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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

Musicians' Union

Year ended:

31 December 2015

List no:

154T

Head or Main Office:

60-62 Clapham Road
London
SW9 0JJ

Website address (if available)

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

Yes

No

(Click the appropriate box)

General Secretary:

John Smith

Telephone Number:

020 7582 5566

Contact name for queries
regarding

Sailesh P Mehta

Telephone Number:

020 7388 7000

E-mail:

smehta@hwfisher.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)

Appendix A

MUSICIANS' UNION

OFFICERS IN POST AS AT 31 DECEMBER 2015

<u>Region</u>	<u>Member</u>	<u>From</u>	<u>To</u>
East & South East England	H Bennett	01-Jan-15	31-Dec-15
East & South East England	C Chesterman	23-Mar-15	31-Dec-15
London	S Done	01-Jan-15	31-Dec-15
North of England	K Dyson	01-Jan-15	31-Dec-15
Wales & South West England	T Edwards	01-Jan-15	31-Dec-15
London	R Finlay	01-Jan-15	31-Dec-15
Scotland & Northern Ireland	A Gascoine	01-Jan-15	31-Dec-15
Wales & South West England	A Gleadhill	01-Jan-15	31-Dec-15
Midlands	P Hartley	01-Jan-15	31-Dec-15
East & South East England	A Hopgood	01-Jan-15	31-Dec-15
North of England	S Levine	01-Jan-15	31-Dec-15
London	D Lee	01-Jan-15	31-Dec-15
London	G Newson	01-Jan-15	31-Dec-15
Scotland & Northern Ireland	R Noakes	01-Jan-15	31-Dec-15
North of England	D Pigott	01-Jan-15	31-Dec-15
Midlands	A Seabrook	01-Jan-15	31-Dec-15
North of England	E Spencer	01-Jan-15	31-Dec-15
London	B White	01-Jan-15	31-Dec-15
East & South East England	P Williams	01-Jan-15	31-Dec-15

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	21,271	173	11	97	21,498
FEMALE	8,845	94	3	27	8,969
TOTAL	30,116	267	14	124	A 30,521

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

1
28,720

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
See Appendix A			

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		5,209,254
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		5,209,254
Investment income (as at page 12)		279,989
Other Income		
Income from Federations and other bodies (as at page 4)	3,170,888	
Income from any other sources (as at page 4)		
Total of other income (as at page 4)		3,170,888
	TOTAL INCOME	8,660,131
EXPENDITURE		
Benefits to members (as at page 5)		1,082,948
Administrative expenses (as at page 10)		6,326,265
Federation and other bodies (specify)		
Trade Union	83,865	
Other Affiliations	121,975	
Total expenditure Federation and other bodies		205,840
Taxation		195,330
	TOTAL EXPENDITURE	7,810,383
Surplus (deficit) for year		849,748
Amount of general fund at beginning of year		16,209,738
Amount of general fund at end of year		17,059,486

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		
Collection and Distribution Account collection fee	121,521	
Services, Sound and Vision Corporation	12,000	
Dubbing agreements	164,800	
BBC - cable revenue	970,281	
ITV & Other cable revenue	40,762	
Employment Creation Fund	36,207	
The Educational Recording Agency Limited	811,042	
Commission and other income	16,246	
Undistributable monies from C & D account	247,156	
Landsbanki settlement	16,873	
Remeasurement of defined benefit liability	734,000	
TOTAL OTHER INCOME		3,170,888
TOTAL OF ALL OTHER INCOME		3,170,888

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues	105,893	brought forward	578,611
		Education and Training services	89,686
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications	377,138	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
		Instrument insurance	184,000
Dispute Benefits		Public liability insurance	46,605
		Tax Protection insurance	48,000
		Cont. toward Benevolent fund	136,046
Other Cash Payments Personal accident insurance	95,580		
carried forward	578,611	Total (should agree with figure in General Fund)	1,082,948

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Benevolent Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		1,432
	Other income (specify)		
	Donation	155,591	
	Total other income as specified		155,591
	Total Income		157,023
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		127,046
	Total Expenditure		127,046
	Surplus (Deficit) for the year		29,977
	Amount of fund at beginning of year		426,133
	Amount of fund at the end of year (as Balance Sheet)		456,110
	Number of members contributing at end of year		N/A

FUND 3		Fund Account	
Name:	Collection & Distribution No. 3	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members	7,917	
	Administrative expenses and other expenditure (as at page 10)	286,827	
	Total Expenditure		294,744
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		294,744
	Amount of fund at the end of year (as Balance Sheet)		0
	Number of members contributing at end of year		N/A

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Collection & Distribution No. 4	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Fund received	1,062,774	
	Total other income as specified		1,062,774
	Total Income		1,062,774
Expenditure			
	Benefits to members	841,333	
	Administrative expenses and other expenditure (as at page 10)	131,850	
	Total Expenditure		973,183
	Surplus (Deficit) for the year		89,591
	Amount of fund at beginning of year		159,302
	Amount of fund at the end of year (as Balance Sheet)		248,893
	Number of members contributing at end of year		N/A

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	
		£	£
Income	Members contributions and levies		93,099
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		93,099
	Total income		93,099
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		31,922
	Administration expenses in connection with political objects (specify)		
	Conference expenses		40,110
	Non-political expenditure		63,424
	Total expenditure		135,456
	Surplus (deficit) for year		(42,357)
	Amount of political fund at beginning of year		50,288
	Amount of political fund at the end of year (as Balance Sheet)		7,931
	Number of members at end of year contributing to the political fund		24,722
	Number of members at end of the year not contributing to the political fund		5,799
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		5,532	

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		4,239,907
Salaries and Wages included in above	£3,235,176	
Auditors' fees		40,803
Legal and Professional fees		32,098
Occupancy costs		367,999
Stationery, printing, postage, telephone, etc.		169,208
Expenses of Executive Committee (Head Office)		104,270
Expenses of conferences		103,220
Other administrative expenses (specify)		
Regional committee expenses		83,823
Appendix B		836,596
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		352,477
Taxation		
Outgoings on land and buildings (specify)		
Grants and Benefits		122,910
Collection and Distribution Administration fees		171,521
Collection and Distribution Undistributable Monies to the Main Fund		247,156
Total		6,871,988
Charged to:		
General Fund (Page 3)		6,326,265
Fund (Account2)		127,046
Fund (Account3)		286,827
Fund (Account4)		131,850
Fund (Account)		
Total		6,871,988

Appendix B

MUSICIANS' UNION

Schedule of other admin expenses	<u>2015</u>
Repairs and maintenance	67,625.00
Motor vehicle costs	15,017.00
Hire of equipment	28,432.00
Computer costs	158,307.00
Section Committees	51,748.00
Ballot expenses	39,329.00
Sundry expenses	37,834.00
Bank charges	20,075.00
VAT previous periods	(2,613.00)
Advertising	34,134.00
Member incentive	5,353.00
Public relations	4,225.00
Leaflets	7,125.00
Events, Exhibitions & Seminars	20,838.00
Bulk email	624.00
Other Digital Communications	458.00
Other Promotional	78,279.00
Grants and awards	31,234.00
Delegates expenses including travel	11,599.00
Investment management fees	73,682.00
Net finance charge	(29,000.00)
Change in Investment market valuation	213,551.00
Profit on disposal of property	(47,757.00)
Brand Management	16,497.00
	<u>836,596.00</u>

Appendix C

MUSICIANS' UNION

EXECUTIVE COMMITTEE EXPENDITURE

The members of the Executive Committee are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union. They are also reimbursed for their loss of earnings whilst on Union business and this is listed below. In certain cases these amounts are reimbursed directly to the employer of the Executive member.

<u>Name</u>	<u>Amount</u> £	<u>Name</u>	<u>Amount</u> £
H Bennett	60	S Levine	3,360
C Chesterman	NIL	D Lee	2,810
S Done	2,662	G Newson	NIL
K Dyson	NIL	R Noakes	400
T Edwards	NIL	D Pigott	NIL
R Finlay	785	A Seabrook	188
A Gascoine	NIL	E Spencer	95
A Gleadhill	900	B White	NIL
P Hartley	1,575	P Williams	NIL
A Hopgood	NIL		

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contribution s £	Other Benefits		
				Description	Value £	
General Secretary	119,095	15,363	28,579	Car	5,571	153,245

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)			270,510
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			4,294
Other investment income (specify)			
Profit or (loss) on sale of investments			47,886
Profit or (loss) on exchange rates			(41,269)
		Total investment income	281,421
Credited to:			
		General Fund (Page 3)	279,989
		Fund (Account 2)	1,432
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	281,421

BALANCE SHEET as at 31 DECEMBER 2015

(see notes 47 to 50)

Previous Year		£	£
1,242,710	Fixed Assets (at page 14)		1,038,396
	Investments (as per analysis on page 15)		
12,583,149	Quoted (Market value £ 12,583,504)	12,583,504	
65,085	Unquoted	65,085	
12,648,234	Total Investments		12,648,589
	Other Assets		
	Loans to other trade unions		
1,567,374	Sundry debtors		691,345
2,761,741	Cash at bank and in hand		3,490,163
	Income tax to be recovered		
250,000	Stocks of goods		
	Others (specify)		
4,329,115	Total of other assets		4,181,508
18,220,059	TOTAL ASSETS		17,868,493
16,209,737	Main Fund (Account 1)		17,059,486
426,133	Benevolent Fund (Account 2)		456,110
	Fund (Account)		
	Fund (Account)		
50,288	Political Fund (Account)		7,931
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
203,789	Tax payable		196,808
1,332,662	Sundry creditors		1,240,861
454,046	Monies held for distribution		248,893
(706,596)	Provisions		(1,641,596)
250,000	Other liabilities		300,000
18,220,059	TOTAL LIABILITIES		17,868,493
18,220,059	TOTAL ASSETS		17,868,493

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	2,065,479		332,487	480,292		2,878,258
Additions			2,289	150,267		152,556
Disposals			(45,137)	(124,757)		(169,894)
Revaluation/Transfer s						
At end of year	2,065,479		289,639	505,802		2,860,920
Accumulated Depreciation						
At start of year	1,138,545		276,400	220,604		1,635,549
Charges for year	157,282		33,813	161,382		352,477
Disposals			(45,137)	(120,365)		(165,502)
Revaluation/Transfer s						
At end of year	1,295,827		265,076	261,621		1,822,524
Net book value at end of year						
	769,651		24,563	244,181		1,038,396
Net book value at end of previous year						
	926,933		56,087	259,688		1,242,708

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	12,583,504	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	12,583,504	
Market Value of Quoted Investment	12,583,504	
UNQUOTED Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
	65,085	
TOTAL UNQUOTED (as Balance Sheet)	65,085	
Market Value of Unquoted Investments	65,085	

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 MU Nominee Company Ltd.	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 3243018		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input checked="" 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 Held in trust by John Smith, General Secretary, MU		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	5,209,254	93,099	5,302,353
From Investments	281,421	--	281,421
Other Income (including increases by revaluation of	3,190,433	--	3,190,433
Total Income	8,681,108	93,099	8,774,207
EXPENDITURE			
Total Expenditure	7,801,383	135,456	7,936,839
Funds at beginning of year (including reserves)	16,635,871	50,288	16,686,159
Funds at end of year (including reserves)	17,515,596	7,931	17,523,527
ASSETS			
Fixed Assets			1,038,396
Investment Assets			12,648,589
Other Assets			4,181,508
		TOTAL ASSETS	17,868,493
LIABILITIES			Total Liabilities
			344,966
NET ASSETS (Total Assets less Total Liabilities)			17,523,527

The amount at the end of the year in respect of the Collection & Distribution Funds totalling £248,893 represent cash balances awaiting distribution to musicians or their beneficiaries. As a result they do not form part of the reserves of the Union. Consequently, whilst they have been included within Form AR21 (on pages 6 and 7) they have not been included within the reserves set out above on the Summary Sheet.

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

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

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>J. F. Smith</i></u> Name: <u><i>John Smith</i></u> Date: <u><i>15 June 2016</i></u>	Chairman's Signature: <u><i>[Signature]</i></u> (or other official whose position should be stated) Name: <u><i>David Lee</i></u> Date: <u><i>15 June 2016</i></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"/>

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)

ATTACHED

AUDITOR'S REPORT (continued)

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Signature(s):

H W Fisher & Co.

Name(s):

H W Fisher & Company

Profession(s) or Calling(s):

**Chartered Accountants
Statutory Auditor**

Address(es):

**Acre House
11 - 15 William Road
London NW1 3ER
United Kingdom**

Date:

22 June 2016

Contact name and telephone number:

**Sailesh P Mehta
020 7388 7000**

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE
MUSICIANS' UNION**

We have audited the financial statements of the Musicians' Union for the year ended 31 December 2015, set out on pages 3 to 25. 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), including Financial Reporting Standard 102.

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

Respective responsibilities of the Union's Executive Committee and auditors

As explained more fully in the Statement of Responsibilities of the National Executive Committee on page 1, the Union's National Executive Committee is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Union's National Executive Committee; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements give a true and fair view of the state of the Union's affairs as at 31 December 2015 and of its income and expenditure for the year then ended.

Matters on which we are required to report by exception

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Union has not kept proper accounting records.
- The accounts are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

H W FISHER & COMPANY

*Chartered Accountants
Statutory Auditor*

Dated: 11 May 2016

Acre House
11-15 William Road
London NW1 3ER
United Kingdom

Accounting Convention

Year Ended 31 December 2015

Basis of preparation

The financial statements of Musicians' Union were approved for issue by the Executive Committee Members on 11 May 2016. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Accounting convention

Trade Unions are governed by the Trade Union and Labour Relations (Consolidation Act) 1992 Amended. Under that Act the accounts of Trade Unions are required to give a true and fair view. Therefore, the accounts of Trade Unions are prepared under FRS102. However, as a Trade Union is not a company the Regulations that form the basis of disclosure under FRS102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the Trade Union.

Statement of compliance

The financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the Union for the year ended 31 December 2015.

The Union transitioned from previously extant UK GAAP to FRS102 as at 1 January 2014. An explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 18.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Accounting Policies

Year Ended 31 December 2015

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land & Buildings	2/10% per annum on cost
Fixtures and fittings	10/20% per annum on cost
Computer equipment	33% per annum on cost
Telephones	20/50% per annum on cost
Motor vehicles	33% per annum on cost

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (where applicable). The income and expenditure account includes the net gains and losses arising on revaluation and disposals throughout the year. The Union does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the union is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Revenue recognition

The following criteria must also be met before revenue is recognised:

Contribution income

Contribution income is accounted for on an accruals basis

Other income

Certain receipts in the Main Fund are accounted for once received as they are non-contractual and are not received on predetermined dates.

Interest income

Revenue is recognised as interest is received.

Dividends

Revenue is recognised when the Union's right to receive payment is established.

Accounting Policies – continued

Year Ended 31 December 2015

Corporation tax

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

Deferred tax

Deferred income liabilities arise in relation to the difference between the fair value of investments and their original cost less any indexation applicable.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure accounts.

The Union has adopted a reinvestment policy whereby all realised proceeds on disposal of fixed asset investments are reinvested into fixed asset investments, thereby eliminating the need for the recognition of a deferred tax asset or liability.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pensions and other post-retirement benefits

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the

specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 17.

The Union operates a defined benefit pension scheme, which requires contributions to be made to an administered fund. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occur the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for the plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Musicians' Union is the sponsoring employer of defined benefit scheme as it has legal responsibility for the plan. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan, therefore the company has recognised the entire net defined benefit cost and relevant net defined benefit liability in its financial statements.

Notes to the Accounts

Year Ended 31 December 2015

	2015 £'000	2014 £'000		2015 £'000	2014 £'000
1. Other Income			5. Benefits & Services to Members		
Collection and Distribution Account collection fee	122	158	Member Benefits		
Services, Sound and Vision Corporation	12	24	Legal defence of members	106	360
Dubbing agreements	165	165	The Musician	238	257
BBC WW - cable revenue	970	1,151	Training and education services	24	23
ITV & Other cable revenue	41	72	Instrument insurance	184	184
Employment Creation Fund	36	47	Public liability insurance	47	48
The Educational Recording Agency Limited	811	751	Personal accident insurance	96	88
Commission and other income	16	12	Tax Protection insurance	48	66
PPL Uncleared Cheques	-	148	Diaries, publications & loyalty pins	139	135
Undistributable monies from C & D No 3 account	237	250	Members training	66	65
Undistributable monies from C & D No 4 account	10	1	Communications		
	<u>2,420</u>	<u>2,779</u>	Advertising	34	44
			Member incentive	5	1
2. Employee Costs			Public relations	4	8
Salaries and national insurance	3,235	3,126	Leaflets	7	28
Pensions to retired officials	4	4	Events, Exhibitions & Seminars	21	24
Pension costs	983	933	Bulk email	1	8
Organising expenses	175	184	Other Digital Communications	-	10
Training and sundry expenses	14	24	Brand Management	16	39
	<u>4,411</u>	<u>4,271</u>	Other Promotional	78	51
				<u>1,114</u>	<u>1,439</u>
3. Property & Equipment Costs			6. Administrative Expenses		
Rent, rates, light, heat and cleaning	318	299	Administration		
Repairs and maintenance	68	47	Printing, postage, stationery and telephone	169	143
Motor vehicle costs	15	12	Ballot expenses	39	38
Hire of equipment	28	34	Magazine/Publication subscriptions	17	15
(Profit) on disposal of fixed assets	(48)	(54)	Archiving costs	5	5
Depreciation	352	338	Catering	10	15
IT costs	159	200	Sundry expenses	8	11
Insurance	50	53	Bank charges	20	18
	<u>942</u>	<u>929</u>	VAT previous periods	(3)	12
			Professional Fees		
			Audit fee	41	40
			Legal and professional	27	25
			Investment management fees	74	66
			Property management fees	5	10
			Project Costs		
			War Horse Band Payments	-	4
				<u>412</u>	<u>402</u>
4. Representation Costs					
Committees, Delegates & Stewards					
Executive committee	104	113	7. Grants & Affiliation Fees		
Delegates conference	103	51	Grants and awards	31	28
Section committees	52	43	Donation to MU Benevolent Fund	136	50
Regional committees	27	21	Trades Union Congress	84	82
Stewards' commission	57	50	GFTU	27	27
International Representation			Other affiliations	12	12
FIM Affiliation fees	83	90		<u>290</u>	<u>199</u>
Delegates expenses	12	14			
	<u>438</u>	<u>382</u>			

Notes to the Accounts — continued

Year Ended 31 December 2015

15. Notes To The Cash Flow Statement

	2015	2014 restated
	£'000	£'000
A. Reconciliation of surplus after investment operations to net cash inflow from operating activities		
Surplus after investment operations	300	1,014
Bank interest received	(4)	(11)
Income from listed investments	(270)	(262)
Depreciation	352	338
Movement of investments' market valuation	213	(360)
Net pension scheme income	(201)	(216)
(Profit) on sale of fixed assets	(48)	(54)
(Profit) on sale of investments	(48)	(44)
(Increase) in creditors	(247)	(641)
Increase/(decrease) in debtors	877	(80)
Net cash inflow/(outflow) from operating activities	924	(316)

B. Analysis of net funds

	Cash at bank and on deposit
	£'000
At 1 January 2015 Restated	2,761
Cashflow	729
At 31 December 2015	3,490

16. Operating Leases

At 31 December 2015, the Union had obligations of total future minimum lease payments under non-cancellable operating leases for the following period:

	2015		2014 restated	
	Plant & Equipment £'000	Land & Buildings £'000	Plant & Equipment £'000	Land & Buildings £'000
Expiry date:				
No later than one year	24	83	30	87
Later than one, no later than 5 years	23	216	47	273
Later than five years	-	174	-	197
	<u>47</u>	<u>473</u>	<u>77</u>	<u>557</u>

The lease payment recognised as an expense during the year was £127,000 (2014: £112,000)

17. Staff Pension Schemes

The Musicians' Union operates two pension schemes as follows:

(a) Defined Contribution Scheme

The Union operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Union in an independently administered fund. The charge for the year was £644,260 (2014: £611,265)

(b) Defined Benefit Scheme

The Union currently operates a defined benefit pension scheme for its employees and officials. The assets are held in trustee administered funds separate from the Union's finances. This note sets out the pension cost information required for Musicians' Union to meet its pension obligations as specified under FRS 102. The accounting date to which these disclosures relate is 31 December 2015.

The last full actuarial valuation of the Musicians' Union Permanent Officials and Staff Pension Fund was carried out using the chosen assumptions and then discounting the resulting cashflows back to the 31 December 2015. The next full valuation is scheduled for 1 January 2018

The main financial assumptions, used, were:

	2015	2014	2013
Rate of increase in pensionable salaries	3.15%	3.10%	3.65%
Rate of increase in pensions in payment	3.15%	3.10%	3.65%
Discount rate for scheme liabilities	3.90%	3.60%	4.40%
Rate of inflation	3.30%	3.20%	3.65%

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality

Net Assets of the scheme

The net pension assets recognised in the Union's balance sheet as at 31 December 2015 is as follows:

	2015 £'000	2014 £'000
Equities	4,606	4,527
Bonds	5,393	5,300
Property	1,124	1,104
Cash/Other	112	111
Total Market Value of Assets	11,235	11,042
Present value of liabilities	(9,594)	(10,336)
Scheme Surplus	1,641	706

Notes to the Accounts – continued

Year Ended 31 December 2015

17 Staff Pension Schemes	2015 £'000	2014 restated £'000	18. Reconciliation Of Income & Expenditure Statement For Transition Under Frs102		
			Year Ended 31 December 2014		
Analysis of FRS102 movement:			As previously Stated £'000	Effect of transition £'000	FRS102 As Restated £'000
Contributions	172	194			
Return on scheme assets	397	432			
Interest on scheme liabilities	(368)	(410)			
Net interest on defined benefit liability	29	22			
Net pension scheme Income	201	216	5,057	-	5,057
Remeasurement of defined benefit pensions	734	57	2,808	-	2,808
	935	273	7,865	-	7,865
Pension assets brought forward	706	433	4,271	-	4,271
Pension assets carried forward	1,641	706	929	-	929
			382	-	382
			1,439	-	1,439
			402	-	402
			407	-	407
	2015 £'000	2014 £'000	7,830	-	7,830
Changes to the present value of the defined benefit obligation during the year			Operating Result	35	35
Opening defined benefit obligation	10,336	9,408	Pension adjustment	365	(149)
Current service cost	-	-	Income from investment operation		
Interest cost	368	410	Investment income	635	(232)
Contributions by Scheme participants	-	-	Movement in provision against investment	(131)	131
Actuarial (gains)/losses on Scheme liabilities & changes to demo & fin assumptions	(897)	694	Change in market value	-	360
Net benefits paid out	(213)	(176)		504	259
Closing defined benefit obligation	9,594	10,336	Result for the year before taxation	904	110
	2015 £'000	2014 £'000	Taxation	(202)	-
Changes to the fair value of Scheme assets during the year			Result for the year after taxation	702	110
Opening fair value of Scheme Assets	11,042	9,841	Changes in Fair Value:		
Expected return on Scheme assets (interest on assets)	397	432	Remeasurement of defined benefit pensions	(92)	149
Actuarial (losses)/gains on Scheme assets in excess of interest	(163)	751	Comprehensive Result for the year	610	259
Contributions by the employer	172	194			
Contributions by Scheme participants	-	-			
Net benefits paid out	(213)	(176)			
Closing fair value of Scheme Assets	11,235	11,042			

The actuarial gains and losses are those resulting from the actual performance of the scheme being different from that predicted, for example from changes in economic conditions, from the performance of the investment managers

Notes to the Accounts – continued

Year Ended 31 December 2015

19. Reconciliation of Consolidated Balance Sheet for Transition Under FRS102

	As at 1 January 2014			As at 31 December 2014		
	As previously Stated £'000	Effect of transition £'000	FRS102 (As Restated) £'000	As previously Stated £'000	Effect of transition £'000	FRS102 (As Restated) £'000
Fixed Assets:						
Tangible Assets	1,388	-	1,388	1,243	-	1,243
Investments	10,423	1,532	11,955	10,857	1,791	12,648
	<u>11,811</u>	<u>1,532</u>	<u>13,343</u>	<u>12,100</u>	<u>1,791</u>	<u>13,891</u>
Current Assets:						
Debtors and prepayments	1,487	-	1,487	1,568	-	1,568
Cash at bank and in hand	3,409	-	3,409	2,761	-	2,761
	<u>4,896</u>	<u>-</u>	<u>4,896</u>	<u>4,329</u>	<u>-</u>	<u>4,329</u>
Current Liabilities:						
Creditors and accruals	(2,677)	-	(2,677)	(2,036)	-	(2,036)
Tax payable	(179)	-	(179)	(204)	-	(204)
	<u>(2,856)</u>	<u>-</u>	<u>(2,856)</u>	<u>(2,240)</u>	<u>-</u>	<u>(2,240)</u>
Net current assets	<u>2,040</u>	<u>-</u>	<u>2,040</u>	<u>2,089</u>	<u>-</u>	<u>2,089</u>
Total assets less current liabilities	13,851	1,532	15,383	14,189	1,791	15,980
Accumulated Fund						
Main fund	13,806	1,481	15,287	14,506	1,704	16,210
Benevolent fund	391	51	442	339	87	426
Political fund	88	-	88	50	-	50
	<u>14,285</u>	<u>1,532</u>	<u>15,817</u>	<u>14,895</u>	<u>1,791</u>	<u>16,686</u>
Provisions for Liabilities:						
Pension obligations	(434)	-	(434)	(706)	-	(706)
Deferred Taxation	-	-	-	-	-	-
Net Assets	13,851	1,532	15,383	14,189	1,791	15,980