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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

Affinity

Year ended:

31 December 2014

List no:

615T

Head or Main Office:

St John's Terrace
3-7 Amphill Street
Bedford
MK42 9EY

Website address (if available)

<http://www.workaffinity.co.uk>

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

Yes

No

(Click the appropriate box)

General Secretary:

Mark V Brown

Telephone Number:

01234 716005

Contact name for queries
regarding

Emma Stopford

Telephone Number:

01234 716005

E-mail:

Emma.Stopford@workaffinity.co.uk

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

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

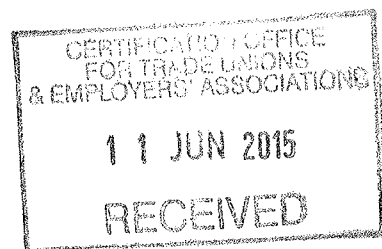
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
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)

List Of Affinity Officers

Mark Brown	–	General Secretary
Neilson Smith	–	Chairman
Bryan Jackson	–	Deputy Chairman / Treasurer
Peter Munday	–	Vice Chairman

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	13619	12	0	281	13912
FEMALE	22652	21	0	504	23177
TOTAL	36271	33	0	785	A 37089

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

	65
Number of members at end of year contributing to the General Fund	36876

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
Vice Chairman	Richard Turner	Peter Munday	16.7.2014

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)

	£	£
INCOME		
From Members: Contributions and Subscriptions		3,372,995
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		
Investment income (as at page 12)		3,034
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	(7,867)	
Total of other income (as at page 4)		(7,867)
	TOTAL INCOME	3,368,162
EXPENDITURE		
Benefits to members (as at page 5)		134,461
Administrative expenses (as at page 10)		3,384,046
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		(1,253)
	TOTAL EXPENDITURE	3,517,254
Surplus (deficit) for year		(149,092)
Amount of general fund at beginning of year		1,410,630
Amount of general fund at end of year		1,261,538

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Administration fees	(14,000)	
Royalties etc	2,714	
Other income	3,419	
TOTAL OTHER INCOME		(7,867)
TOTAL OF ALL OTHER INCOME		(7,867)

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Consultancy	134,461	brought forward Education and Training services	134,461
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward	134,461	Total (should agree with figure in General Fund)	134,461

(See notes 24 and 25)

FUND 2		Fund Account		
Name:		£	£	
Income	From members			
	Investment income (as at page 12)			
	Other income (specify)			
	Total other income as specified			
	Total Income			
Expenditure	Benefits to members			
	Administrative expenses and other expenditure (as at page 10)			
		Total Expenditure		
		Surplus (Deficit) for the year		
		Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)			
	Number of members contributing at end of year			

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

(See notes 24 and 25)

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

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

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£	£
Income	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	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 of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	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		

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

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		2,047,508
Salaries and Wages included in above	£1,634,981	
Auditors' fees		6,000
Legal and Professional fees		172,360
Occupancy costs		51,432
Stationery, printing, postage, telephone, etc.		462,953
Expenses of Executive Committee (Head Office)		221,939
Expenses of conferences		221,940
Other administrative expenses (specify)		
Bank charges and interest		22,329
General expenses		2,609
Computer costs		39,253
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		9,161
Depreciation		111,658
Taxation		14,904
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Total		3,384,046
Charged to:		
General Fund (Page 3)		3,384,046
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Total		3,384,046

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
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			229
Other investment income (specify)			
Staff loan interest			2,792
		Total investment income	3,034
		Credited to:	
		General Fund (Page 3)	3,034
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	3,034

BALANCE SHEET as at 31 December 2014

(see notes 47 to 50)

Previous Year		£	£
1,046,615	Fixed Assets (at page 14)		1,009,269
	Investments (as per analysis on page 15)		
5,149	Quoted (Market value £9,221)	5,149	
4,700	Unquoted	4,700	
	Total Investments		9,849
	Other Assets		
	Loans to other trade unions		
293,762	Sundry debtors		177,305
313,860	Cash at bank and in hand		262,083
-	Income tax to be recovered		1,253
82,155	Stocks of goods		82,721
	Others (specify)		
689,777	Total of other assets		523,362
1,746,241	TOTAL ASSETS		1,542,480
1,410,630	Fund (Account)		1,261,538
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
80,966	Loans: Other		85,496
	Bank overdraft		
3,217	Tax payable		
110,604	Sundry creditors		93,161
140,824	Accrued expenses		102,285
	Provisions		
	Other liabilities		
	TOTAL LIABILITIES		280,942
1,746,241	TOTAL ASSETS		1,542,480

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	765,000		626,267	543,078		1,934,345
Additions	-		8,435	93,377		101,812
Disposals	-		-	(147,962)		(147,962)
Revaluation/Transfer s	-		-	-		-
At end of year	765,000		634,702	488,493		1,888,195
Accumulated Depreciation						
At start of year			557,211	330,519		887,730
Charges for year			34,051	65,226		99,277
Disposals			-	(108,081)		(108,081)
Revaluation/Transfer s			-	-		-
At end of year			591,262	287,664		878,926
Net book value at end of year	765,000		43,440	200,829		1,009,269
Net book value at end of previous year	765,000		69,056	212,559		1,046,615

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Shares	5,149	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	5,149	
Market Value of Quoted Investment	9,221	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Contributions to unlisted company limited by guarantee in which the union is a member	4,700	
TOTAL UNQUOTED (as Balance Sheet)	4,700	
Market Value of Unquoted Investments	4,700	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		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)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" 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 £
INCOME			
From Members	3,372,995		3,372,995
From Investments	3,034		3,034
Other Income (including increases by revaluation of assets)	(7,867)		(7,867)
Total Income	3,368,162		3,368,162
EXPENDITURE (including decreases by revaluation of assets)	3,517,254		3,517,254
Total Expenditure	3,517,254		3,517,254
Funds at beginning of year (including reserves)	1,410,630		1,410,630
Funds at end of year (including reserves)	1,261,538		1,261,538
ASSETS			
Fixed Assets			1,009,269
Investment Assets			9,849
Other Assets			523,362
Total Assets			1,542,480
LIABILITIES			
Total Liabilities			(280,942) (149,692)
NET ASSETS (Total Assets less Total Liabilities)			1,261,538

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.

2. CONTRIBUTIONS FROM MEMBERS	2014	2013
Subscriptions	3,486,088	3,492,829
Ancillary services	(113,093)	(208,671)
	£3,372,995	£3,284,158
	£3,372,995	£3,284,158
3. OTHER OPERATIONS		
Dividends and royalties	2,956	2,361
Vassar Smith Fund administration fee	(14,000)	10,000
Other Income	3,419	2,260
	£(7,625)	£14,621
	£(7,625)	£14,621
4. INVESTMENT INCOME		
Interest received on loans	2,792	5,751
	£2,792	£5,751
	£2,792	£5,751
5. PREMISES, EQUIPMENT AND STAFF		
Staff remuneration and severance	2,047,508	1,943,009
Rent, rates and maintenance	32,506	34,727
Light and heat	13,662	11,642
Equipment hire	52,281	64,941
	£2,145,957	£2,054,319
	£2,145,957	£2,054,319
6. ADMINISTRATION		
Printing, stationery and publications	131,420	103,257
Committee and travelling expenses	443,879	430,356
Postage	182,130	110,058
Telephone	97,122	98,180
Computer costs	39,253	74,079
Bank charges and interest	22,329	21,777
Insurance	5,264	9,792
Lease and hire purchase interest	9,161	8,917
Sundry expenses	2,609	297
VAT on partial exemption	14,904	12,949
	£948,071	£869,662
	£948,071	£869,662

7. DEPRECIATION

Depreciation on tangible fixed assets	99,277	102,401
(Profit)/Loss on disposal	12,381	-
	<u>£111,658</u>	<u>£102,401</u>

8. TAXATION

The Union is not subject to taxation on its normal activities, but is taxable in respect of any profits arising from its trading activities and on its investment income. Provision has been made in the accounts in respect of corporation tax due as follows:-

	2014	2013
Current year	(1,253)	3,217
Prior year adjustment	-	(1,000)
Current tax charge	<u>£(1,253)</u>	<u>£2,217</u>
Factors affecting the tax charge for the year		
(Deficit)/Surplus on ordinary activities before taxation	<u>(145,845)</u>	<u>61,039</u>
(Deficit)/Surplus on ordinary activities before taxation multiplied by Standard rate of UK corporation tax of 20.00% (2013 – 20.00%)	<u>(29,169)</u>	<u>12,207</u>
Effects of :		
Mutual trading	27,916	(8,990)
Other tax adjustments	-	(1,000)
	<u>27,916</u>	<u>(9,990)</u>
Current Tax Charge	<u>£(1,253)</u>	<u>£2,217</u>

9. FIXED ASSETS

	Computer Equipment	Office Equipment	Motor Vehicles	Furniture & Fittings	Total
COST					
1 January 2014	415,163	64,817	543,078	146,287	1,169,345
Additions	6,114	2,321	93,377	-	101,812
Disposals	-	-	(147,962)	-	(147,962)
31 December 2014	<u>421,277</u>	<u>67,138</u>	<u>488,493</u>	<u>146,287</u>	<u>1,123,195</u>
DEPRECIATION					
1 January 2014	376,671	54,706	330,519	125,834	887,730
Disposals	-	-	(108,081)	-	(108,081)
Charge for year	24,677	3,274	65,226	6,100	99,277
31 December 2014	<u>401,348</u>	<u>57,980</u>	<u>287,664</u>	<u>131,934</u>	<u>878,926</u>
NET BOOK VALUE					
31 December 2014	<u>19,929</u>	<u>9,158</u>	<u>200,829</u>	<u>14,353</u>	<u>244,269</u>
31 December 2013	<u>38,492</u>	<u>10,111</u>	<u>212,559</u>	<u>20,453</u>	<u>281,615</u>
FREEHOLD PROPERTY – Cost 1 January 2014				£	765,000
FREEHOLD PROPERTY – Cost 31 December 2014				£	765,000
NET BOOK VALUE INCLUDING FREEHOLD			2014	£	<u>1,009,269</u>
			2013	£	<u>1,046,615</u>

The net book value of tangible fixed assets includes **£126,201** (2013 - £165,428) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to **£36,879** (2013 - £54,460) for the year.

10. INVESTMENTS

	2014	2013
Listed investments at cost	5,149	5,149
[Market Value £9,221 (2013 - £8,910)]		
Unlisted investments at cost	4,700	4,700
	<u>£9,849</u>	<u>£9,849</u>

11. DEBTORS AND PREPAYMENTS

	2014	2013
Prepayments and accrued income	5,901	9,406
Other debtors	171,404	284,356
Corporation tax repayable	1,253	-
	<u>£178,558</u>	<u>£293,762</u>

2014 **2013**

12. CASH AT BANK AND IN HAND

Bank current account	261,920	313,472
Cash in hand	163	388
	-----	-----
	£262,083	£313,860
	=====	=====

13. CREDITORS – due within one year

Creditors and accruals	102,285	140,824
Obligations under hire purchase and finance leases	47,757	58,867
Other creditors	93,161	110,604
Corporation tax	-	3,217
	-----	-----
	£243,203	£313,512
	=====	=====

14. CREDITORS – due after more than one year

Obligations under hire purchase and finance leases	37,739	22,099
	-----	-----
	£37,739	£22,099
	=====	=====

15. ACCUMULATED FUND

Balance at 1 January 2014 as previously reported	1,479,630	1,351,808
Prior period adjustment	(69,000)	-
	-----	-----
Balance at 1 January 2014 as restated	1,410,630	1,351,808
(Deficit)/Surplus for the year	(149,092)	58,822
	-----	-----
	£1,261,538	£1,410,630
	=====	=====

The Union has made payments in the current year which are considered to relate to expenses incurred in the prior year that were not treated as accrued liabilities. The Union's General Council believes these payments should be recognised in the previous year and a resulting adjustment to accruals and accumulated funds has been accounted for as a prior period adjustment with comparatives restated.

16. RECONCILIATION OF (DEFICIT)/SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
(Deficit)/Surplus for the year before taxation	(150,345)	61,039
Depreciation Charges	99,277	102,401
(Profit)/Loss on sale of fixed assets	12,381	-
Decrease/(Increase) in Stocks	(566)	(12,250)
Decrease/(Increase) in Debtors	116,457	(73,651)
(Decrease)/Increase in Creditors	(55,982)	11,602
	<u>£21,222</u>	<u>£89,141</u>

17. CASHFLOW STATEMENT

	Note	31 December 2014	31 December 2013
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	16	<u>21,222</u>	<u>89,141</u>
INVESTING ACTIVITIES			
Receipts from Sales of Fixed Assets		27,500	-
Payments to Acquire Fixed Assets		(101,812)	(71,759)
Hire Purchase and Loan Finance		86,870	44,523
Hire Purchase and Loan Repayments		(82,340)	(69,397)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(69,782)</u>	<u>(7,492)</u>
TAXATION		<u>(3,217)</u>	<u>(4,450)</u>
NET CASH OUTFLOW		<u>(51,777)</u>	<u>(11,942)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	18	<u>£(51,777)</u>	<u>£(11,942)</u>

18. DECREASE IN CASH EQUIVALENTS DURING THE YEAR

Analysis of the balances of cash and cash equivalents as shown in the balance sheet.

	As at 1 January 2014	Movement during the year	As at 31 December 2014
Bank Current Accounts	313,472	(51,552)	261,920
Cash	388	(225)	163
	<u>£313,860</u>	<u>£(51,777)</u>	<u>£262,083</u>

19. RELATED PARTY TRANSACTIONS

(a) The Union has made a loan in 2011 of £16,000 and in 2014 an additional loan was granted of £9,000 in respect of a purchase of a motor vehicle to Mr Mark Brown, the General Secretary, which bears interest at a commercial rate of 4%. The balance due from Mr Mark Brown at the year-end was £9,761 (2013: £4,667).

(b) During the year the Union paid a salary of £27,800 (2013: £24,800) to Mr Neilson Smith in his capacity as Chairman of the Union. No other members of the General Council received remuneration during the year.

20. BUSINESS REVIEW

In 2014 a major focus of the Union's activity was protecting its members in the Lloyds Banking Group from imposed changes to their employment contracts and pensions. The result of Affinity's campaign against the imposition of contract changes, begun in 2010, was a lengthy but successful Employment Tribunal case, which led to the restitution of the contractual rights of a large group of members and the payment of substantial compensation.

The second main focus during 2014 continued to be the provision of individual advice and representation, also within the Lloyds Banking Group, where, despite reductions in staff the number of requests for assistance rose yet again. This required further investment in both the provision of the Union's 24-hour advice service and local representation, together with substantially increased activity in related legal work.

As expected the divestment of TSB and the movement of a substantial number of members to work for the new business produced additional work streams and activity. By the end of the year no agreement had been reached on Union recognition in TSB despite the fact that the Union represented some 95% of all union members in the company.

The Union continued the restructuring of its operations to allow it to meet these new demands, despite anticipated staff reductions in the banking industry and consequently lower membership.

An important factor in this restructuring was the growth in members leaving Lloyds Banking Group or TSB but retaining their membership under the Union's Affinity brand. Year-on-year, Affinity membership increased by 65%; in excess of the Union's target for the year.

ACCOUNTING POLICIES

(see notes 74 and 75)

(a) Activities

Affinity is the major trade union representing staff of Lloyds Banking Group and its associated companies. It also represents members in a wide range of other companies. Its primary function is to provide representational services to these members.

The Union provides members with a range of ancillary services on advantageous terms.

(b) Basis of accounting

The financial statements are prepared on the historical cost basis.

(c) Income

Income represents subscriptions receivable from members during the year, income receivable from investments and monies on deposit, and the surplus arising from the trading activities of the Union.

(d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation with the exception of freehold property which is not depreciated. Freehold land and buildings are maintained and improved such that the residual values of these properties, based on prices prevailing at the time of acquisition, are at least equal to their book values. Having regard to this, it is the opinion of the Union's Officers that depreciation on any such properties as required by Accounting Standards would not be material.

(e) Investments

Investments are stated at the lower of cost and net realisable value.

(f) Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets over their estimated working life at the following rates:

Freehold property	-	not depreciated
Computers and equipment	-	33% pa on cost
Office equipment	-	20% pa on cost
Motor vehicles	-	25% pa on net book value
Furniture and fittings	-	10% pa on cost

(g) Stock

Stocks comprise stationery and publicity brochures valued by the Union at the cost of production, and store vouchers available for purchase by members, valued at cost.

(h) Leased assets

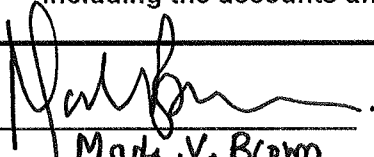
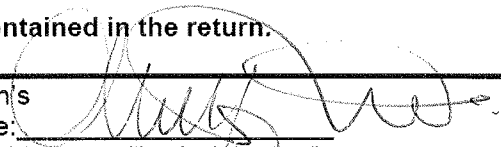
Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright and any finance costs are charged to the income and expenditure account over the purchase period.

All other leases are operating leases, and the annual rentals are charged to the income and expenditure account on a straight line basis over the lease term.

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: <u>Mark V. Brown</u> Date: <u>5th June 2015</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>NEILSON & SMITH</u> Date: <u>5.6.2015</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)	ENCLOSE D	<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"/>

AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES/NO

If "No" please explain below.

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

YES/NO

If "No" please explain below.

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

YES/NO

If "No" please explain below.

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

AUDITOR'S REPORT (continued)

We have audited the financial statements of Affinity for the year ended 31 December 2014, which comprise the Income and Expenditure Account, Balance Sheet and related notes incorporating the Cash Flow Statement. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective Responsibilities of the Officers and Auditors

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require the union's officers to keep proper accounting records which give a true and fair view of the state of affairs of the union and explain its transactions, to establish and maintain a satisfactory system of control of the accounting records, cash holding and all the receipts and remittance and to prepare an annual return for the Certification Office giving a true and fair view of the revenue account and balance sheet and provide members of the union with a statement of income and expenditure for the year.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the officers and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Return to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of 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 31 December 2014 and its transactions for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 and the Trade Union Reform and Employment Rights Act 1993 require us to report to you if, in our opinion:

- proper books of account have not been kept by the union in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the union in accordance with the requirements of the legislation;
- the revenue account to which our report relates, and the balance sheet are not in agreement with the books of account of the union;
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Other matter

The financial statements of Affinity for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion on those statements on 6 September 2014.

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

Signature(s) of auditor or auditors:	<i>Paul Tucker</i>
Name(s):	Croucher Needham Limited
Profession(s) or Calling(s):	Chartered Certified Accounts
Address(es):	27 St Cuthberts Street Bedford MK40 3JG
Date:	8/6/15
Contact name and telephone number:	Paul Tucker – 01799 521301

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COMPLETE THIS RETURN. THE REFUSAL OR WILFUL NEGLECT TO PERFORM THIS DUTY IS A CRIMINAL OFFENCE.

GUIDANCE ON COMPLETION

PLEASE READ THESE NOTES CAREFULLY AS YOU COMPLETE THE FORM. IF YOU ARE UNSURE ABOUT ANY ASPECT OF THE FORM PLEASE CONTACT THE CERTIFICATION OFFICE FOR ADVICE.

GENERAL

1. Unless the union has been authorised to make its annual return to another date, this return must be made to 31 December and sent to the Certification Officer as soon as possible, and at any event before 1 June.
2. As long as the period is the same and there is no reduction in the amount of information supplied, a union incorporated under the Companies Act may submit with the return a copy of its accounts prepared under the Companies Act providing pages 1,2,9,11,16,17,19,20 and 21 of the return are completed. Where the Companies Act return does not provide all the information sought in this return the additional information should be provided as appropriate. A separate Auditor's Report must always nevertheless be provided and signed on pages 20 and 21 of the return. The summary sheet on page 17 must also be completed.
3. The accounts must, in accordance with the Act, give a true and fair view of the matters to which they relate.
4. The accounts and AR21 of a trade union working through branches (i.e. not a federation of autonomous bodies) should include the transactions, assets and liabilities of **all the branches**.
5. Any negative values should be clearly indicated by placing the entry in brackets.

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

Signature(s) of auditor or auditors:	<i>Paul Tucker</i>
Name(s):	Croucher Needham Limited
Profession(s) or Calling(s):	Chartered Certified Accounts
Address(es):	27 St Cuthberts Street Bedford MK40 3JG
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