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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	University & College Union
Year ended:	31 <sup>st</sup> August 2015
List no:	792T
Head or Main Office:	Carlow Street London NW1 7LH
Website address (if available)	www.ucu.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:	Sally Hunt
Telephone Number:	020 7756 2500
Contact name for queries regarding	David Hales
Telephone Number:	020 7756 2500
E-mail:	DHales@ucu.org.uk

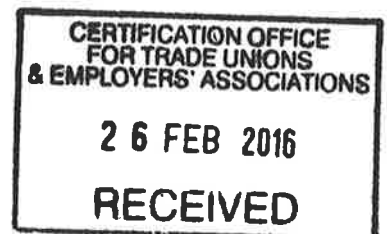
**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

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)

## OFFICERS OF THE UNIVERSITY AND COLLEGE UNION - 2014/2015

Officers of the Union at 31<sup>st</sup> August 2014:

President.	Dr Elizabeth H Lawrence
President Elect	Mr Robin Goodfellow
Vice-president	Dr Joanna de Groot
Vice-president	Simon Renton (Immediate past president)
Honorary Treasurer	Dr Angela Roger

Officers of the Union at 31<sup>st</sup> August 2015:

Dr Elizabeth H Lawrence
Mr Robin Goodfellow
Dr Joanna de Groot
Dr Angela Roger

Members of the National Executive Committee from 1<sup>st</sup> September 2014 and at 24 May 2015 (until the end of Congress):

	Ms Sue Abbott
	Mr David Anderson
	Mr David Armstrong
	Mr Todd Bailey (elected October 2014)
	Mr Alan Barker
	Professor Andreas Bieler
	Professor Paul Blackledge
	Ms Vicky Blake
	Professor Harriet Bradley
	Dr Roger Brooks
Trustee	Ms Mandy Brown
	Mr Philip Burgess
	Ms Carolyn Campbell
	Ms Julia Charlton
	Ms Jacqueline D'Arcy
	Mr Mick Dawson
	Mr James Donaghey
	Dr Karen Evans
	Mr Jonathan Gilhooly
	Mr Joe Gluza
	Mrs Monica B Goligher
President Elect	Mr David Goode (resigned October 2014)
Vice President	Mr Robin Goodfellow
	Dr Joanna de Groot
	Ms Catherine Hepburn
	Dr Marion Hersh
	Ms Margot Hill
	Mr Terry Hoad
	Ms Patricia Hornby Atkinson
	Ms Patricia Hulme
General Secretary	Ms Sally Hunt
Trustee	Dr Alastair Hunter
	Ms Ioanna Ioannou
	Ms Mary Jennings
	Mr Chris Jones
	Mrs Lesley Kane
	Ms Veronica Killen
	Ms Vicky Knight
	Mrs Hilary Kurt
	Ms Angela Lamb
	Professor Mike Larkin
President	Ms Dominique Lauterburg
	Dr Elizabeth H Lawrence
	Dr Martin Levy
	Ms Dawn Livingston
	Mr Richard McEwan
	Ms Lesley McGorrigan
	Dr Patricia McManus
	Ms Jo McNeill
Trustee	Professor Neil Macfarlane
	Professor Susan Michie
	Ms Laura Miles
	Ms Loraine Monk

	Dr Terry Murphy
	Ms Lyndsey Nicholson
	Mr Brian O'Sullivan
	Ms Jenny Prideaux
Immediate Past President	Mr Simon Renton
Honorary Treasurer	Dr Angela Roger
Trustee	Mr Paul Russell
	Mr Alan J Ryan
	Dr Stephen Sangwine
	Mr Andy Sellers
	Ms Mahmoona Shah
	Mr Lee Short
	Mr Paul Summerscales (elected October 2014)
	Mr Jim Thakoordin
	Ms Rose Veitch
	Mr Roger Walden
	Mr Sean Wallis
	Mr Roger Walters
	Mr Gordon Watson
	Ms Saira Weiner
	Ms Susan Whittaker
	Mr Christopher Whyley
	Professor Cecile Wright
Trustee	Dr Dennis J Wright

Members of the National Executive Committee from 24 May 2015 (after end of Congress) and at 31<sup>st</sup> August 2015:

	Ms Sue Abbott
	Ms Janice Aitken
	Mr Steve Allen
	Mr David Anderson
	Mr Todd Bailey
	Mr Alan Barker
	Professor Andreas Bieler
	Professor Paul Blackledge
	Ms Vicky Blake
	Mr Stephen Boyce
	Professor Harriet Bradley
	Dr Roger Brooks
	Ms Mandy Brown
	Mr Simon Bruce-Jones
Trustee	Mr Philip Burgess
	Dr Douglas Chalmers
	Ms Julia Charlton
	Ms Pauline Collins
	Ms Jacqueline D'Arcy
	Mr Michael Dawson
	Ms Nina Doran
	Dr Karen Evans
	Mrs Monica B Goligher
President Elect	Mr Robin Goodfellow
Vice President	Dr Joanna de Groot
	Mr Bruce Heil
	Ms Catherine Hepburn
	Dr Marion Hersh
	Ms Margot Hill
	Ms Patricia Hornby Atkinson
General Secretary	Ms Sally Hunt
	Mr Michael Howard
Trustee	Dr Alastair Hunter
	Ms Ioanna Ioannou
	Ms Mary Jennings
	Mr Chris Jones
	Ms Amy Jowett
	Ms Vicky Knight
	Mrs Hilary Kurt
	Professor Mike Larkin

President	Ms Dominique Lauterburg Dr Elizabeth H Lawrence Dr Martin Levy
Trustee	Ms Angela McConnell Mr Richard McEwan Ms Lesley McGorrigan Mr Michael McKrell Ms Patricia McManus Ms Jo McNeill
Trustee	Professor Neil Macfarlane Professor Susan Michie Mr Carlo Morelli Mr David Muritu Dr Terry Murphy Ms Lyndsey Nicholson Ms Emma-Jane Phillips Ms Jenny Prideaux
Honorary Treasurer	Dr Angela Roger Mr Alan J Ryan Dr Stephen Sangwine Mr Lee Short
Trustee	Ms Kathy Taylor Mr Jim Thakoordin Ms Rose Veitch Mr Sean Wallis Ms Saira Weiner Ms Susan Whittaker Ms Xanthe Whittaker Mr Christopher Whyley

# 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	50,317	1,606	8	72	<b>52,003</b>
FEMALE	51,616	1,777	10	41	<b>53,444</b>
TOTAL	101,933	3,383	18	113	<b>A 105,447</b>

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

85
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Number of members at end of year contributing to the General Fund

100,005
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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
President	Dr Elizabeth H Lawrence	Dr Elizabeth H Lawrence	24.5.15
President-Elect	Mr Robin Goodfellow	Mr Robin Goodfellow	24.5.15
Vice-President	Dr Joanna de Groot	Dr Joanna de Groot	24.5.15
Immediate Past President	Mr Simon Renton	--	24.5.15

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		20,129,867
<b>From Members:</b> Other income from members (specify)		
Donations	9,620	
<b>Total other income from members</b>		9,620
<b>Total of all income from members</b>		20,139,487
<b>Investment income (as at page 12)</b>		22,601
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	166,683	
<b>Total of other income (as at page 4)</b>		166,683
	<b>TOTAL INCOME</b>	<b>20,328,771</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		624,599
<b>Administrative expenses (as at page 10)</b>		14,631,475
<b>Federation and other bodies (specify)</b>		
Subscriptions to TUC	158,162	
Subscriptions to Education International	95,779	
Other subscriptions	58,194	
<b>Total expenditure Federation and other bodies</b>		312,135
<b>Transfer to Pension Fund (Fund 3)</b>		597,000
	<b>TOTAL EXPENDITURE</b>	<b>16,165,209</b>
		<b>Surplus (deficit) for year</b>
		<b>4,163,562</b>
		<b>Amount of general fund at beginning of year</b>
		<b>24,090,607</b>
		<b>Amount of general fund at end of year</b>
		<b>28,254,169</b>

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

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Insurance income	121,506	
Miscellaneous	3,647	
Donations from non-members	2,849	
University subventions & facility fees	38,681	
<b>TOTAL OTHER INCOME</b>		166,683
<b>TOTAL OF ALL OTHER INCOME</b>		166,683

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	358,692	<b>brought forward</b>	370,067
		Education and Training services	123,659
Representation – Non Employment Related Issues	11,375	Negotiated Discount Services	
Communications Publications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
		Equality, health & safety and pensions events	90,506
Dispute Benefits		Other	40,367
Other Cash Payments			
<b>carried forward</b>	370,067	<b>Total (should agree with figure in General Fund)</b>	624,599



(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Fighting Fund	£	£
<b>Income</b>			
	From members		244,429
	Investment income (as at page 12)		1
	Other income (specify)		
	Donations received	7,924	
	<b>Total other income as specified</b>		7,924
	<b>Total Income</b>		252,354
<b>Expenditure</b>			
	Benefits to members		65,043
	Administrative expenses and other expenditure (as at page 10)		99,253
	<b>Total Expenditure</b>		164,296
	<b>Surplus (Deficit) for the year</b>		88,058
	<b>Amount of fund at beginning of year</b>		1,524,139
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		1,612,197
	<b>Number of members contributing at end of year</b>		100,005

FUND 3		Fund Account	
Name:	Pension Fund	£	£
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Pension contributions received in the year	800,000	
	Actuarial gain on pension scheme net assets	1,307,000	
	<b>Total other income as specified</b>		2,107,000
	<b>Total Income</b>		2,107,000
<b>Expenditure</b>			
	Pension financial costs	203,000	
	Actuarial loss on pension scheme net assets.		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		203,000
	<b>Surplus (Deficit) for the year</b>		1,904,000
	<b>Amount of fund at beginning of year</b>		(7,388,000)
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		(5,484,000)
	<b>Number of members contributing at end of year</b>		100,005

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

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

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		169,728
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		169,728
<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)		
	Conferences, lobbying & publicity	7,916	
	Parliament & assembly costs	11,983	
	Subscription to TUC	138,629	
	Non-political expenditure	11,214	
	Total expenditure		169,742
	Surplus (deficit) for year		(14)
	Amount of political fund at beginning of year		9,336
	Amount of political fund at the end of year (as Balance Sheet)		9,322
	Number of members at end of year contributing to the political fund		93,167
	Number of members at end of the year not contributing to the political fund		12,280
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		9,574

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

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

(see notes 32 and 33)

	£
<b>Administrative Expenses</b>	
Remuneration and expenses of staff	9,218,193
Salaries and Wages included in above	£7,299,957
Auditors' fees	31,303
Legal and Professional fees	567,497
Occupancy costs	1,272,658
Stationery, printing, postage, telephone, etc.	410,306
Expenses of Executive Committee (Head Office)	207,516
Expenses of conferences	519,763
Other administrative expenses (specify)	
Equipment & systems maintenance	725,478
Campaigns and policy	313,790
Bargaining and negotiations	99,186
Higher & further education	179,025
Ballot	240,368
Miscellaneous	91,596
<b>Other Outgoings</b>	
Interest payable:	
Bank loans (including overdrafts)	3
Bridging loan	15,991
Other loans	
Depreciation	554,656
Loss on sale of fixed assets	118
Taxation	13,791
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Payments to charities	1,798
Other donations	64,692
Pension scheme	203,000
<b>Total</b>	<b>14,730,728</b>
Charged to:	
General Fund (Page 3)	14,631,475
Fighting Fund (Account 2)	99,253
Fund (Account )	
Fund (Account )	
Fund (Account )	
<b>Total</b>	<b>14,730,728</b>

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contributions s £	Benefits		Total £
				Description	Value £	
General Secretary	102,578	12,328	16,412	Car benefit	3,218	134,536

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			13,477
Interest (gross) from:			
Government securities (Gilts)			210
Mortgages			
Local Authority Bonds			
Bank and Building Societies			3,590
Other Interest			44
Other investment income (specify)			
Profit on sale of investments			5,281
		<b>Total investment income</b>	<b>22,602</b>
Credited to:			
		General Fund (Page 3)	22,601
		Fighting Fund (Account 2)	1
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		<b>Total Investment Income</b>	<b>22,602</b>

# BALANCE SHEET as at 31<sup>st</sup> August 2015

(see notes 47 to 50)

Previous Year		£	£
15,735,776	<b>Fixed Assets</b> (at page 14)		15,641,316
	<b>Investments</b> (as per analysis on page 15)		
64,714	Quoted (Market value £ 767,850)	62,214	
50,000	Unquoted	50,000	
114,714	<b>Total Investments</b>		112,214
	<b>Other Assets</b>		
	Loans to other trade unions		
694,811	Sundry debtors	856,175	
11,862,313	Cash at bank and in hand	15,844,093	
	Income tax to be recovered		
	Stocks of goods		
50	Others (specify) Deposits with building societies	50	
12,557,174	<b>Total of other assets</b>		16,700,318
28,407,664	<b>TOTAL ASSETS</b>		32,453,848
24,090,607	General Fund (Account 1)		28,254,169
1,524,139	Fighting Fund (Account 2)		1,612,197
(7,388,000)	Pension Fund (Account 3)		(5,484,000)
	Superannuation Fund (Account )		
9,336	Political Fund (Account 1)		9,322
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political		
7,388,000	Pension liability	5,484,000	
	Loans: From other trade unions		
1,144,969	Loans: Other – Bank	984,633	
	HP & finance lease		
	Bank overdraft		
23,474	Tax payable	14,158	
1,615,139	Sundry creditors	1,579,369	
	Accrued expenses		
	Provisions		
	Other liabilities		
10,171,582	<b>TOTAL LIABILITIES</b>		8,062,160
28,407,664	<b>TOTAL ASSETS</b>		32,453,848



# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leaseh'ld £				
<b>Cost or Valuation</b>						
At start of year	17,359,819	89,690	2,305,951			19,755,460
Additions			460,313			460,313
Disposals			(542,773)			(542,773)
Revaluation/Transfers						
At end of year	17,359,819	89,690	2,223,491			19,673,000
<b>Accumulated Depreciation</b>						
At start of year	2,218,917	29,598	1,771,169			4,019,684
Charges for year	347,196	1,794	205,665			554,655
Disposals			(542,655)			(542,655)
Revaluation/Transfers						
At end of year	2,566,113	31,392	1,434,179			4,031,684
<b>Net book value at end of year</b>	14,793,706	58,298	789,312			15,641,316
<b>Net book value at end of previous year</b>	15,140,902	60,092	534,782			15,735,776

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

		All Funds Except Political Funds £	Political Fund  £
	<b>QUOTED</b>		
	Equities (e.g. Shares)	62,214	
	Government Securities (Gilts)		
	Other quoted securities (to be specified)		
	<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>62,214</b>	
	Market Value of Quoted Investment	767,850	
	<b>UNQUOTED</b>		
	Equities	50,000	
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies		
	Other unquoted investments (to be specified)		
	<b>TOTAL UNQUOTED (as Balance Sheet)</b>	<b>50,000</b>	
	Market Value of Unquoted Investments	50,000	

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

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

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	20,383,916	169,728	20,553,644
From Investments	22,602		22,602
Other Income (including increases by revaluation of assets)	2,281,607		2,281,607
<b>Total Income</b>	22,688,125	169,728	22,857,853
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	16,532,505	169,742	16,702,247
<b>Funds at beginning of year</b> (including reserves)	18,226,746	9,336	18,236,082
<b>Funds at end of year</b> (including reserves)	24,382,366	9,322	24,391,688
<b>ASSETS</b>			
Fixed Assets			15,641,316
Investment Assets			112,214
Other Assets			16,700,318
		<b>Total Assets</b>	32,453,848
<b>LIABILITIES</b>		<b>Total Liabilities</b>	8,062,160
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			24,391,688

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

SEE ATTACHED

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015**

**STATEMENT OF RESPONSIBILITIES OF THE  
UNION AND MEMBERS OF THE NATIONAL EXECUTIVE COMMITTEE**

The National Executive Committee is the principal executive committee of the Union and consists of the Officers of the Union (Vice-President; President-elect; President; Immediate Past-President; Honorary Treasurer), the General Secretary and the ordinary members of the Committee elected for constituencies defined in the Union's Rules.

Trade Union law requires the Union and members of the National Executive Committee to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements the Union and members of the National Executive Committee are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Union will continue in operation.

The Union and members of the National Executive Committee are responsible for keeping proper accounting records such as are necessary to give a true and fair view of the state of affairs of the Union and to explain its transactions. The Union and members of the National Executive Committee must also establish and maintain a satisfactory system of control of its accounting records, its cash holdings and all its receipts and remittances and hence are responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015**

**1. Taxation**

**Analysis of charge in year**

	<b>Year ended 31.8.2015</b>	<b>Year ended 31.8.2014</b>
	£	£
<b>Current tax</b>		
Provision for UK corporation tax on surplus for the year.	14,167	23,618
Adjustments in respect of previous provision.	(376)	(894)
Total current tax charge.	<u>13,791</u>	<u>22,724</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences.	--	--
Effect of increased tax rate on opening asset.	--	--
Total deferred tax charge.	<u>--</u>	<u>--</u>
Total tax charge.	<u>£13,791</u>	<u>£22,724</u>

**Factors affecting the tax charge for the year**

	<b>Year ended 31.8.2015</b>	<b>Year ended 31.8.2014</b>
	£	£
Surplus on accumulated funds before taxation.	<u>£4,862,397</u>	<u>£5,584,001</u>
Surplus on accumulated funds before taxation multiplied by the small companies rate of UK corporation tax at 20% (2014 - 20%).	972,479	1,116,800
Effects of:		
Income not chargeable to taxation.	(4,125,100)	(4,061,292)
Expenses not deductible for tax purposes.	3,166,788	2,968,110
Adjustments in respect of previous periods.	--	--
Tax losses carried forward.	<u>--</u>	<u>--</u>
Current tax charge.	<u>£14,167</u>	<u>£23,618</u>

**Provision for deferred taxation**

	<b>Year ended 31.8.2015</b>	<b>Year ended 31.8.2014</b>
	£	£
In respect of tax losses carried forward.	<u>£ --</u>	<u>£ --</u>
Provision at 1.9.2014.	--	--
Deferred tax charge in income and expenditure account for the year.	<u>--</u>	<u>--</u>
Deferred tax asset at 31.8.2015.	<u>£ --</u>	<u>£ --</u>

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015  
(continued)**

**2. Actuarial Gain / (Loss) on NATFHE Pension and Life Assurance Scheme**

Actuarial gains on the NATFHE Pension and Life Assurance Scheme from 1st September 2014 to 31st August 2015 of £1,307,000 are recognised in the Pension Fund Account (Fund 3) (2014 - losses £1,029,000).

Analysis of actuarial gain / (loss) on Pension Scheme Net Assets.	Year ended 31.8.2015		Year to 31.8.2014
	Pension Fund £	Total £	Total £
Actual return less expected return on pension scheme assets.	354,000	354,000	1,394,000
Experience gain arising on the scheme liabilities.	393,000	393,000	526,000
Changes in assumptions underlying the present value of the scheme's liabilities.	560,000	560,000	(2,949,000)
Actuarial gain / (loss) on Pension Scheme Net Assets.	<u>£1,307,000</u>	<u>£1,307,000</u>	<u>£(1,029,000)</u>

**3. Pension Schemes**

The deficit disclosed in these financial statements in respect of the NATFHE Pension and Life Assurance Scheme was evaluated by the scheme's actuary at 31 August 2014 as £7,388,000 and at 31 August 2015 as £5,484,000.

The former NATFHE agreed to pay additional contributions per month for a period of 15 years from 1 June 2006. These additional monthly amounts were payable in accordance with a schedule of contributions agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the Employer (NATFHE). The UCU agreed to continue these payments from 1 June 2006. The payments were revised from 1 July 2009 as part of a recovery plan agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and UCU and the revised payments were £20,000 per month from 1 July 2009 to 31 January 2010, £42,800 per month from 1 February 2010 to 30 June 2012 and £87,000 per month from 1 July 2012 to 30 June 2019.

Following the completion of the triennial valuation of the NATFHE Pension and Life Assurance Scheme on 1 April, 2011 a revised recovery plan was agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the University and College Union on 26 June 2012. The payments due in accordance with the plan were due to be paid as £30,000 per month from 1 July 2012 to 30 June 2014, £55,000 per month from 1 July 2014 to 30 June 2017 and £90,000 per month from 1 July 2017 to 30 September 2020.

The recovery plan payments were amended as a result of the completion of the triennial valuation of the NATFHE Pension and Life Assurance Scheme on 1 April, 2014. A revised recovery plan was agreed between the Trustees of the NATFHE Pension and Life Assurance Scheme and the University and College Union on 5 December, 2014. The payments due in accordance with the plan are due to be paid as £55,000 per month from 1 April 2015 to 31 October 2025.

The future accrual of benefits under the NATFHE Pension and Life Assurance Scheme ceased from 1st November 2006.

From 1st November 2006 the former employees of NATFHE commenced payment of contributions to the USS and ceased to make contributions to the NATFHE Pension and Life Assurance Scheme.

**USS INSTITUTIONS - ACTUARIAL VALUATION AS AT 31 MARCH 2014  
FRS17 - RETIREMENT BENEFITS**

The University and College Union participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The University and College Union is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the Union's employees. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice. In 2015, the percentage was 16% (2014 16%). The Union is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement Benefits", accounts for the scheme as if it were a defined contribution scheme.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015  
(continued).**

**3. Pension Schemes (continued)**

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male member's mortality: S1NA ["light"] YoB tables (no age rating)  
Female member's mortality: S1NA ["light"] YoB tables (rated down one year)

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015		2014	
	At age 65 years.	At age 45 years.	At age 65 years.	At age 45 years.
Males	24.2 years	26.2 years	23.7 years	25.5 years
Females	26.3 years	28.6 years	25.6 years	27.6 years

**Existing benefits:**

Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72.0%	75.0%

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2031. The actuarial valuation of the scheme as at 31 March 2014 revealed a shortfall in assets, when measured on the Scheme's technical provisions of £5.3bn after taking account of the impact of changes in the benefit structure effective from 31 March 2016. The scheme's assets were sufficient to cover 89% of its liabilities (known as the funding level of the scheme).

For the period up to 31 March 2016 the employers' deficit funding contributions over this period will amount to 16% of salaries, less the employer's share of the costs of future service benefit accrual and the expenses of administering the Scheme. It is anticipated that contributions payable towards the deficit will equal 0.7% per annum of salaries over the period up to 31 March 2016.

For the period from 1 April 2016 to 31 March 2031 the employers' deficit funding contributions over this period will amount to 18% of salaries, less the sum of: the employer's share of the cost of future service benefit accrual in the Defined Benefit Section, the employer contribution to the Defined Contribution Section and the expenses of administering the Scheme including Pension Protection Fund levies. It is anticipated that contributions payable to the deficit will be equal to 2.5% per annum of salaries over the period from 1 April 2016 to 30 September 2016. The salary threshold and defined contribution section will be introduced from 1 October 2016 and it is anticipated that contributions payable to the deficit will be equal to 2.1% of salaries from 1 October 2016 to 31 March 2031.

The actuary expects the shortfall to be eliminated by 31 March 2031 and that the next actuarial valuation will take place no later than 31 March 2017.

The actuarial method to be used in the calculation of the technical provisions is the Projected Unit method, under which, for the Final Salary section members, the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service or to 31 March 2016, if earlier.

The key assumptions used in calculating the technical provisions as at 31 March 2014 are:

Investment return	5.2% in year 1, decreasing linearly to 4.7% p.a. over 20 years
Market derived price inflation	3.6% p.a.
Inflation risk premium	0.2% in year 1, decreasing linearly to 0.1% p.a. over 20 years
Price inflation - Retail Prices Index	Market derived price inflation less Inflation risk premium
RPI I CPI gap	0.8% p.a.
Price inflation - Consumer Prices Index	RPI assumption less--RPI / CPI
Salary increases:	
- General pay growth	CPI in year 1, CPI+1.0% in year 2 and RPI+1.0% p.a.
	subsequently:
- Salary scale for past service *	Scale adopted reflecting recent experience
- Salary scale for future service *	Scale adopted reflecting longer term expectations
Pension increases in payment	CPI assumption (for both pre and post 2011 benefits)
Mortality base table	98% of SAPS S1NA "light" YOB unadjusted for males and 99% of SAPS S1NA "light" with a -1 year age adjustment for females
Future improvements to mortality	CMI 2014 with a long term rate of 1.5% p.a.

\* Only up to April 2016

Age related salary scale:

Age	% increase per annum	
	Males	Females
35	3.8	3.1
45	2	1.8
55	1.1	1.4

Pension increases

In particular, at the 31 March 2014 valuation no adjustment has been made for the fact that pension increases on benefits accrued after 30 September 2011 do not fully reflect inflation once CPI exceeds 5% p.a.



**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015  
(continued).**

**3. Pension Schemes (continued)**

Early retirement                      The allowance for early retirements will reflect emerging experience of retirements as monitored at each actuarial valuation and any adjustment for future expectations which is considered appropriate. For the 31 March 2014 valuation it has been assumed that for service accrued prior to 1 October 2011, active members will retire from age 62 with no reduction to their benefits. For service accrued after 30 September 2011, it has been assumed that active members will retire at age 65.

Deferred pensioners are assumed to retire at age 60 and allowance is built in for the appropriate reduction for early payment which would apply to each relevant tranche of benefit applicable to members retiring at that age. Allowance has been included for deferred members shown in the valuation data with a Contractual Pension Age prior to age 65 in accordance with the "Contractual Pension Age/Preservation" judgement.

The contributions payable under the recovery plan will be calculated using the same assumptions as those used to calculate the technical provisions, with the exception of the following during the period of the recovery plan:

- The Trustee has agreed to allow for additional investment returns in the recovery plan. As at 31 March 2014 the additional investment was equal to 50% of the excess return between the best estimate assumed return and the return assumed in the technical provisions. For the 31 March 2014 valuation, the best estimate return is assumed to be 2.75% in year 1 and is assumed to reduce linearly to 1.85% p.a. in year 20.

- If, following a review of the Statement of Investment Principles, the investment strategy of the Scheme changes after completion of the valuation then the assumed rate of investment return may also change at subsequent funding updates to reflect the different expected investment returns from the new asset mix.

- The cost of future accrual for the defined benefit element of the new benefit structure was calculated using the same assumptions as those used to calculate the technical provisions but, once the hybrid scheme has been implemented, with an additional assumption that the salary threshold would increase in line with the CPI assumption.

- For the defined contribution element, once introduced from 1 October 2016, an assumption has been made of an 80% take up rate for the 1% of salary matched contribution.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns, form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long-term view of scheme funding, backed as it is by a robust Higher Education (HE) sector.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and targeted at achieving returns required to meet the scheme's liabilities. Recently, the trustee has invested directly in infrastructure assets. These investments are typically illiquid, but can achieve attractive inflation-linked returns in ways often not available in the publicly traded markets and which can match the scheme's liabilities to a high degree.

At 31 March 2014, USS had over 167,000 active members and the UCU had 173 active contributing members participating in the scheme. At 31 August 2015 UCU had 185 active contributing members (2014 - 173 members).

The pension cost charged to the income and expenditure account in respect of contributions paid to USS is £1,014,546 (2014 - £897,630). The contribution rate payable by the University and College Union was 16% of pensionable salaries.

**NATFHE PENSION AND LIFE ASSURANCE SCHEME  
FRS17 - RETIREMENT BENEFITS**

The University and College Union "the employer" operates the NATFHE Pension and Life Assurance Scheme which is governed by a Trust Deed dated 1 April 1974, as subsequently amended, and is administered by Trustees, nominated by the former NATFHE and by members of the scheme. The scheme is a defined benefit scheme. The scheme is closed to new members.

The NATFHE Pension and Life Assurance Scheme is subject to triennial valuations and the last triennial valuation was carried out on 1 April 2014.

The scheme's actuary was asked to provide figures relevant to the scheme as at 31 August 2014 and 31 August 2015 for the purposes of complying with FRS17 "Retirement benefits".

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015  
(continued).**

**3. Pension Schemes (continued)**

The figures provided in these financial statements are based on the following assumptions:

	<u>At 31.8.2015</u>		<u>At 31.8.2014</u>
Discount rate	3.90% pa		3.80% pa
Inflation assumption (RPI)	3.40% pa		3.40% pa
Rate of increase in salaries		Years from	
		1.4.2014	1.4.2011
		0-2	RPI less 2% pa
		3-5	RPI less 1% pa
		6+	RPI plus 0.25% pa
Discount rate ** / Long term rates of return expected on scheme's assets net of scheme expenses*	3.9% pa **		4.50% pa
Pension increases:			
Rate of increase in pensions in payment - 5% pa fixed pension increases	5.00% pa		5.00% pa
Rate of increase in pensions in payment - RPI pension increases	3.40% pa		3.40% pa
Rate of increase in pensions revaluation in deferment	3.40% pa		3.40% pa
Standard mortality tables were used as follows:	99% S2NA		99% S2NA
	CMI 2014 projection based on individual year of birth, 1.0% pa long term improvement ***		CMI 2013 projection based on individual year of birth, 1.0% pa long term improvement ***
Tax-free cash	No allowance		No allowance

\* The expected return on assets is a weighted average of the assumed long-term returns for the various asset classes. Equity returns are developed based on the selection of an appropriate risk premium above the risk free rate which is measured in accordance with the yield on government bonds. Bond returns are selected by reference to the yields on government and corporate debt as appropriate to the Scheme's holdings of these instruments.

\*\*Under Financial Reporting Standard 102, which applies to accounting periods starting on or after 1 January 2015, the expected return on assets will be replaced with an interest cost using the discount rate applicable at the start of the accounting period (which from 1 September 2015 will be 3.90%).

\*\*\* CMI - Continuous Mortality Investigation into the mortality of Self-Administered Pension Schemes.

Under the mortality tables and projections adopted, the assumed future life expectancy at age 65 is as follows:

	<u>At 31.8.2015</u>	<u>At 31.8.2014</u>
Male currently aged 45	23.7 years	23.7 years
Female currently aged 45	26.0 years	25.9 years
Male currently aged 65	22.4 years	22.4 years
Female currently aged 65	24.6 years	24.4 years

**The assets in the scheme and the expected rates of return were:**

	Major asset categories as an approximate proportion of total assets at:		Long-term rate of return expected at:		Value at	Value at
	<u>31.8.2015.</u>	<u>31.8.2014.</u>	<u>31.8.2015.</u>	<u>31.8.2014.</u>	<u>31.8.2015.</u>	<u>31.8.2014.</u>
					£'000	£'000
Equities	43.963%	44.91%		5.90% pa	12,261	11,858
Bonds	34.971%	29.94%	not	3.80% pa	9,753	7,906
Gilts	19.983%	24.95%	applicable**	2.90% pa	5,573	6,588
Cash (* negligible rate of return)	1.083%	0.20%		0.00% pa *	302	53
Fair value of assets					27,889	26,405
Present value of funded obligations					(33,373)	(33,793)
Deficit in scheme and net pension liability					<u>£(5,484)</u>	<u>£(7,388)</u>

The actual return on the Scheme's assets net of expenses over the year to the Review Date was £1,541,000.

The assets do not include any investment in the Employer.

\*\*Under Financial Reporting Standard 102, which applies to accounting periods starting on or after 1 January 2015, the expected return on assets will be replaced with an interest cost using the discount rate applicable at the start of the accounting period (which from 1 September 2015 will be 3.90%). It is therefore inappropriate to include expected returns on the asset categories which make up the fair value of assets in the scheme.

**Reconciliation of Assets and Funded Obligations:**

	<b>£'000</b>
Fair value of assets at 1st September 2014	26,405
Expected return on assets	1,187
Contributions from employer *	800
Benefits paid	(857)
Actuarial gain on assets	354
Fair value of assets at 31st August 2015	<u>£27,889</u>

\* The Employer expects to contribute £660,000 to the Scheme during the year to 31 August 2016.

Funded obligations at 1st September 2014	(33,793)
Past service cost	(120)
Interest cost	(1,270)
Benefits paid	857
Actuarial loss	953
Present value of Defined Benefit obligations at 31st August 2015	<u>£(33,373)</u>

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2015  
(continued).**

**3. Pension Schemes (continued)**

<b>Analysis of the amount charged to financial expenses in the Income and Expenditure Account:</b>	<b>Year ended 31.8.2015 £'000</b>	<b>Year ended 31.8.2014 £'000</b>
Past service cost	(120)	(37)
Expected return on pension scheme assets	1,187	1,292
Interest on pension scheme liabilities	<u>(1,270)</u>	<u>(1,404)</u>
Net financial expense	<u>£(203)</u>	<u>£(149)</u>

The projected financial expense for the year to 31st August 2016 amounts to £201,000 (2015 - £78,000). The expected return on pension scheme assets is projected to be £1,084,000 (2015 - £1,177,000) and interest on pension scheme liabilities is projected to be £1,285,000 (2015 - £1,255,000). This projection is based on the assumption that cashflows to and from the Scheme are broadly unchanged from the current year's figures and that there have been no events (other than those already notified to the Scheme's actuaries) that would give rise to a settlement, curtailment or past service cost.

<b>Analysis of actuarial gain/ (loss) on Pension Scheme Net Assets:</b>	<b>Year ended 31.8.2015 £'000</b>	<b>Year ended 31.8.2014 £'000</b>
Actual return less expected return on pension scheme assets	354	1,394
Experience gain arising on the scheme liabilities	393	526
Changes in assumptions underlying the present value of the scheme's liabilities	<u>560</u>	<u>(2,949)</u>
Actuarial gain / (loss) on Pension Scheme Net Assets.	<u>£1,307</u>	<u>£(1,029)</u>

<b>Movement in scheme deficit during the year:</b>	<b>Year ended 31.8.2015 £'000</b>	<b>Year ended 31.8.2014 £'000</b>
Deficit in scheme at 1 September 2014	(7,388)	(6,965)
Movement in year:		
Contributions received from Employer	800	755
Net financial (expense)	(203)	(149)
Actuarial gain / (loss)	<u>1,307</u>	<u>(1,029)</u>
Deficit in scheme at 31 August 2015	<u>£(5,484)</u>	<u>£(7,388)</u>

<b>Details of experience gains and losses for the year:</b>	<b>Year ended 31.8.2015 £'000</b>	<b>Year ended 31.8.2014 £'000</b>
<b>Difference between the expected and actual return on the scheme assets:</b>		
Amount (£ thousand)	£(1,390)	£(1,441)
Percentage of scheme assets	5%	5%
<b>Experience gains on scheme liabilities:</b>		
Amount (£ thousand)	£354	£1,394
Percentage of the present value of the scheme liabilities	1%	4%
<b>Total amount recognised in the Pension Fund Account (Fund 3):</b>		
Amount (£ thousand)	£1,307	£(1,029)
Percentage of the present value of the scheme liabilities	4%	3%

The inflation assumption of 3.4% pa (2014 - 3.4% pa) has been determined by looking at market implied rates of future inflation – taken as the difference between the yields on fixed interest and index-linked bonds using Bank of England data which looks at the differences in yields for fixed interest and index-linked gilts and then calculates the implied differences.

No allowance was made for withdrawals from active service before normal retirement date. 90% of members were assumed to be married when they die with husbands being three years older than their wives.

**UNIVERSITY AND COLLEGE UNION**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2014  
(continued).**

**3. Pension Schemes (continued)**

Members retiring between their 60th and 65th birthdays with accrued service arising before 1 April 2003 will receive an un-reduced pension in respect of that service. Members with pension service accrued after 1 April 2003 will receive a reduced pension derived from the scheme's early retirement factors. The figures provided in these financial statements assume that those members with pre 1 April 2003 service still employed by UCU will retire at age 62 years. 90 % of deferred members are assumed to be married at retirement. Deferred members with pre 1 April 2003 service are assumed to retire at age 60 years. Members who joined the scheme after 1 April 2003 are assumed to retire at age 65.

The asset values are the bid values of the funds invested with Legal & General Investment Management. The cash value represents the balance held on the Trustees bank account and has been taken as an approximate value for the other net assets of the scheme.

The next formal triennial actuarial valuation of the NATFHE Pension and Life Assurance Scheme is due as at 1 April 2017.

No allowance for deferred taxation has been made.

No allowance has been made in these figures for possible effects of the cost that might be incurred in respect of the scheme's liability to pay the Pension Protection Fund Levy.

**4. Operating Leasing Commitments**

The operating lease rentals charged in the income and expenditure account were:

	<b>Year ended 31.8.2015</b>	<b>Year ended 31.8.2014</b>
	<b>£</b>	<b>£</b>
Land and buildings.	229,089	227,665
Other leases - Plant and machinery.	319,454	409,411
	<b>£548,543</b>	<b>£637,076</b>

At 31st August, 2015 the University and College Union had annual commitments under non-cancellable operating leases which expire as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>31.8.2015</b>	<b>31.8.2014</b>	<b>31.8.2015</b>	<b>31.8.2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	33,840	121,000	146,671	49,872
Within two to five years	64,080	22,164	164,348	322,239
Over five years	131,600	96,700	--	--
	<b>£229,520</b>	<b>£239,864</b>	<b>£311,019</b>	<b>£372,111</b>

**5. Capital Commitments**

There were no capital commitments contracted for but not provided for at 31 August 2015 (2014 - £nil).

**6. Related Party Transactions**

UCU is a participating institution of the Universities Superannuation Scheme and makes pension contributions to the scheme in respect of the employee members of UCU. The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

During the year ended 31st August 2015 employers normal pension contributions payable to USS by UCU were £1,014,546 (2014 - £897,630) and the balance of contributions payable by UCU to USS at 31st August 2015 was £134,964 (2014 - £135,920).

Members of UCU may make payments via UCU to "Recourse" (formerly the College and University Support Network (CUSN)) at the same time as they pay their subscription payment to the UCU. Recourse is a registered charity (charity registration number 1116382) and was incorporated on 12th July 2006. The charity changed its name to Recourse on 14th July 2010 following a rebranding exercise. It was established to support staff working in Further and Higher Education, former employees and dependant relatives. It is also a wholly owned subsidiary company of the Teachers Support Network (TSN). Recourse's company registration number is 05874222 and it is a Company Limited by Guarantee. The UCU remits the payments received from members to Recourse on a monthly basis. The payments are made by individual members of UCU as Gift Aid payments. Recourse is governed and administered by the Trustees and National Council of TSN. UCU has the right to appoint five members to the National Council of TSN (preferably from within the National Executive Committee of UCU) and in addition subscribing members of UCU have the right to elect members of the National Council of TSN.

During the year ended 31st August 2015 Gift Aid payments payable to Recourse (formerly CUSN) of £313,829 (2014 - £331,518) were received from members of UCU and the balance payable by UCU to Recourse as at 31st August 2015 was £23,808 (2014 - £50,053).

**7. Future Developments.**

The union continues to face significant challenges in the Further and Higher Education sectors which have an effect on the membership of UCU and related costs. In this respect UCU has implemented a long term strategy involving the active engagement of all parties concerned, including elected representatives of the trade union representing UCU staff.

# ACCOUNTING POLICIES


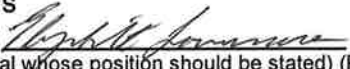
(see notes 74 and 75)

**SEE ATTACHED**

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u>  Name: Sally Hunt  Date: <u>26/2/2014</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) (PRESIDENT)  Name: Elizabeth H Lawrence  Date: <u>26.2.16.</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	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

**UNIVERSITY AND COLLEGE UNION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST AUGUST 2015**

**1. Principal Accounting Policies**

The financial statements comply with relevant accounting standards. The principal accounting policies, which have been consistently applied throughout the year, are set out below.

(a) **Accounting convention**

The financial statements are prepared in accordance with the historical cost convention and applicable Accounting Standards.

(b) **Branches and Local Associations.**

For the purpose of the Trade Union and Labour Relations (Consolidation) Act 1992 the Union is regarded as a trade union with branches. The "branches" of the Union comprise of Local Associations of UCU or Branches of UCU. The assets, liabilities and transactions of the local associations and branches for the year ended 31st August, 2015 are included in these financial statements.

(c) **Depreciation**

Depreciation is provided on all tangible fixed assets, other than land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Freehold and long leasehold property.	2%.
Fixtures and fittings.	10% or the remaining period of the lease.
Plant and machinery.	25%.
Furniture.	10% to 12.5%.
Office equipment.	20%.
Computer equipment and software.	33%.
Motor vehicles (owned).	20%.
Motor vehicles (leased).	Over the period of the lease.

The rate of depreciation is reduced proportionately in the year of acquisition of an asset.

(d) **Subscriptions**

Subscriptions are accounted for on an accruals basis, although no account is taken of individual members' subscriptions that may be in arrears.

(e) **Pension costs**

The former Association of University Teachers (AUT) became a participating institution of the Universities Superannuation Scheme (USS), a defined benefit scheme, from 1st March 2005. The scheme is externally funded and contracted out of the State Second Pension (S2P). The Assets of the scheme are held in a separate trustee-administered fund. The University and College Union (UCU) became a participating institution of USS on the amalgamation of AUT and NATFHE from 1st June 2006.

Because of the mutual nature of the USS scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The UCU is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account as a component of employee costs represents the contributions payable to the scheme in respect of the accounting year.

The UCU continued to make payments to the NATFHE Pension and Life Assurance Scheme to reduce the deficit that existed in that scheme from 1st June 2006. FRS 17 requires the sponsoring employer to account for the NATFHE Pension and Life Assurance Scheme deficit as a liability on its balance sheet mirrored by a pension reserve.

Movements on the NATFHE Pension and Life Assurance Scheme's asset or liability, to the extent that they arise from the expected return on pension fund assets net of interest charges on pension fund liabilities, are reflected in the income and expenditure account as a component of financial expenses.

Movements on the NATFHE Pension and Life Assurance Scheme assets and liabilities arising from changes in actuarial assumptions including actual returns on pension fund assets net of expected returns and experience gains and losses arising on Fund liabilities are reflected in these financial statements through the Pension Fund Account (Fund 3).

(f) **Leases**

Assets financed by leasing agreements which give rights approximating to ownership (finance leases) have been capitalised at their fair value and depreciation is provided on the basis of the depreciation policy. The capital elements of future obligations under finance leases are included as liabilities in the Balance Sheet and the current period's interest element is charged to the Income and Expenditure Account on a straight line basis. The annual payments under all other lease arrangements, known as operating leases, are charged to the Income and Expenditure Account as payments to the lessor fall due.

(g) **Investments**

The investments held are managed by professional investment managers and brokers and transactions are undertaken under powers delegated to them.

(h) **Value added tax (VAT)**

The figures included in these financial statements are exclusive of VAT to the extent that input VAT is partially or fully recoverable or output VAT is payable.

(i) **Deferred Tax**

In accordance with FRS 19, deferred tax is provided for on all material reversing timing differences at the rate of corporation tax applicable to the Union's activities.

# 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)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNIVERSITY AND COLLEGE UNION**

We have audited the financial statements of the University and College Union for the year ended 31st August 2015 which comprise the Funds Accounts, the Balance Sheet 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, as a body, in accordance with the Union's rules. Our audit work has been undertaken so that we may state to the Union's members those matters we are required to state to them in an auditors' 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 its members as a body, for our audit work, for this report or for the opinions we have formed.

# AUDITOR'S REPORT (continued)

**RESPECTIVE RESPONSIBILITIES OF THE MEMBERS OF THE NATIONAL EXECUTIVE COMMITTEE AND AUDITORS**

As explained more fully in the Statement of Responsibilities of the Union and members of the National Executive Committee, The National Executive Committee are 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 relevant legal and regulatory requirements, in particular the rules of the Union, the Trade Union and Labour Relations (Consolidation) Act 1992, and International Standards on Auditing (UK and Ireland). These Standards require us to comply with the Auditing Practice's Board (APB'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 misstatements, 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 National Executive Committee, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information disclosed on pages 1 and 2 of the AR21 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 our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 31st August 2015 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 and the rules of the Union.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- a satisfactory system of control has not been maintained over the Union's transactions; or
- we have not received all the information and explanations we require for our audit.

Signature(s) of auditor or auditors:		
Name(s):	Knox Cropper	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es):	8/9 Well Court London EC4M 9DN	
Knox Cropper is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.		
Date:	26/2/2016	
Contact name and telephone number:	Greg Stevenson 020 7332 6400	

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