>	<b>108.2</b>	110.2

Changes in Fair Value of Plan Assets

Opening Fair Value of Plan Assets	106.9	97.2
Interest Income on Plan Assets	4.1	4.4
Pension Scheme Expenses	(0.5)	(0.6)
Re-measurement - Return on Plan Assets Excluding Interest Income,		
Income, (loss) / gain	(5.8)	5.7
Employer Contributions	3.8	3.7
Employee Contributions	0.3	0.3
Benefits Paid	(4.0)	(3.8)
	<b>104.7</b>	106.9
Irrecoverable Surplus on Plan Assets	(3.7)	(7.5)
<b>Closing fair Value of Plan Assets</b>	<b>101.0</b>	99.4

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 5 Staff Superannuation Schemes (continued)

#### Analysis of Amounts in Balance Sheet (continued):

	31 December 2015	30 December 2014
	£m	£m
Present Value of DB Obligation	(108.3)	(110.2)
Fair value of Plan Assets	101.1	99.4
Net Liability (as per balance sheet, page 13)	(7.2)	(10.8)

#### Analysis of the Amount Charged to Operating Deficit:

	31 December 2015	30 December 2014
	£m	£m
Current Service Cost	2.21	1.96
Total Operating Charge	2.21	1.96

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

	31 December 2015	30 December 2014
	£m	£m
Interest Income on Plan Assets	4.07	4.36
Interest Cost on DB Obligation	(4.17)	(4.67)
Pension Scheme Expenses	(0.52)	(0.62)
Net Return	(0.62)	(0.93)

#### Analysis of amount recognised in Other Comprehensive Income (OIC):

	31 December 2015	30 December 2014
	£m	£m
Re-measurement - Return on Plan Assets Excluding Interest Income, (loss)/gain	(5.83)	5.71
Re-measurement - Changes in Assumptions gains/(losses)	4.67	(2.61)
Actual (losses)/gains	(1.16)	3.10
Change in Assets not Recoverable in the Future	3.84	(4.52)
Total	2.68	(1.42)

### 6 Contingent Liabilities

The Union has guaranteed bank loans for certain Branches. At 31 December 2015 the amount guaranteed was £31,817 (2014 - £104,347).

### 7 Key Management Personnel

Key management compensation of £242,702 (2014 - £194,269) was paid in the year. Key management personnel is defined as the roles of General Secretary and Senior Deputy General Secretary.

### 8 Related Party Transactions

At 31 December 2015, the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial corporate partner of Trade Union Legal LLP, trading as Unionline. At 31 December 2015, CWU had made an unsecured loan of £248,250 at a commercial rate of interest. During the year the Union recharged for staff and administration costs incurred relating to the activities of the LLP and recognised £24,356 in relation to interest charges on the un-secured loan.

## NOTES TO THE ACCOUNTS (continued)

### 9 Transition Statement - FRS 102

This is the first year that CWUJ 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 30 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 30 December 2014, as well as the fund totals in the opening statement of financial positions (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 30 December 2014 £	comprehensive income for the year ended 30 December 2014 £	Total funds as at 30 December 2014 £
Total funds as Stated Under Previous UK GAAP	18,878,351	4,078,130	(2,260,000)	20,696,481
<b>Transitional Adjustments:</b>				
1) Revaluation of freehold property	5,829,850	-	-	5,829,850
2) Additional depreciation on revaluation of freehold property	-	(40,960)	-	(40,960)
3) Inclusion in Income and Expenditure of interest on defined benefit scheme assets rather than expected return on scheme assets	-	(1,440,000)	-	(1,440,000)
3) Inclusion of actual returns on scheme assets in Other Comprehensive Income	-	-	1,440,000	1,440,000
<b>Total Funds as Stated Under FRS 102</b>	<b>24,708,201</b>	<b>2,597,170</b>	<b>(820,000)</b>	<b>26,485,371</b>

#### 1) Revaluation of Freehold Property

Under previous UK GAAP, the Union adopted a policy of revaluing certain tangible fixed assets. As permitted by FRS 102, the Union has elected to adopt a "deemed cost" value for the freehold property at the date of transition. This reflects what management consider to be the fair value of the property at the date of transition (being 1 January 2014). The Union will no longer apply the revaluation policy to tangible fixed assets under FRS 102.

#### 2) Additional Depreciation on Revaluation of Freehold Property

As a result of the upward revaluation of the freehold property at the date of transition, additional depreciation is required for the period to 30 December 2014.

#### 3) Pension Movements

Under previous UK GAAP the expected return on the defined benefit scheme assets was recognised in the profit or loss account. Under FRS 102, 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 - the effect has been to increase the cost to the Statement of Comprehensive Income and increase the credit to Other Comprehensive Income.



## SUPPORTING SCHEDULES

### A Federation and Other Bodies

Breakdown of Affiliations and Associated Expenses:

	<b>31 December 2015</b>	<b>30 December 2014</b>
	£	£
Trade Union Congress Affiliation	537,479	538,691
Scottish Trades Union Congress	22,291	22,689
Irish Congress of Trade Unions	15,762	11,941
Union Network International Affiliation	316,862	304,863
Miscellaneous Affiliations	25,031	34,482
Delegations	72,400	111,394
Sundry Donations	30,968	29,341
<b>Total as per General Fund Expenditure (page 3)</b>	<b>1,020,793</b>	<b>1,053,401</b>

### B List of Officials' as at 31 December 2015

#### **National Executive Council Members**

General Secretary - D Ward (position held from June 2015)  
 General Secretary - W Hayes (position held until May 2015)

President - J Loftus

Vice President - B Shepherd

#### Voting Members

M Ali  
 P Browne  
 S Banbury (position held from April 2015)  
 M Baulch  
 A Bouch (position held from April 2015)  
 T Cooper (position held from April 2015)  
 N Darbyshire  
 T Fussey (position held from April 2015)  
 S Jones (position held from December 2015)  
 M Kavanagh  
 J Loftus  
 C Maden  
 J Malone  
 C McGlynn  
 B O'Brien  
 K Quirke (position held until April 2015)  
 D Robertson (position held until October 2015)  
 K Rose  
 G Ryan (position held until April 2015)  
 B Shepherd  
 J Upton  
 I Ward

## SUPPORTING SCHEDULES (continued)

### C Cash Flow Statement

	31 December 2015 £	30 December 2014 £	
<b>Cash Flows Arising from Operating Activities</b>			
Total Surplus on ordinary Activities for the Year	1,305,293	2,597,170	
Surplus on Revaluation of Investments	(851,770)	(169,179)	
Surplus on Disposal of Fixed Assets	-	(3,418)	
Depreciation Charges	436,007	351,777	
Notional Pension Charge	744,800	845,767	
Pension Deficit Reduction Payments	(1,714,800)	(1,665,767)	
Change in Debtors	(338,095)	378,473	
Change in Creditors	(1,152,157)	(86,698)	
Change in Political Fund Assets	464,568	(121,572)	
<b>Net Cash from Operating Activities</b>	<b>(1,106,154)</b>	<b>2,126,553</b>	
<b>Cash Flows from Investing Activities</b>			
Payments to Acquire Fixed Assets	(403,944)	(324,118)	
Proceeds from Insurance Claim	-	3,418	
Long Term Branch Loans Advanced	-	35,000	
Repayment of Long Term Loans	75,809	90,942	
<b>Net Cash from Investing Activities</b>	<b>(328,135)</b>	<b>(194,758)</b>	
<b>Cash Flows from Financing Activities</b>			
Repayment of Bank Loans by Branches	(72,530)	(77,143)	
<b>Net Cash used in Financing Activities</b>	<b>(72,530)</b>	<b>(77,143)</b>	
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(1,506,819)</b>	<b>1,854,652</b>	
Cash and Cash Equivalent at the beginning of the year	12,342,255	10,487,603	
<b>Cash and Cash Equivalents at the end of the year</b>	<b>10,835,436</b>	<b>12,342,255</b>	
<b>Analysis of Changes in Cash and Cash Equivalents:</b>			
	At 1 Jan 2015 £	Cash Flows £	At 31 Dec 2015 £
Cash at Bank	6,156,376	(1,638,899)	4,517,477
Cash in Hand and Imprest's	174,573	1,622	176,195
Cash at Branches	6,011,306	130,458	6,141,764
Net Cash Position	12,342,255	(1,506,819)	10,835,436
Bank Loans to Branches - Properties	(70,334)	49,001	(21,333)
Bank Loans to Branches - Other	(34,013)	23,529	(10,484)
Net Liquid Funds	12,237,908	(1,434,289)	10,803,619

## SUPPORTING SCHEDULES (continued)

D Statement of Changes in Equity	General Fund (excluding Pension Fund) £	Pension Fund (including Provision) £	Defence Fund £	Scholarship Fund £	National Welfare Fund		Property Reserve £	Branch Fund £	Political Fund £	Total Fund Balances £
					£	£				
At 30 December 2014 (restated)	5,039,140	(14,620,000)	940,915	50,000	52,848	24,261,216	9,111,789	1,649,463	26,485,371	
Total Surplus/(Deficit) on Ordinary Activities for the Year	2,012,802	(744,800)	83,458	8,037	7,317	-	403,047	(464,568)	1,305,293	
<b>Other Comprehensive Income:</b>										
Actuarial losses on post-employment benefit obligations	-	(1,160,000)	-	-	-	-	-	-	(1,160,000)	
Changes in assets not recoverable in the future	-	3,840,000	-	-	-	-	-	-	3,840,000	
Movement on true and fair override	-	(3,650,000)	-	-	-	-	-	-	(3,650,000)	
<b>Total Comprehensive Expense for the Year</b>	-	(970,000)	-	-	-	-	-	-	(970,000)	
Transfers	(1,681,115)	1,714,800	-	(8,037)	(25,648)	49,001	(49,001)	-	-	
<b>At 31 December 2015</b>	<b>5,370,827</b>	<b>(14,620,000)</b>	<b>1,024,373</b>	<b>50,000</b>	<b>34,517</b>	<b>24,310,217</b>	<b>9,465,835</b>	<b>1,184,895</b>	<b>26,820,664</b>	

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

# ACCOUNTING POLICIES

(see notes 74 and 75)

a) These accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards, including Financial Reporting Standard 102 ("FRS 102") modified by the revaluation of certain freehold property and investments and the inclusion of an additional liability in respect of the pension scheme deficit as a true and fair override (see note 4).

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

The rates used are:

Buildings	2%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33 $\frac{1}{3}$ %

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) As permitted by FRS102, the Union has elected to adopt a "deemed cost" value for the freehold property at the date of transition. This reflects what is considered to be the fair value of the property, being the open market value, at the date of transition, being, 1 January 2014. The Union will not longer apply the revaluation policy to any tangible fixed assets under FRS 102.

Tangible fixed assets are stated at historical and deemed cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner required.

Under FRS 102 property held for investment purposes should be classified separately as investment properties and held at fair value at each year end. The Union sublets a portion of its Head Office and this should therefore be classified as investment property. However, no adjustment has been made to the financial statements on the basis that calculating the fair value of this portion of the property at each year end would result in undue costs and, under FRS 102, it is therefore allowed to continue to show this as a tangible fixed asset.

d) Expenditure on leases other than finance leases ("operating leases") is charged to the General Fund Income and Expenditure Account in the period in which it is incurred.

e) Investments are stated in the balance sheet on the following basis:

- Quoted investments - at market value.
- Unquoted investments - at market value.

f) The carried policy for Union mortgages is contained within NEC document 86/10 (FOS 66/10) and circulated to branches on LTB 972/2010.

g) The balance of the Property Reserve Fund is equated to the total costs or valuation of Land and Buildings less bank loans secured thereon by transfer to or from the General Fund and Branch Fund.

h) Member's legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. No provision is made for outstanding legal costs not invoiced, or for reimbursements not received at the balance sheet date. All other income and expenditure is accounted for on an accruals basis.

i) Provisions for future expenditure are included in the accounts only where the Union has a present obligation to meet such expenditure.

j) Provision is made for corporation tax on investment income and capital gains arising in the year after relief given for provident benefits paid. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the unions properties or investments.

## ACCOUNTING POLICIES

(see notes 74 and 75)

- j) (continued)  
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 different from those in which they are recognised in the financial statements.
- k) Income and expenditure is shown in these accounts including Value Added Tax (VAT) where applicable.
- l) Contributions include those amounts receivable from members in respect of the year under review.
- m) Income from Conditional Fee Agreements is recognised in the accounts when the amount to be received is known with certainty.
- n) The Union's pension schemes are defined benefit schemes. The amounts charged to Income and Expenditure Account are the current service costs. Actuarial gains and losses are recognised immediately in the Other Comprehensive Income.

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

- o) Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.
- p) 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 consolidated 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 expenses for the year comprises of 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.

### *Employee Benefits*

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 Statement of Comprehensive Income and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on the 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 Union 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.

The pension scheme deficit shown on the Statement of Financial Position at the year end is that calculated by the actuary under Section 28 of FRS 102 in accordance with the above method. In addition, a further provision has been calculated to recognise the total pension liability as calculated by the most recent triennial valuations (see Note 13 for further details). It is considered that recognition of the FRS 102 liability only would not give a true and fair view when considering the variance between the two valuations and would therefore not reflect the true liability of the pension deficit at the year end.

## ACCOUNTING POLICIES

(see notes 74 and 75)

p) (continued)


### *Provisions for Liabilities*

The provisions included at the year end have been calculated using the best available knowledge at the time of preparing the financial statements, adjusted for information subsequently received. An element of estimation is therefore required when calculating the provision.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

<p>General Secretary</p> <p>Signature: <u></u></p> <p>Name: <u>D Ward</u></p> <p>Date: <u>27 May 2016</u></p>	<p>Senior Deputy General Secretary</p> <p>Signature: <u></u></p> <p>Name: <u>A Kearns</u></p> <p>Date: <u>27 May 2016</u></p>
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## CHECK LIST

(see notes 78 and 80)

(please tick as appropriate)

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

# AUDITORS REPORT

(see notes 81 to 86)

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

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

YES

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

YES

- 3 Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- 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

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



# AUDITORS REPORT (continued)

(see notes 81 to 86)

## **Independent Auditor's Report**

(As contained within the 2015 CWU Accounts)

We have audited the accounts of the Communication Workers Union for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the Union as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the members of the Union those matters we are required to state to them in an independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the members of the Union as a body, for our work, for this report, or for the opinion we have formed.

## **Respective Responsibilities of the Union's Executive Council and Auditor**

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

We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

## **Scope of the Audit of the Accounts**

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

## **Opinion**

In our opinion the financial statements:

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

## AUDITORS REPORT (continued)

(see notes 81 to 86)

### Independent Auditor's Report (continued)

#### **Matters on Which We Are Required to Report by Exception**

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you by, if in our opinion:

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

Signature of Auditor:

Moore Stephens LLP

Name:

Moore Stephens LLP

Profession:

Registered Auditor Chartered Accountants

Address:

150 Aldersgate Street  
London  
EC1A 4AB

Date:

27 May 2016

Contact Name and Telephone Number:

Gareth Jones  
020 7334 9191

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

**COMMUNICATION WORKERS UNION**  
**Independent Auditor's Report**  
**to the Members of the Communication Workers Union**

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We have audited the accounts of the Communication Workers Union for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, 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 Union's Executive Council and Auditor**

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

We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

**Scope of the Audit of the Accounts**

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

**Opinion**

In our opinion the financial statements:

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

**COMMUNICATION WORKERS UNION  
Independent Auditor's Report  
to the Members of the Communication Workers Union**

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

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you by, if in our opinion:

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

*Moore Stephens LLP*

Gareth Jones FCA  
Statutory Auditor

**Moore Stephens LLP**

Chartered Accountants  
Registered Auditor  
150 Aldergate Street  
London  
EC1A 4AB

Date:

22 April 2016