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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

UNION OF CONSTRUCTION ALLIED TRADES AND TECHNICIANS

Year ended:

31/12/2014

List no:

378 T

Head or Main Office:

177 ABBEVILLE ROAD
LONDON
SW4 9RL

Website address (if available)

www.ucatt.org.uk

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

Yes

No

(Click the appropriate box)

General Secretary:

MR STEVE MURPHY

Telephone Number:

020 7622 2442

Contact name for queries regarding the completion of this return:

Louanne Muhammad

Telephone Number:

020 7622 2442

E-mail:

lmhammad@ucatt.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

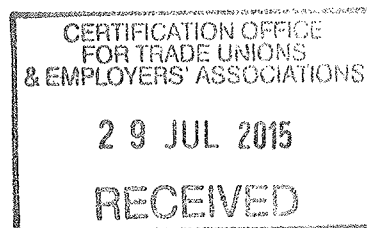
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
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)

Officers of the Union During 2014

Mr. S. Murphy – General Secretary

Executive Council Members

Mr. N. Andrews - Wales & South West Region

Mr. M. Farrell – Scottish Region

Mr. J. Gamble – Eastern Region

Mr. A. Jones – Yorkshire Region

Mr. N. Kelly – London & South East Region

Mr. J. Maloney – Irish Region

Mr. W. Sloane – North West Region

Mr. A. Stansfield – Northern Region

Mr. N. Vernon – Midlands Region

Executive Council Chairman: Mr. N. Vernon

Mr. R. Britton – Eastern Region

Mr. B. Davis – Wales & South West Region

Mr. P. Dowling – London & South East Region

Mr. H. Jones – Irish Region

Mr. A. Nichol – Northern Region

Mr. W. Parry – North West Region

Mr. A. Sakowicz - Yorkshire Region

Mr. A. Thurstance – Midlands Region

Mr. A. Wilson – Scottish Region

General Council Chairman: Mr. B. Davis

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	51,403	1,025	6,581		59,009
FEMALE	2,205	11	4		2,220
TOTAL	53,608	1,036	6,585	A	61,229

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

9,793
61,229

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

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
NO CHANGES IN THE YEAR.			

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£000	£000
INCOME		
From Members: Contributions and Subscriptions		5,201
From Members: Other income from members (specify)		
Total other income from members		5,201
Total of all income from members		5,201
Investment income (as at page 12)		170
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	146	
Total of other income (as at page 4)		146
	TOTAL INCOME	5,517
EXPENDITURE		
Benefits to members (as at page 5)		225
Administrative expenses (as at page 10)		8,282
Federation and other bodies (specify)		
AFFILIATION FEES	416	
Total expenditure Federation and other bodies		416
Taxation		
	TOTAL EXPENDITURE	8,923
Surplus (deficit) for year		(3,406)
Amount of general fund at beginning of year		4,575
Amount of general fund at end of year		1,169

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£000	£000
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Miscellaneous Income	126	
VAT Recovered	18	
Gain on Revaluation of Investments	2	
TOTAL OTHER INCOME		146
TOTAL OF ALL OTHER INCOME		146

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£000		£000
Representation – Employment Related Issues		brought forward	207
LEGAL AID	109	Education and Training services EDUCATION AND BENEVOLENT GRANTS	3
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications UCATT PUBLICATIONS	98	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		FUNERAL BENEFIT	15
Other Cash Payments			
carried forward	207	Total (should agree with figure in General Fund)	225

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	TRADE PRIVILEGE	£000	£000
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members	1	1
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		1
	Surplus (Deficit) for the year		-1
	Amount of fund at beginning of year		89
	Amount of fund at the end of year (as Balance Sheet)		88
	Number of members contributing at end of year		N/A

FUND 3		Fund Account	
Name:	REVALUATION RESERVE	£000	£000
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	REVALUATION	1,194	1,194
	Total other income as specified		1,194
	Total Income		1,194
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		1,194
	Amount of fund at beginning of year		4,546
	Amount of fund at the end of year (as Balance Sheet)		5,740
	Number of members contributing at end of year		N/A

(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 24 and 25)

FUND 6		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 7		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	
		£000	£000
Income	Members contributions and levies		200
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		200
	Total income		200
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		284
	Surplus (deficit) for year		-84
	Amount of political fund at beginning of year		86
	Amount of political fund at the end of year (as Balance Sheet)		2
	Number of members at end of year contributing to the political fund		41,800
	Number of members at end of the year not contributing to the political fund		19,429
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		11,823

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)

		£000
Administrative Expenses		
Remuneration and expenses of staff		6,154
Salaries and Wages included in above	£4,437	
Auditors' fees		35
Legal and Professional fees		263
Occupancy costs		404
Stationery, printing, postage, telephone, etc.		414
Expenses of Executive Committee (Head Office)		
Expenses of conferences		209
Other administrative expenses (specify) TRAVELLING & MOTOR		236
EQUIPMENT MAINTENANCE		32
COMPUTER COSTS		59
BANK CHARGES		54
GENERAL EXPENSES		16
DELEGATIONS AND MEETINGS		353
SUNDRY COSTS RECOVERED		-184
EXCHANGE LOSS		21
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		263
Taxation		
Outgoings on land and buildings (specify)		
Write back of dilapidations provision		(59)
Other outgoings (specify)		
BALLOT COSTS		12
	Total	8,282
Charged to:	General Fund (Page 3)	8,282
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	8,282

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions £	Other Benefits		
				Description	Value £	
STEVE MURPHY (GENERAL SECRETARY)	83,681	10,459	13,587	CAR	4,573	
				ACCOMODATION	13,000	
				OTHER	2,747	
NEIL ANDREWS (EC MEMBER)	-	-	-	-	-	-
MICHAEL FARRELL(EC MEMBER)	-	-	-	-	-	-
JIM GAMBLE (EC MEMBER)	-	-	-	-	-	-
ANDY JONES (EC MEMBER)	-	-	-	-	-	-
NOEL KELLY (EC MEMBER)	-	-	-	-	-	-
JOHN MALONEY (EC MEMBER)	-	-	-	-	-	-
WAYNE SLOANE (EC MEMBER)	-	-	-	-	-	-
ALAN STANSFIELD (EC MEMBER)	-	-	-	-	-	-
NEIL VERNON (EC CHAIRMAN)	-	-	-	-	-	-

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			46
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
UNITS			124
		Total investment income	170
		Credited to:	
		General Fund (Page 3)	170
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	170

BALANCE SHEET as at

31/12/2014

(see notes 47 to 50)

Previous Year		£'000	£'000
6,309	Fixed Assets (at page 14)		7,411
	Investments (as per analysis on page 15)		
5,451	Quoted (Market value £5,029)		5,003
25	Unquoted		26
11,785	Total Investments		12,440
	Other Assets		
	Loans to other trade unions		
479	Sundry debtors		486
848	Cash at bank and in hand		1,636
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1,327	Total of other assets		2,122
13,112	TOTAL ASSETS		14,562
4,575	General Fund (Account)		1,169
89	Trade Privilege Fund (Account)		88
	Fund (Account)		
	Superannuation Fund (Account)		
86	Political Fund (Account)		2
4,546	Revaluation Reserve		5,740
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		2,126
	Tax payable		
386	Sundry creditors		893
376	Accrued expenses		123
60	Provisions		-
2,994	Other liabilities		4,421
3,816	TOTAL LIABILITIES		7,563
13,112	TOTAL ASSETS		14,562

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £000	Motor Vehicles £000	Website design £000	Total £000
	Freehold £000	Leasehold £000				
Cost or Valuation						
At start of year	4,942	1,615	126	649	46	7,378
Additions		13	43	124		180
Disposals				-79		-79
Revaluation/Transfers	1,560	-366				1,194
At end of year	6,502	1,262	169	694	46	8,673
Accumulated Depreciation						
At start of year	541	145	91	292		1,069
Charges for year	71	11	27	154		263
Disposals				-70		-70
Revaluation/Transfers						
At end of year	612	156	118	376		1,262
Net book value at end of year	5,890	1,106	51	318	46	7,411
Net book value at end of previous year	4,401	1,470	35	357	46	6,309

ANALYSIS OF INVESTMENTS
(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £000	Political Fund £000
Equities (e.g. Shares)		
EFG	777	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
UNITS	2,912	
EFG	1,314	
TOTAL QUOTED (as Balance Sheet)	5,003	
Market Value of Quoted Investment	5,003	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
BIAM CASH FUND	26	
TOTAL UNQUOTED (as Balance Sheet)	26	
Market Value of Unquoted Investments	26	

**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 checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
UCATT INVESTMENTS LIMITED	03945927 (DORMANT)		
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 £000	Political Funds £000	Total Funds £000
INCOME			
From Members	5,201	200	5,401
From Investments	170		170
Other Income (including increases by revaluation of assets)	1,340		1,340
Total Income	6,711	200	6,911
EXPENDITURE (including decreases by revaluation of Total Expenditure)			
	8,924	284	9,208
Funds at beginning of year (including reserves)	9,210	86	9,296
Funds at end of year (including reserves)	6,997	2	6,999
ASSETS			
Fixed Assets			7,411
Investment Assets			5,029
Other Assets			2,122
		Total Assets	14,562
LIABILITIES		Total Liabilities	7,563
NET ASSETS (Total Assets less Total Liabilities)			6,999

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.

ACCOUNTING POLICIES

(see notes 74 and 75)

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>B. Rye</i></u> Name: <u>BRIAN RYE</u> Date: <u>25 July 2015</u>	Chairman's Signature: <u><i>N. Andrews</i></u> (or other official whose position should be stated) Name: <u>NEIL ANDREWS</u> Date: <u>25 July 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)	ENCLOSED	<input checked="" type="checkbox"/>	TO FOLLOW	<input 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"/>

UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

- A These accounts have been prepared under the historical cost convention, as modified by the revaluation of investment and freehold properties and quoted investments, and applicable United Kingdom accounting standards.

The union has incurred a net deficit for the year ended 31 December 2014 of £3,550,000, reducing the union's total funds from £4,750,000 to £1,259,000 (excluding revaluation reserves but including the FRS 17 deficit of £4,421,000) at that date. There are a number of risks surrounding the union's on-going financial situation and long-term sustainability. The Executive Council and the National Secretary have taken steps to reduce the expenditure of the union including the following:

- 1) The union has reduced its affiliations and donations to membership bodies which will result in a saving of approx £136,000 per annum.
- 2) The union has undertaken a redundancy programme to reduce staff costs by up to £750,000 per annum.
- 3) The union has commenced a programme for the closure of surplus sub-offices and under utilised properties, the expected outcome should be a saving of approximately £625,000 per annum.
- 4) The union is making every effort to look at all of its expenditure to ensure that reductions are sought and contracts re-negotiated in order to achieve further savings on current expenditure levels.

Given the ongoing work to control expenditure and generate additional revenue as well as the strength of the union's asset base, the Executive Council believe it is appropriate to prepare these accounts on the going concern basis.

- B Tangible fixed assets are stated at historical cost or valuation less depreciation. Depreciation is provided on all fixed assets other than freehold land on a straight line basis at rates estimated to write off the cost or valuation of each asset over its expected life as follows:

Buildings	2% pa	Computer equipment	33% pa
Office equipment, fixtures & fittings	20% pa	Motor vehicles	25% pa

- C Investment properties are revalued at their open market value annually and are not depreciated. Investment properties are held for their investment potential and not for use by the Union.

- D Investments are stated at market value. Realised and unrealised gains and losses on investments are taken directly to the income and expenditure account.

- E Income is accounted for on a receivable basis. Amounts received in advance are treated as deferred income included in creditors.

- F The net cost of legal cases undertaken on behalf of members is charged in these accounts on an invoiced basis.

- G Value added tax (VAT) is only partially recoverable and the recoverable element is shown in the Income Statement

- H Transactions in foreign currency are recorded at the average rate ruling during the year under review. Monetary assets and liabilities are shown at the rate of exchange applicable at the balance sheet date.

- I The Union's operates a defined benefit scheme.

The amounts charged to Income and Expenditure Account are the current service costs. Actuarial gains and losses are recognised immediately in the Income and Expenditure Account.

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

2. OTHER INCOME

	2014 £'000	2013 £'000
Legal	80	-
Commissions	44	185
Other	1	1
	125	186

3. MEMBERS' SERVICES & BENEFITS

Legal Aid	109	53
UCATT Publications	98	86
Trade Privilege	1	1
Funeral	15	20
Education & Benevolent Grants	3	5
	226	165

4. PERSONNEL COSTS

Officials	2,102	1,826
Staff - General	1,381	1,324
- Training Section	149	116
Branch Officers	312	290
Pension Contributions	558	448
	4,502	4,004

**UNION OF CONSTRUCTION,
ALLIED TRADES AND TECHNICIANS**
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. CONFERENCE & MEETINGS

National Delegate Conference	209	-
Delegations & Meetings	390	356
	<u>699</u>	<u>356</u>

2014 **2013**
£'000 **£'000**

6. ADMINISTRATION

Travelling & Motor	236	227
Rent, Rates, Insurance, Light & Heat	300	297
Office & Property Maintenance	104	97
Equipment Maintenance	32	46
Computer Costs	59	61
Communications	262	289
Printing & Stationery	152	154
Bank Charges & Interest	54	50
Audit & Accountancy	35	35
Professional Fees	263	234
General Expenses	16	25
	<u>1,513</u>	<u>1,515</u>
Less Sundry Costs Recovered	(184)	(105)
	<u>1,329</u>	<u>1,410</u>

7. TANGIBLE FIXED ASSETS

	Investment Properties	Land & Buildings	Website Design	Fixtures Fittings & Equipment	Motor Vehicles	Total
	£'000	£'000		£'000	£'000	£'000
COST OR VALUATION						
At cost or valuation	926	5,631	46	126	649	7,378
Additions	13	-	-	43	124	180
Disposals	-	-	-	-	(79)	(79)
Revaluation	(124)	1,318	-	-	-	1,194
31 December	<u>815</u>	<u>6,949</u>	<u>46</u>	<u>169</u>	<u>694</u>	<u>8,673</u>
DEPRECIATION						
At 1 January	-	686	-	91	292	1,069
Charged	-	82	-	27	154	263
On Disposals	-	-	-	-	(70)	(70)
31 December	<u>-</u>	<u>768</u>	<u>-</u>	<u>118</u>	<u>376</u>	<u>1,262</u>
NET BOOK VALUE						
31 December 2014	<u>815</u>	<u>6,181</u>	<u>46</u>	<u>51</u>	<u>318</u>	<u>7,411</u>
31 December 2013	<u>926</u>	<u>4,945</u>	<u>46</u>	<u>35</u>	<u>357</u>	<u>6,309</u>

Certain freehold properties are charged to the UCATT Officials & Staff Retirement and Death Benefit Scheme.

Investment properties are included in the accounts at their valuation as at 31 December 2014. This valuation was undertaken by Keningtons LLP, Chartered Surveyors and has been included in these accounts on an existing use basis.

**UNION OF CONSTRUCTION,
ALLIED TRADES AND TECHNICIANS**
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. INVESTMENTS AT MARKET VALUE	2014	2013
	£'000	£'000
Quoted Securities at January 01, 2014	5,476	5,645
Additional Investment in the year	-	2,450
Investment sold in the year	(450)	(3,263)
Net gain on revaluation	3	644
Quoted securities at December 31, 2014	<u>5,029</u>	<u>5,476</u>

9. DEBTORS

Trade Debtors	234	103
Other Debtors	38	32
Prepayments	214	344
	<u>486</u>	<u>479</u>

10. CREDITORS

Trade Creditors	259	163
Social Security and other taxes	17	11
Other Creditors	617	212
Accruals and Deferred Income	123	376
	<u>1,016</u>	<u>762</u>

11. PENSION SCHEME CONTRIBUTIONS

The union operates a final salary defined benefit pension scheme in the United Kingdom. Benefits are linked to members' final pensionable salaries and service at retirement or date of leaving the scheme, if earlier.

The most recent formal valuation was carried out as at 31 May 2013 and updated to 31 December 2014 by a qualified independent actuary.

The major assumptions used by the actuary were:

<i>FINANCIAL ASSUMPTIONS</i>	2014	2013
Discount rate	3.50%	4.40%
Price inflation	2.90%	3.40%
- RPI	1.90%	2.40%
- CPI	4.40%	4.90%
Rate of increase in salaries	4.40%	4.90%
Rate of increase of pensions in payment -		
on pre 1997 service pensions	0.0% pa	0.0% pa
on 1997 - 2005 service pensions	2.80%	3.30%
on post 2005 service pensions	2.00%	2.20%
Rate of increase for deferred pensioners	1.90%	2.40%
General salary increases	4.40%	4.90%
Expected return on assets	n/a	6.00%
- Gilts	n/a	3.40%
- Corporate bonds	n/a	4.40%
- Equities including property (additional return above Gilts)	n/a	4.00%
- Diversified Growth Funds (additional return above Gilts)	n/a	3.30%
Life expectancy of male aged 65 at the accounting date	22.8	21.9
Life expectancy of male aged 65 in 20 years after the accounting date	25	23.3

ASSET CLASS

The assets of the scheme are invested in a diversified portfolio and are valued at bid market value.

	2014		2013		2012	
	% of total	£'000	% of total	£'000	% of total	£'000
Equities, including property	29%	4,087	30%	3,785	30%	8,411
Diversified Growth Funds	37%	5,103	39%	4,848	-	-
Corporate bonds, Gilts and Cash	34%	4,764	31%	3,822	22%	2,345
		<u>13,954</u>		<u>12,455</u>		<u>10,756</u>
Actual return on scheme assets		<u>1,129</u>		<u>1,490</u>		<u>1,005</u>

UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

11. PENSION SCHEME CONTRIBUTIONS - CONTINUED

	2014 £'000	2013 £'000
Balance sheet reconciliation		
Fair value of scheme assets	13,954	12,455
Value of scheme liabilities	(18,375)	(15,449)
Pension liability recognised in balance sheet	(4,421)	(2,994)

The Union is only subject to corporation tax in line with note 12 and does therefore not account for deferred tax. As a consequence, there cannot be a deferred tax asset related to the above pension liability.

Reconciliation of scheme liabilities

Opening scheme liabilities	15,449	14,363
Employer's part of current service cost	594	423
Interest cost	683	617
Contributions by scheme participants	154	102
Benefits and expenses paid	(593)	(536)
Actuarial (gains) / losses	2,088	480
Closing scheme liabilities	18,375	15,449

Reconciliation of fair value of scheme assets

Opening fair value of scheme assets	12,455	10,756
Expected return on scheme assets	758	652
Actuarial gains / (losses)	371	838
Contributions by the employer	809	643
Contributions by scheme participants	154	102
Benefits and expenses paid	(593)	(536)
Closing fair value of scheme assets	13,954	12,455

The amounts recognised in the Income and Expenditure Account are as follows:

Employer's part of current service cost	(594)	(423)
Interest cost	(683)	(617)
Expected return on scheme assets	758	652
Total (expense) recognised in the Income and Expenditure Account	(519)	(388)

Actuarial (losses)/gains

Scheme liabilities	(2,088)	(480)
Scheme assets	371	838
Total pension scheme actuarial gain / (loss)	(1,717)	358

**UNION OF CONSTRUCTION,
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NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

11. PENSION SCHEME CONTRIBUTIONS - CONTINUED

History of assets, liabilities, experience gains and losses

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
At 31 December					
Fair value of scheme assets	13,954	12,455	10,756	9,628	9,843
Value of scheme liabilities	(18,375)	(15,449)	(14,363)	(13,270)	(11,834)
Deficit in the scheme	<u>(4,421)</u>	<u>(2,994)</u>	<u>(3,607)</u>	<u>(3,642)</u>	<u>(1,991)</u>
Experience adjustments on scheme assets					
Amount of gain / (loss)	371	838	424	(1,079)	533
Percentage of scheme liabilities	2.7%	6.7%	3.9%	-11.2%	5.4%
Experience adjustments on scheme liabilities					
Amount of gain / (loss)	63	-	-	-	605
Percentage of scheme liabilities	0.0%	0.0%	0.0%	5.1%	0.0%
Impact of change in basis of scheme liabilities					
Amount of gain / (loss)	(2,151)	(480)	(585)	(869)	(187)
Percentage of scheme liabilities	-11.7%	-3.1%	-4.1%	-6.6%	-1.6%

The cumulative amount of actuarial gains and losses in the last five years is a loss of £2,521,000.

Future funding obligation

The most recent actuarial valuation of the scheme, which was assessed at 31 May 2013 and finalised in August 2014, showed a deficit of £3,600,000. A Schedule of Contributions recommended by the Actuary designed to eliminate the deficit by June 2025, has been accepted by the Union. This provided for employer's regular contributions in respect of the in-service members of 17.5% of pensionable salaries each month until 31 July 2014 and 20.9% of these members' pensionable salaries thereafter, as well as deficit funding contributions of £356,928 in the year to 31 May 2014, £30,934 per month in respect of June and July 2014 and £25,000 per month in respect of August 2014 to August 2015 inclusive with this amount increasing on 1 June each year, with effect from 1 June 2015, by the increase in the Retail Prices Index for the year to the preceding September. In-service members will continue to make contributions of 5% - 7% of pensionable salary in accordance with the Scheme Rules.

Under Financial Reporting Standard 17 (FRS17), the operating costs of providing benefits, the service costs, and the interest cost and expected return on assets are included in the income and expenditure account in the period in which they arise. Market fluctuations are set out as recognised gains and losses. The cash flow required to meet any deficit relates to future pension contributions and in the long term this is expected to rise. However the amount of any deficit is subject to considerable variation as it depends on a number of both demographic and financial assumptions.

Republic of Ireland Pension Costs

The Union is also a minority participant in a separate pension scheme providing benefits based on final pensionable salary, based in the Republic of Ireland ("the Scheme"). The assets of the scheme are held separately from those of the Union, being invested with major asset management companies. The contributions are determined by a qualified actuary on the basis of triennial valuations using the scheme's technical provisions, as required by the Republic of Ireland Pensions Act 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions.

The most recent full valuation of the scheme was carried out at 31 May 2012. The actuary is satisfied that the UCATT arrangement at that date met the funding standard provided for in the Irish Pensions Act.

The Union is unable to identify its share of the underlying assets of the Scheme, as it participates in the Scheme with several other entities. Each participating employer is exposed to actuarial risks associated with the current and former employees of the other employers participating in the Scheme. The pension cost of the Scheme to the Union under Financial reporting Standard 17 is therefore the contributions paid to the Scheme by the Union in the year.

**UNION OF CONSTRUCTION,
ALLIED TRADES AND TECHNICIANS
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

12. TAXATION

The union is not liable to tax on income from its members. Taxation is payable to the extent that capital gains and income from investments and commercial training activities exceed allowable provident benefits.

13. REVALUATION RESERVE

This represents the surplus arising following the revaluation of certain Union properties by Keningtons as at December 31, 2014.

No taxation liability is anticipated on the disposal of Union properties at the revalued amounts and no provision has been made in these accounts.

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)

Signature(s) of auditor or auditors:	MOORE STEPHENS LLP	
Name(s):	MOORE STEPHENS LLP	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	RUSSELL SQUARE HOUSE 10-12 RUSSELL SQUARE LONDON WC1B 5LF	
Date:	27 JULY 2015	
Contact name and telephone number:	PHILIP CLARK 0207 509 9305	

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

UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

We have audited the financial statements of the Union of Construction, Allied Trades and Technicians for the year ended 31 December 2014 which comprise the Consolidated Income and Expenditure Account, Consolidated 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 Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the 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 Executive Council and Auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. 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 December 2014 and of its deficit 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.

UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS (CONT'D)

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the union's ability to continue as a going concern. The union incurred a net deficit of £3,550,000 during the year ended 31 December 2014 and, at that date, the union had net current liabilities of £1,020,000. These conditions, along with the other matters explained in note 1 to the financial statements indicate the existence of a material uncertainty which may cast significant doubt about the union's ability to continue as a going concern. The financial statements do not include adjustments that would result if the union was unable to continue as a going concern.

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 Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- . Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- . The union has not maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992; or
- . The financial statements are not in agreement with the accounting records and returns; or
- . Certain disclosures within the form AR21 of Officers' remuneration specified by law are not made; or
- . We have not received all the information and explanations we require for our audit.

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
London, UK
Date: