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- PRINT ON ONE SIDE ONLY

FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

| | |
|--|---|
| Name of Trade Union: | PUBLIC & COMMERCIAL SERVICES UNION |
| Year ended: | 31 DECEMBER 2016 |
| List no: | 753 |
| Head or Main Office: | 160 FALCON ROAD LONDON SW11 2LN |
| Website address (if available) | www.pcs.org.uk |
| Has the address changed during the year to which the return relates? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box) |
| General Secretary: | MARK SERWOTKA |
| Telephone Number: | 0207 801 2600 |
| Contact name for queries regarding | JES SCIORTINO |
| Telephone Number: | 0207 801 2676 |
| E-mail: | jess@pcs.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 2017)

OFFICERS OF PCS AT 31 DECEMBER 2016

General Secretary: Mark Serwotka

President: Janice Godrich

Deputy President: Kevin McHugh

Vice President: John McInally
Paula Brown
Cheryl Gedling

Assistant General Secretary: Chris Baugh

NATIONAL EXECUTIVE COMMITTEE MEMBERS

| | |
|------------------|------------------|
| Ian Albert | Zita Holbourne |
| Martin Cavanagh | John Jamieson |
| Clive Bryant | Tom Bishell |
| Alan Dennis | Neil License |
| Bev Laidlaw | Mark Leopard |
| Richard Douglas | Marion Lloyd |
| Lawrence Dunne | Dominic McFadden |
| Mary Ferguson | Lorna Merry |
| Sarah Malone | Alison Roder |
| Jacqueline Green | Marianne Owens |
| Sam Hall | Clara Paillard |
| Elenor Haven | Ian Pope |
| Fran Heathcote | Karen Watts |
| Candy Udwin | Hector Wesley |
| John Maguire | Paul Williams |

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 | 74,880 | 699 | 0 | 115 | 75,694 |
| FEMALE | 109,101 | 896 | 0 | 94 | 110,091 |
| TOTAL | 183,981 | 1,595 | 0 | 209 | A 185,785 |

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

| | |
|---|---------|
| | 124 |
| Number of members at end of year contributing to the General Fund | 185,785 |

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 |
|-----------------|--|---------------------------|------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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 | | 21,327,046 |
| Total other income from members | | 0 |
| Total of all income from members | | 21,327,046 |
| Investment income (as at page 12) | | 157,059 |
| Other Income | | |
| Transfer from property fund | 167,410 | |
| Income from any other sources (as at page 4) | 195,389 | |
| Potential losses on investments | (18,741) | |
| Gains on investment property | 4,934,311 | |
| FRS 102 Pension adjustment | 11,200,000 | |
| Total of other income | | 16,478,369 |
| | TOTAL INCOME | 37,962,474 |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 3,202,045 |
| Administrative expenses (as at page 10) | | 15,410,563 |
| Federation and other bodies (specify) | | |
| Transfer Campaigns & Disputes Fund | 628,000 | |
| Transfer to VSER fund | 1,000,000 | |
| Affiliation fees | 737,378 | |
| PCS in the community | 3,035 | |
| Donations | 7,900 | |
| Actuarial losses on defined benefit pension scheme | 12,900,000 | |
| Total expenditure Federation and other bodies | | 15,276,313 |
| Taxation | | 33,888,921 |
| | TOTAL EXPENDITURE | 34,042,812 |
| Surplus (deficit) for year | | 3,919,662 |
| Amount of general fund at beginning of year | | 3,599,826 |
| Amount of general fund at end of year | | 7,519,488 |

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 | | 0 |
| Other income | | |
| Advertising | 51,594 | |
| Commission | 64,644 | |
| Miscellaneous | 11,181 | |
| Tax recovered | 67,970 | |
| TOTAL OTHER INCOME | | 195,389 |
| TOTAL OF ALL OTHER INCOME | | 195,389 |

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

| | £ | | £ |
|-------------------------------|------------------|---|------------------|
| Representation – | | brought forward | 1,230,539 |
| Employment Related Issues | 205,491 | Education and Training services | |
| | | National courses | 2,290 |
| | | Seminars | 43,583 |
| | | Branch courses | 46,510 |
| Representation – | | Organising learning & publicity | 18,767 |
| Non Employment Related Issues | 18,585 | Negotiated Discount Services | |
| | | Essential guide | 12,070 |
| Communications | | | |
| PCS View | 410,681 | | |
| Group publications | 29,031 | | |
| National publications | 11,209 | Salary Costs | |
| | | Employment costs | 1,844,261 |
| Advisory Services | | | |
| Helplines | 98,760 | | |
| | | Other Benefits and Grants (specify) | |
| | | Members gold badges | 4,025 |
| Dispute Benefits | | | |
| Other Cash Payments | | | |
| Benevolent Services | 73,791 | | |
| Death & personal accident | 381,337 | | |
| Ex IR Sickness benefits | 1,654 | | |
| carried forward | 1,230,539 | Total (should agree with figure in General Fund) | 3,202,045 |

(See notes 24 and 25)

| FUND 2 | | Fund Account | |
|--------------------|---|--------------|------------------------|
| Name: | Property Fund | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | |
| Expenditure | | | |
| | Transfer to general fund | 167,410 | |
| | Total Expenditure | | 167,410 |
| | Surplus (Deficit) for the year | | (167,410) |
| | Amount of fund at beginning of year | | 12,678,610 |
| | Amount of fund at the end of year (as Balance Sheet) | | 12,511,200 |
| | Number of members contributing at end of year | | No direct contribution |

| FUND 3 | | Fund Account | |
|--------------------|---|--------------|------------------------|
| Name: | Campaigns & disputes fund | £ | £ |
| Income | | | |
| | From members | | |
| | Transfer from General Fund | | 628,000 |
| | Other income (specify) | | |
| | Donations | 1,502 | |
| | Total other income as specified | | 1,502 |
| | Total Income | | 629,502 |
| Expenditure | | | |
| | Fund expenditure (See appendix 1) | 783,683 | |
| | Total Expenditure | | 783,683 |
| | Surplus (Deficit) for the year | | (154,181) |
| | Amount of fund at beginning of year | | 160,229 |
| | Amount of fund at the end of year (as Balance Sheet) | | 6,048 |
| | Number of members contributing at end of year | | No direct contribution |

(See notes 24 and 25)

| FUND 4 | | Fund Account | |
|--------------------|---|--------------|------------------------|
| Name: | Early retirement reserve | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Transfer from general fund | 1,000,000 | |
| | Total other income as specified | | 1,000,000 |
| | Total Income | | 1,000,000 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | Total Expenditure | | 0 |
| | Surplus (Deficit) for the year | | 1,000,000 |
| | Amount of fund at beginning of year | | 0 |
| | Amount of fund at the end of year (as Balance Sheet) | | 1,000,000 |
| | Number of members contributing at end of year | | No direct contribution |

| FUND 5 | | Fund Account | |
|--------------------|---|--------------|------------------------|
| Name: | Pension reserve | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | |
| Expenditure | | | |
| | Benefits to members | | |
| | Transfer to general fund | 11,200,000 | |
| | Total Expenditure | | 11,200,000 |
| | Surplus (Deficit) for the year | | (11,200,000) |
| | Amount of fund at beginning of year | | (1,300,000) |
| | Amount of fund at the end of year (as Balance Sheet) | | (12,500,000) |
| | Number of members contributing at end of year | | No direct contribution |

(See notes 24 and 25)

| FUND 6 | | Fund Account | |
|--------------------|---|--------------|--------|
| Name: | Fighting fund | £ | £ |
| Income | | | |
| | From members | 20,026 | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | 20,026 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | Total Expenditure | | |
| | Surplus (Deficit) for the year | | 20,026 |
| | Amount of fund at beginning of year | | 28,631 |
| | Amount of fund at the end of year (as Balance Sheet) | | 48,657 |
| | Number of members contributing at end of year | | 270 |

| 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 | | 204,744 | |
| | Investment income (as at page 12) | | | |
| | Other income (specify) | | | |
| | Total other income as specified | | | |
| | Total income | | 204,744 | |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) | | | |
| | Fund expenditure (See appendix 2) | | 69,878 | |
| | Non-political expenditure | | | |
| | | Total expenditure | | 69,878 |
| | | Surplus (deficit) for year | | 134,866 |
| | | Amount of political fund at beginning of year | | 251,806 |
| | | Amount of political fund at the end of year (as Balance Sheet) | | 386,672 |
| | | Number of members at end of year contributing to the political fund | | 184,262 |
| | | Number of members at end of the year not contributing to the political fund | | 1,523 |
| | | Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund | | 406 |

| 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 | | 10,713,849 |
| Salaries and Wages included in above | £10,713,849 | |
| Auditors' fees | | 61,138 |
| Legal and Professional fees | | 88,617 |
| Occupancy costs | | 843,308 |
| Stationery, printing, postage, telephone, etc. | | 280,213 |
| Expenses of Executive Committee (Head Office) | | 96,544 |
| Expenses of conferences | | 520,229 |
| Other administrative expenses (specify) | | |
| From general fund (see appendix 3) | | 3,721,646 |
| Other Outgoings | | |
| Interest payable: | | |
| Bank loans (including overdrafts) | | 680 |
| Mortgages | | |
| Other loans | | |
| Depreciation | | 784,339 |
| Taxation | | |
| FRS 102 Pension adjustments: | | |
| Current service costs of defined benefit schemes | | 1,100,000 |
| Administration charges | | 300,000 |
| Benefits paid | | (200,000) |
| Past service costs of defined benefit schemes | | 300,000 |
| Pension contributions paid in the year | | (3,200,000) |
| | Total | 15,410,563 |
| Charged to: | General Fund (Page 3) | 15,410,563 |
| | Fund (Account) | |
| | Fund (Account) | |
| | Fund (Account) | |
| | Fund (Account) | |
| | Total | 15,410,563 |

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

| | Political Fund £ | | Other Fund(s) £ |
|--|------------------------|--------------------------------|-----------------------|
| Rent from land and buildings | 0 | | 69,455 |
| Dividends (gross) from: | | | |
| Equities (e.g. shares) | 0 | | 21,149 |
| Interest (gross) from: | | | |
| Bank and Building Societies | 0 | | 201 |
| Other investment income: | | | |
| Unrealised capital gains on investments | 0 | | 64,653 |
| Bonds and interest bearing stock | 0 | | 1,601 |
| FRS 102 Pension adjustments: | | | |
| Expected return on pension scheme assets | 0 | | 6,400,000 |
| Interest on pension scheme liabilities | 0 | | (6,400,000) |
| | 0 | | 157,059 |
| | | Total investment income | 157,059 |
| | | Credited to: | |
| | | General Fund (Page 3) | 157,059 |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Political Fund | |
| | | Total Investment Income | 157,059 |

BALANCE SHEET as at 31 DECEMBER 2016

(see notes 47 to 50)

| Previous Year | | £ | £ |
|-------------------|--|---------|-------------------|
| 14,115,524 | Fixed Assets (at page 14) | | 14,677,026 |
| | Investments (as per analysis on page 15) | | |
| 561,174 | Quoted (Market value £ 614,812) see page 15 | 607,086 | |
| 736,451 | Unquoted see page 15 | 759,402 | |
| 1,297,625 | Total Investments | | 1,366,488 |
| | Other Assets | | |
| 17,416 | Credit Union Loan | | 0 |
| 3,252,854 | Sundry debtors | | 2,533,463 |
| 2,431,767 | Cash at bank and in hand | | 5,445,706 |
| 5,702,037 | Total of other assets | | 7,979,169 |
| 21,115,186 | TOTAL ASSETS | | 24,022,683 |
| 3,599,826 | General Fund (Account 1) | | 7,519,488 |
| 12,678,610 | Property Fund (Account 2) | | 12,511,200 |
| 160,229 | Campaign Fund (Account 3) | | 6,048 |
| 0 | Voluntary selective & early retirement (Account 4) | | 1,000,000 |
| 251,806 | Political Fund (Account 1) | | 386,672 |
| (1,300,000) | Pension reserve (Account 5) | | (12,500,000) |
| 28,631 | Fighting Fund (Account 6) | | 48,657 |
| | LIABILITIES | | |
| 224,856 | Bank loans | | 0 |
| 61,152 | Tax payable | | 215,043 |
| 970,659 | Sundry creditors | | 1,221,393 |
| 3,139,417 | Accrued expenses | | 1,114,182 |
| 1,300,000 | Other liabilities | | 12,500,000 |
| 21,115,186 | TOTAL LIABILITIES | | 24,022,683 |
| 21,115,186 | TOTAL ASSETS | | 24,022,683 |

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 | 8,500,000 | 846,060 | 3,306,455 | 41,158 | 3,750,000 | 16,443,673 |
| Additions | 0 | 0 | 931,704 | 0 | 73,137 | 1,004,841 |
| Disposals | 0 | 0 | 0 | (31,158) | (3,750,000) | (3,781,158) |
| Elimination of fully depreciated assets | 0 | 0 | (522,579) | 0 | 0 | (522,579) |
| Revaluation/Transfer | (3,235,862) | 0 | 0 | 0 | 7,326,863 | 4,091,001 |
| At end of year | 5,264,138 | 846,060 | 3,715,580 | 10,000 | 7,400,000 | 17,235,778 |
| Accumulated Depreciation | | | | | | |
| At start of year | (272,646) | (144,807) | (1,869,539) | (41,158) | 0 | (2,328,150) |
| Charges for year | (137,700) | (29,710) | (616,929) | 0 | 0 | (784,339) |
| Disposals | 0 | 0 | 0 | 31,158 | 0 | 31,158 |
| Elimination of fully depreciated assets | 0 | 0 | 522,579 | 0 | 0 | 522,279 |
| Revaluation/Transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| At end of year | (410,346) | (174,517) | (1,963,889) | (10,000) | 0 | (2,558,752) |
| Net book value at end of year | 4,853,792 | 671,543 | 1,751,691 | 0 | 7,400,000 | 14,677,026 |
| Net book value at end of previous year | 8,227,354 | 701,254 | 1,436,916 | 0 | 3,750,000 | 14,115,524 |

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

| QUOTED | All Funds Except Political Funds £ | Political Fund £ |
|---|--|-------------------------|
| Equities (e.g. Shares) | | |
| Sarasin Sterling Bond | 318,127 | 0 |
| Sarasin Equisar – Global Thematic | 91,687 | 0 |
| Sarasin Equisar – UKThematic | 78,670 | 0 |
| iShare GBP corporate bond | 53,522 | 0 |
| Sarasin CI Real Estate Equity | 17,151 | 0 |
| 3i Infrastructure PLC & NPV | 12,585 | 0 |
| BH Macro Ltd | 9,565 | 0 |
| Intern Public Partnership | 9,234 | 0 |
| Lyxor Gold Bullion | 3,117 | 0 |
| Various holdings less than £1,500 | 13,428 | 0 |
| TOTAL QUOTED (as Balance Sheet) | 607,086 | 0 |
| Market Value of Quoted Investment | 614,812 | 0 |
| | | |
| UNQUOTED | | |
| Equities | | |
| Unity Trust Bank “A” ordinary shares of £1 | 172,093 | 0 |
| Unity Trust Bank “C” ordinary shares of £1 | 105,129 | 0 |
| Unity Trust Bank “A” ordinary shares of £1 | 100,000 | 0 |
| Energy prospects Co-operative trust Ltd | 1,000 | 0 |
| Wortley Hall | 1,000 | 0 |
| Trade Union British trust | 311,619 | 0 |
| Bank and Building Societies | | |
| Sarasins Money Market | 68,561 | 0 |
| TOTAL UNQUOTED (as Balance Sheet) | 759,402 | 0 |
| Market Value of Unquoted Investments | 794,350 | 0 |

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

| | | | |
|--|--|------------------------------|--|
| 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 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 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(see notes 58 and 59)

SUMMARY SHEET

(see notes 60 to 71)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 21,347,072 | 204,774 | 21,551,816 |
| From Investments | 157,059 | 0 | 157,059 |
| Other Income (including increases by revaluation of assets) | 18,107,871 | 0 | 18,107,871 |
| Total Income | 39,612,002 | 204,774 | 39,816,746 |
| EXPENDITURE (including decreases by revaluation of assets) | | | |
| Total Expenditure | 46,193,904 | 69,878 | 46,263,782 |
| SEE APPENDIX 4 | | | |
| Funds at beginning of year (including reserves) | 15,167,296 | 251,806 | 15,419,102 |
| Funds at end of year (including reserves) | 8,585,393 | 386,672 | 8,972,065 |
| ASSETS | | | |
| | Fixed Assets | | 14,677,026 |
| | Investment Assets | | 1,366,488 |
| | Other Assets | | 7,979,169 |
| | | Total Assets | 24,022,683 |
| LIABILITIES | | Total Liabilities | 15,050,618 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 8,972,065 |

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

SEE APPENDIX 5

ACCOUNTING POLICIES

(see notes 74 and 75)

SEE APPENDIX 5

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 Ferwotka</u> Date: <u>15/5/17</u> | Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>CHRIS BAUGH</u> Date: <u>15/5/2017</u> ASSISTANT GENERAL SECRETARY |
|--|---|

CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

| | | | | |
|--|----------|--------------------------|-----------|--------------------------|
| IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12) | YES | ✓ | NO | <input type="checkbox"/> |
| HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12) | YES | ✓ | NO | <input type="checkbox"/> |
| HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77) | YES | ✓ | NO | <input type="checkbox"/> |
| HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77) | YES | ✓ | NO | <input type="checkbox"/> |
| IS A RULE BOOK ENCLOSED? (see Notes 8 and 78) | YES | ✓ | NO | <input type="checkbox"/> |
| A MEMBER'S STATEMENT IS: (see Note 80) | ENCLOSED | <input type="checkbox"/> | TO FOLLOW | ✓ |
| HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59) | YES | ✓ | NO | <input type="checkbox"/> |
| IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94) | YES | ✓ | 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.

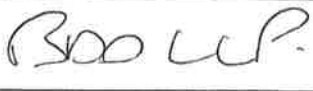
3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting 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 (section one)

| | | |
|--------------------------------------|--|--|
| Signature(s) of auditor or auditors: |  | |
| Name(s): | BDO LLP | |
| Profession(s) or Calling(s): | Chartered accountant & registered auditors | |
| Address(es): | 2 City Place Beehive Ring Road Gatwick West Sussex, RH6 0PA | |
| Date: | 20 July 2017 | |
| Contact name and telephone number: | Laurence Elliott 01293 591 000 | |

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



Independent Auditors Report to the members of the Public & Commercial Services Union

We have audited the AR21 of the Public & Commercial Services Union for the year ended 31 December 2016 on pages 3 to 57, excluding pages 11 and 57. The AR21 has been prepared under the accounting policies set out on pages 38 to 39.

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 officers and auditors

As explained more fully in the statement of officers' responsibilities, the officer's are responsible for the preparation of the financial statements and AR21 and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the AR21

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the AR21

In our opinion the AR21:

- gives a true and fair view of the state of the Union's affairs as at 31 December 2016 and of its result for the year then ended; and
- has been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Trade Union and Labour Relations (Consolidation) Act 1992.

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 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 transactions; or
- the AR21 does not agree with the accounting records; or
- we have not received all the information and explanations we require for our audit.



BDO LLP
Chartered accountants &
Statutory auditors
Gatwick
United Kingdom

Date: 26 Mar 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

5. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES

6. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?


YES

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**



MEMBERSHIP AUDIT CERTIFICATE (continued)

| | |
|-----------------------------------|---|
| Signature of assurer |  |
| Name | Ian Robinson |
| Address | Electoral Reform Services Ltd The Election Centre 33 Clarendon Road London N8 0NW |
| Date | 18.05.17 |
| Contact name and telephone number | Ian Robinson, Director and Head of Quality Control 020 8365 8909 |

| Appendix 1 - Campaign and disputes fund | |
|---|----------------|
| Strike Pay | 310,088 |
| Civil Service Compensation scheme - Consultative Ballot | 189,661 |
| Anti - jobs cuts campaign | 161,457 |
| Strategic legal cases | 93,123 |
| Credit Union | 13,503 |
| Industrial Action Ballots | 8,566 |
| Alternative vision for the justice system | 3,226 |
| Greenwich Resource Centre | 3,000 |
| Miscellaneous costs | 533 |
| Culture Media & Sports Group | 354 |
| STUC | 172 |
| | 783,683 |

| Appendix 2 - Political fund | |
|------------------------------------|---------------|
| Parliamentary work | 50,762 |
| Greening The Workplace | 12,244 |
| Scottish Campaigns | 3,917 |
| Jobs Campaigns | 1,425 |
| International Campaigns | 1,000 |
| Unite Against Fascism | 530 |
| | 69,878 |

| Appendix 3 - Other admin costs | |
|--|------------------|
| GROUP GRANTS | 787,193 |
| COMPUTER RUNNING COSTS | 617,701 |
| PENSION SCHEME ADMINISTRATIVE COSTS | 596,507 |
| BRANCH GRANTS | 364,791 |
| SUBSCRIPTION COLLECTION COSTS | 234,378 |
| TRAVEL | 218,725 |
| NEC ELECTION | 142,878 |
| OFFICE RUNNING COSTS | 149,341 |
| SUBSISTENCE | 100,920 |
| ELECTIONS GROUPS INC OCCP ASSOCIATIONS | 99,512 |
| TRADES UNION CONGRESS | 84,352 |
| PENSION PROTECTION FUND LEVY | 60,224 |
| RESEARCH | 52,440 |
| BANK CHARGES | 39,403 |
| GRANTS TO OTHER GROUPINGS | 29,319 |
| STAFF DEVELOPMENT | 26,476 |
| MISCELLANEOUS OFFICE EXPENSES | 23,169 |
| CREDIT UNION RECHARGES WRITTEN OFF | 18,436 |
| BRANCH IT SUPPORT | 16,848 |
| ASSOCIATE MEMBERS SECTION | 16,333 |
| YOUNG MEMBERS WORK | 15,790 |
| RECRUITMENT PUBLICITY | 9,912 |
| MAINTENANCE OF BUILDINGS | 7,602 |
| HAZARDS CONFERENCE | 2,962 |
| INTERNATIONAL MEETINGS | 2,724 |
| STAFF RECRUITMENT COSTS | 1,712 |
| PUBLIC RELATIONS | 1,188 |
| NATIONAL ORGANISING FORUMS | 810 |
| | 3,721,646 |

Appendix 4 - Summary sheet

INCOME

| | Page Ref | Fund | Excl political | Political | Total |
|--|----------|-----------|-------------------|----------------|-------------------|
| Income from members | 3 | General | 21,327,046 | - | 21,327,046 |
| | 9 | Political | - | 204,744 | 204,744 |
| | 8 | Fighting | 20,026 | - | 20,026 |
| Total Income from members | | | 21,347,072 | 204,744 | 21,551,816 |
| Investment income | 12 | General | 157,059 | | 157,059 |
| Other Income | | | | | |
| Potential losses on investments | 3 | General | - 18,741 | - | 18,741 |
| Transfer from Property Fund | 3 | General | 167,410 | - | 167,410 |
| Gains on property | 3 | General | 4,934,311 | | 4,934,311 |
| FRS 102 adjustment actuarial gains on pensions | 3 | General | 11,200,000 | - | 11,200,000 |
| Income from other sources | 3 | General | 195,389 | - | 195,389 |
| Transfer from General Fund | 7 | VSER | 1,000,000 | | 1,000,000 |
| Transfer from General Fund | 6 | C&D | 628,000 | - | 628,000 |
| Donations to C&D fund | 6 | C&D | 1,502 | - | 1,502 |
| Total Other Income | | | 18,107,871 | - | 18,107,871 |
| TOTAL INCOME | | | 39,612,002 | 204,744 | 39,816,746 |

EXPENDITURE

| | | | | | |
|------------------------------------|---|-----------|-------------------|---------------|-------------------|
| Benefits to members | 3 | General | 3,202,045 | - | 3,202,045 |
| Admin expenses | 3 | General | 15,410,563 | - | 15,410,563 |
| Affiliation Fees | 3 | General | 737,378 | - | 737,378 |
| FRS17 adjustment on pension scheme | 3 | General | 12,900,000 | - | 12,900,000 |
| Transfer to C&D Fund | 3 | General | 628,000 | - | 628,000 |
| PCS in the community | 5 | General | 3,035 | - | 3,035 |
| Donations | 5 | General | 7,900 | - | 7,900 |
| Tax | 5 | General | 153,891 | - | 153,891 |
| Transfer to VSER Fund | 3 | General | 1,000,000 | - | 1,000,000 |
| Transfer to General Fund | 6 | Property | 167,409 | - | 167,409 |
| C&D Fund expenditure | 6 | C&D | 783,683 | - | 783,683 |
| Transfer to General Fund | 7 | Pension | 11,200,000 | - | 11,200,000 |
| Political fund expenditure | 9 | Political | - | 69,878 | 69,878 |
| Total expenditure | | | 46,193,904 | 69,878 | 46,263,782 |

Summary

| Fund | Income | Expenditure | Surplus/(Deficit) for year |
|-----------|-------------------|-------------------|-------------------------------|
| General | 37,962,474 | 34,042,812 | 3,919,662 |
| Political | 204,744 | 69,878 | 134,866 |
| VSER | 1,000,000 | - | 1,000,000 |
| C&D | 629,502 | 783,683 | - 154,181 |
| Property | - | 167,409 | - 167,409 |
| Fighting | 20,026 | - | 20,026 |
| Pension | - | 11,200,000 | - 11,200,000 |
| | 39,816,746 | 46,263,782 | - 6,447,036 |

Appendix 5 Notes to the accounts and accounting policies

PCS Financial report 2017

Public and Commercial Services Union **Notes to the accounts** For the year ended 31 December 2016

1 Accounting policies

Basis of accounts

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

These financial statements incorporate the results of a number of semi-autonomous groups and branches operated by the Union with the estimated balance of funds held by each branch recognised within these financial statements. Movements in branch reserves are included in the year in which they occurred.

Going concern

The officers of the Union have considered their obligations to prepare these financial statements on an appropriate basis, having regard to the union's net asset position at 31 December 2016.

The officers have also assessed the impact of the financial budgets in place for 2017 and beyond against the working capital available, notably its cash and investments. A number of cost savings implemented in 2017 is expected to reduce future expenditure.

As a result in the opinion of the officers the Union has sufficient resources to be able to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis.

a) Subscriptions

Subscription income received includes amounts remitted by, and due to be remitted from, the following sources:

- i) Pay centres who operate a payroll deduction scheme on behalf of PCS.
- ii) Members who have a direct debit facility with their bank.
- iii) Branch and office secretaries.
- iv) Members directly to headquarters.

Amounts deducted by pay centres at 31 December 2016 but not received and members paying by direct debit one month in arrears have been brought into the

income and expenditure account and included in current assets within debtors.

b) Investment and commercial income

All investment and commercial income is credited to the general fund when receivable.

c) Taxation

As an unincorporated association the PCS is liable to corporation tax on its investment income, and realised gains on investments sold. As a trade union relief is available in respect of provident benefits expenditure as statutorily defined. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses.

d) Depreciation

Depreciation is calculated to write off the cost of an asset over its estimated useful working life.

- i) Depreciation on freehold property is charged, on a straight line basis, at 2% per annum.
- ii) Depreciation on leasehold property is being charged over the length of the lease.
- iii) The following are depreciated on a straight line basis at 20% per annum.
 - a. Office furniture, machinery and equipment.
 - b. Computer equipment and software.
 - c. Company cars.

e) Property – investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the general fund income and expenditure account.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

f) Property – other

Properties are included at deemed cost, less depreciation as detailed above.

g) Investments

Investments are shown at market value and any appreciation or diminution in value between cost and market price at the end of the period is shown in the general fund statement of changes in funds and reserves. Gains and losses on disposal are calculated as the difference between gross cost and net proceeds and accounted for when realised. Certain investments that are held for political rather than investment purposes are stated at cost rather than market value. These are shown separately.

h) Operating Leases

Operating lease rentals are charged to the income and expenditure account evenly over the term of the lease.

i) Pension costs

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the officers have made the following judgements:

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should

management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce.

3 Purpose of the funds and reserves

a) General fund

Established to receive the subscription income and all other receipts which are intended to be used for the general purposes and meet all normal expenses and outgoings of the PCS.

b) Campaign and disputes fund

Established by rule 9.11 to provide funds for special campaigns, including disputes, or highlight special issues concerning the PCS's membership.

c) Political fund

Established by rule 9.12 to provide funds for campaigns which could include the furtherance of the political objectives to which section 72 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies.

d) Property fund

Established to account for any capital costs, profits or losses, incurred in the future purchase or disposal of property.

e) Voluntary selective and early retirement reserve (formerly the early retirement reserve)

Established to meet the identifiable costs of a voluntary selective early retirement scheme that allows PCS to release surplus staff.

f) Fighting fund

Established to support members taking targeted industrial action, as agreed by the 2014 annual delegate conference.

g) Pension reserve

Established to account for any FRS 102 revaluations on pension assets and liabilities.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

| | 2016 | | 2015 | |
|--|--------------------|----------------|--------------------|------------------|
| | £ | £ | £ | £ |
| 4 Investment income | | | | |
| Dividends and credits | | 22,750 | | 27,727 |
| Net capital gains | | – | | 25 |
| Unrealised gains on investments | | 64,653 | | – |
| Interest from investment managers | | 201 | | 376 |
| | | <u>87,604</u> | | <u>28,128</u> |
| Pension adjustment | | | | |
| Expected return on pension scheme assets | 6,400,000 | | 6,000,000 | |
| Interest on pension scheme liabilities | <u>(6,400,000)</u> | | <u>(6,300,000)</u> | |
| | | <u>87,604</u> | | <u>(300,000)</u> |
| | | <u>87,604</u> | | <u>(271,872)</u> |
| 5 Commercial activities | | | | |
| Advertising income | | 51,594 | | 65,104 |
| Rent | | 69,455 | | 217,354 |
| Commission received: | | | | |
| Liverpool Victoria | | 42,690 | | 47,523 |
| BHSF | | 9,080 | | 7,878 |
| Union Income Benefit | | 12,535 | | 6,884 |
| The People's Operator | | 339 | | 198 |
| Visit Britain Pay Centre | | – | | 60 |
| Virgin Wines | | – | | 6 |
| | | <u>185,693</u> | | <u>345,007</u> |
| 6 Miscellaneous income | | | | |
| Other | | 11,181 | | 23,563 |
| | | <u>11,181</u> | | <u>23,563</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

| 7 Network administration (summary) | 2016 | | 2015 | |
|---|-------------|-------------------|-------------|-------------------|
| (See appendix C) | £ | £ | £ | £ |
| Superannuation fund running costs | | 596,507 | | 577,313 |
| Pension Protection Fund Levy | | 60,224 | | 48,040 |
| Legal & professional fees | | 88,617 | | 233,030 |
| Credit Union Loan written off | | 18,436 | | - |
| Audit fees | | 61,138 | | 47,791 |
| Bank charges and Interest | | 40,083 | | 30,693 |
| Staff development costs | | 26,476 | | 26,364 |
| Staff recruitment costs | | 1,712 | | 845 |
| Computer running costs | | 617,701 | | 512,008 |
| Vehicle running costs | | 7,742 | | 11,122 |
| Pension adjustment | | | | |
| Current service costs of defined benefit schemes | 1,100,000 | | 900,000 | |
| Administration expenses | 300,000 | | 500,000 | |
| Benefits paid | (200,000) | | - | |
| Past service costs of defined benefit schemes | 300,000 | | - | |
| Pension contributions paid in year | (3,200,000) | | (2,300,000) | |
| | | (1,700,000) | | (900,000) |
| Employment costs | | 10,623,289 | | 10,530,937 |
| Voluntary selective and early retirement scheme costs paid | | 90,560 | | 632,526 |
| Voluntary selective and early retirement scheme costs accrued | | - | | 1,647,800 |
| Accommodation running costs* | | 843,308 | | 940,006 |
| Maintenance of buildings | | 7,602 | | 1,963 |
| Printing, stationery and photocopying | | 79,181 | | 181,940 |
| Postage | | 53,802 | | 135,757 |
| Research | | 52,440 | | 47,154 |
| Telephone | | 139,490 | | 144,042 |
| Office costs | | 149,341 | | 165,864 |
| Subsistence | | 100,920 | | 94,756 |
| Travel | | 218,725 | | 226,671 |
| Miscellaneous | | 23,169 | | 13,880 |
| Hospitality | | - | | 69 |
| | | <u>12,200,462</u> | | <u>15,350,571</u> |

* Includes rent paid £205,220 (2015; £247,832)

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2015 (continued)

| 8 Members representative costs | Appendix | 2016 £ | £ | 2015 £ | £ |
|-------------------------------------|----------|-----------|-----------|-----------|-----------|
| Organising and learning | | | | | |
| Recruitment publicity | | 9,912 | | 7,159 | |
| National organising forums | | 810 | | – | |
| Regional organising forums | | – | | 61 | |
| TUC organising academy | | – | | 1,035 | |
| Youth work | | 15,790 | | 15,266 | |
| National courses | | 2,290 | | 4,802 | |
| Group and associations courses | | – | | 7,133 | |
| Branch courses | | 46,510 | | 47,500 | |
| Organising and learning publicity | | 30,837 | | 24,731 | |
| Employment costs | | 29,434 | | 307,259 | |
| | | | 135,583 | | 414,946 |
| Other meetings | | | | | |
| International meetings | | 2,724 | | 5,430 | |
| Seminars | | 43,583 | | 3,214 | |
| National meetings | | 87,314 | | 59,531 | |
| | | | 133,621 | | 68,175 |
| National representatives | | | | | |
| Annual delegate conference | | 520,229 | | 550,677 | |
| Facility time costs | | – | | 11,076 | |
| Subsistence | | 37,797 | | 40,084 | |
| Travel | | 58,748 | | 77,221 | |
| | | | 616,774 | | 679,058 |
| Elections | | | | | |
| National | | 142,878 | | – | |
| Groups, associations and branches | | 99,512 | | 588 | |
| | | | 242,390 | | 588 |
| Local representatives | | | | | |
| Group and occupational associations | D | 787,191 | | 771,485 | |
| Branch grants | | 364,791 | | 450,125 | |
| Branch IT support | | 16,848 | | 22,100 | |
| Geographical and other structures | E | 45,652 | | 37,951 | |
| | | | 1,214,482 | | 1,281,660 |
| | | | 2,342,850 | | 2,444,427 |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2015 (continued)

| 9 Members benefits | Appendix | 2016 £ | 2015 £ |
|-------------------------------|----------|-----------|-----------|
| Death and personal accident | | 381,337 | 491,488 |
| Benevolence service | | 73,791 | 69,704 |
| Legal Services | | 224,076 | 212,763 |
| Ex IR group sickness benefit | | 1,654 | 3,422 |
| Helplines | | 98,760 | 102,494 |
| Essential guide | | - | 14,972 |
| Gold badges | | 4,025 | - |
| Employment costs | | 614,359 | 573,952 |
| | | 1,398,002 | 1,468,795 |
| | | | |
| 10 Members communications | | | |
| PCS View/PCS People | | 410,680 | 521,516 |
| Public relations | | 1,188 | 21,693 |
| National publications | | 11,209 | 9,355 |
| Group publications | | 29,031 | 29,987 |
| Employment costs | | 1,200,469 | 1,541,279 |
| | | 1,652,577 | 2,123,829 |
| | | | |
| 11 Affiliations and donations | | | |
| Affiliation fees | G | 737,378 | 842,881 |
| PCS in the community fund | | 3,035 | 4,519 |
| Donations | F | 7,900 | 3,370 |
| | | 748,313 | 850,770 |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

| | Investment Property £ | Freehold Property £ | Long Leasehold properties £ | Short Leasehold Properties £ | Total Property £ |
|---|-----------------------------|---------------------------|-----------------------------------|------------------------------------|---------------------|
| 12 Tangible fixed assets | | | | | |
| PROPERTY | | | | | |
| Valuation/cost | | | | | |
| Brought forward at 1 January 2016 | 3,750,000 | 8,500,000 | 563,500 | 282,560 | 13,096,060 |
| Additions | 73,137 | - | - | - | 73,137 |
| Disposals | (3,750,000) | - | - | - | (3,750,000) |
| Reclassification of Investment property | 3,235,862 | (3,235,862) | - | - | - |
| Revaluation in year | 4,091,001 | - | - | - | 4,091,001 |
| Carried forward at 31 December 2016 | <u>7,400,000</u> | <u>5,264,138</u> | <u>563,500</u> | <u>282,560</u> | <u>13,510,198</u> |
| Depreciation | | | | | |
| Brought forward at 1 January 2016 | - | (272,646) | (16,905) | (127,902) | (417,453) |
| Depreciation for year | - | (137,700) | (5,635) | (24,075) | (167,410) |
| Disposals | - | - | - | - | - |
| Depreciation on revaluation | - | - | - | - | - |
| Carried forward at 31 December 2016 | <u>-</u> | <u>(410,346)</u> | <u>(22,540)</u> | <u>(151,977)</u> | <u>(584,863)</u> |
| Net book value at 31 December 2016 | <u>7,400,000</u> | <u>4,853,792</u> | <u>540,960</u> | <u>130,583</u> | <u>12,925,335</u> |
| Net book value at 31 December 2015 | <u>3,750,000</u> | <u>8,227,354</u> | <u>546,595</u> | <u>154,658</u> | <u>12,678,608</u> |

The unions investment property, Vauxhall Bridge Road, London, was sold on the 1st April 2016 for a consideration of £4,593,309.

The unions freehold existing use property, 160 Falcon Road, London, was revalued by Cluttons, an external valuer, on the basis of existing use value using standard RICS terms, as at 31 December 2013. The property is secured. At 31 December 2016 the PTC pension scheme had a charge over the property of £7.825 million.

| EQUIPMENT | Office equipment £ | Computer equipment £ | Company cars £ | Total £ |
|---|--------------------------|----------------------------|----------------------|--------------------|
| Cost | | | | |
| Brought forward at 1 January 2016 | 745,351 | 2,561,104 | 41,158 | 3,347,613 |
| Elimination of fully depreciated assets | (187,140) | (335,439) | - | (522,579) |
| Additions in year | 113,471 | 818,233 | - | 931,704 |
| Disposals | - | - | (31,158) | (31,158) |
| Carried forward at 31 December 2016 | <u>671,682</u> | <u>3,043,898</u> | <u>10,000</u> | <u>3,725,580</u> |
| Depreciation | | | | |
| Brought forward at 1 January 2016 | (434,943) | (1,434,596) | (41,158) | (1,910,697) |
| Elimination of fully depreciated assets | 187,140 | 335,439 | - | 522,579 |
| Depreciation for year | (119,859) | (497,070) | - | (616,929) |
| Disposals | - | - | 31,158 | 31,158 |
| Carried forward at 31 December 2016 | <u>(367,662)</u> | <u>(1,596,227)</u> | <u>(10,000)</u> | <u>(1,973,889)</u> |
| Net book value at 31 December 2016 | <u>304,020</u> | <u>1,447,671</u> | <u>-</u> | <u>1,751,691</u> |
| Net book value at 31 December 2015 | <u>310,408</u> | <u>1,126,508</u> | <u>-</u> | <u>1,436,916</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

| 13 Taxation on surpluses on ordinary activities | 2016 £ | 2015 £ |
|--|------------------|------------------|
| UK Corporation tax | | |
| Current tax on Income from the year | 153,891 | 43,300 |
| Adjustment in respect of previous periods | - | 17,852 |
| Tax on results on ordinary activities | 153,891 | 61,152 |
| (Deficit)/surplus on ordinary activities before tax | 6,625,595 | (636,634) |
| Surplus on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 20% (2014: 20%) | - | - |
| Non taxable income | - | - |
| Tax on investment property | 153,891 | 43,300 |
| Prior year adjustments | - | 17,852 |
| Tax on results on ordinary activities | 153,891 | 61,152 |

| 14 Investments | Equity £ | Bonds and Interest bearing stock £ | Unit Trusts and funds £ | Money market £ | Miscellaneous holdings at cost £ | Total Investment movement £ |
|--|---------------|---|-------------------------------|-------------------|---|--------------------------------------|
| Market value: | | | | | | |
| Cost brought forward 1 January 2016 | 13,658 | 46,185 | 469,162 | 45,610 | 704,269 | 1,278,884 |
| Unrealised gains | 6,332 | 2,494 | 9,915 | - | - | 18,741 |
| Market value carried forward 1 January 2016 | 19,990 | 48,679 | 479,077 | 45,610 | 704,269 | 1,297,625 |
| Movement In year—cost | | | | | | |
| Purchases—cost | - | - | - | - | - | - |
| Disposals—cost | - | - | - | - | - | - |
| Cash deposit | - | - | - | 22,951 | - | 22,951 |
| Cost carried forward 31 December 2016 | 13,658 | 46,185 | 469,162 | 68,561 | 704,269 | 1,301,835 |
| Unrealised gains in year | 8,161 | 7,337 | 49,155 | - | - | 64,653 |
| Market value carried forward 31 December 2016 | 21,819 | 53,522 | 518,317 | 68,561 | 704,269 | 1,366,488 |

| | Appendix | 2016 £ | 2015 £ |
|----------------------------------|----------|------------------|------------------|
| Equities | H | 21,819 | 19,990 |
| Bonds and interest bearing stock | I | 53,522 | 48,679 |
| Unit trusts and funds | J | 518,317 | 479,077 |
| Money market | K | 68,561 | 45,610 |
| Miscellaneous holdings at cost | L | 704,269 | 704,269 |
| | | 1,366,488 | 1,297,625 |

| 15 Debtors | 2016 £ | 2015 £ |
|---|------------------|------------------|
| Recoverable in less than one year: | | |
| Membership subscription debtor | 1,584,546 | 1,592,373 |
| Other debtors | 352,659 | 1,348,087 |
| Prepayments | 596,258 | 312,394 |
| Recoverable in more than one year: | | |
| Credit Union | - | 167,416 |
| Provision for bad debts | - | (150,000) |
| | 2,533,463 | 3,270,270 |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

| 16 Cash at bank and in hand | 2016 | 2015 |
|---|------------------|------------------|
| | £ | £ |
| Cash | 1,493 | 1,803 |
| Bank | 5,144,778 | 2,047,236 |
| Balances in hands of groups and branches | 299,435 | 382,728 |
| | <u>5,445,706</u> | <u>2,431,767</u> |
| | | |
| 17 Creditors: amounts falling due within less than one year | | |
| Trade creditors | 1,221,393 | 970,659 |
| Accruals | 1,114,182 | 3,139,417 |
| Corporation tax payable | 215,043 | 61,152 |
| Bank loan– Unity Trust Bank Plc | – | 22,808 |
| | <u>2,550,618</u> | <u>4,194,036</u> |
| | | |
| Creditors: amounts falling due between one to two years | | |
| Bank loan– Unity Trust Bank Plc | – | 23,519 |
| | <u>–</u> | <u>23,519</u> |
| | | |
| Creditors: amounts falling due between two to five years | | |
| Bank loan– Unity Trust Bank Plc | – | 74,915 |
| | <u>–</u> | <u>74,915</u> |
| | | |
| Creditors: amounts falling due after five years | | |
| Bank loan– Unity Trust Bank Plc | – | 103,614 |
| | <u>–</u> | <u>103,614</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

18 Commitments

PCS has the following rental agreements net of VAT:

| Property leased | Date of Expiry | Total Commitment £ |
|---|-----------------|-------------------------------|
| 1 Islington Liverpool, L3 | 30 June 2025 | 352,583 |
| 16 Waterloo St, Birmingham, B2 | 19 August 2018 | 17,571 |
| John Dobson St, Newcastle, NE1 | 24 March 2025 | 224,250 |
| | | <i>Rent review March 2017</i> |
| 145 West Regent, Glasgow G2 | 1 December 2027 | 484,000 |
| Town Centre House, Woodhouse Lane, Leeds | 24 May 2020 | 113,541 |
| 1 Cathedral Street, Cardiff, CF1 | 9 Dec 2025 | 276,998 |
| Part 2nd Floor Tony Benn House, Victoria Street, Bristol, BS1 6AY | 30 June 2020 | 35,563 |
| Part 1st Floor, The new Union House, Harbour Avenue, Plymouth PL4 | 1 January 2019 | 5,838 |
| Peterborough, 15 Church Walk, Peterborough, PE1 2ZTP | 21 August 2031 | 175,200 |
| Leasehold | | |
| 5 Falcon Mews | 2113 | 242,304 |

19 Contingent liabilities

On 16 December 2004 the union gave its commitment to a charge over the freehold property (Note 12) of £4.5 million to the PTC pension scheme.

On 19 January 2009 the charge was revised up to a maximum amount of £7.825 million.

20 Related party transactions

At 31 December 2016 the PTC pension scheme had a charge over the Unions freehold property (Note 12).

Public and Commercial Services Union
Notes to the accounts

For the year ended 31 December 2016 (continued)

21 Reconciliation of operating surplus to net cash movement from operating activities

| | 2016 | | 2015 |
|--|-------------|------------------|----------------|
| | £ | £ | £ |
| Surplus for the year– general fund | | 5,638,403 | 216,018 |
| Appropriation to campaign and disputes fund | 628,000 | | 740,000 |
| Campaign and disputes fund expenditure | (783,683) | | (849,098) |
| Donations | 1,502 | | 2,136 |
| | | (154,181) | (106,962) |
| Appropriation to political fund | 204,744 | | 227,639 |
| Political fund expenditure | (69,878) | | (89,256) |
| | | 134,866 | 138,383 |
| Appropriation to fighting fund | 20,026 | | 19,429 |
| | | 20,026 | 19,429 |
| Allocation to designated reserves | 1,000,000 | | – |
| Transfer from property fund | (167,409) | | (164,654) |
| Expenditure from reserves | – | | (800,000) |
| | | 832,591 | (964,654) |
| Depreciation | | 784,339 | 757,713 |
| Pension contributions paid in year | (1,700,000) | | (900,000) |
| | | (1,700,000) | (900,000) |
| | | 5,556,044 | (840,073) |
| Interest receivable | (201) | | (376) |
| Dividends | (22,750) | | (27,727) |
| Pension scheme income | – | | 300,000 |
| (Gain)/loss on sale of investments | – | | (25) |
| (Gain)/loss on revaluation of investments | (64,653) | | – |
| (Gain) on revaluation of investment property | (4,091,001) | | (500,000) |
| Profit on disposal of investment property | (843,310) | | – |
| (Decrease)/increase in creditors | (1,620,608) | | 2,208,186 |
| Decrease/(increase) in debtors | 736,808 | | (652,952) |
| | | (5,905,716) | 1,327,105 |
| Net cash inflow from operating activities | | <u>(349,672)</u> | <u>487,032</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension

PCS operates two funded defined benefit pension schemes providing benefits based on length of service and final pensionable salary. The assets of each scheme are held separately by means of an independent trust advised by professional actuaries. In addition since the incorporation of the Association of Magisterial Officers, PCS has been a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme.

The pension charge to the general fund for all schemes for the period was £3,607,872 (2015: £3,129,620).

The PTC Pension Scheme

PCS operates this as a defined benefit scheme. The assets of the scheme are held, almost entirely, by Sarasln & Partners LLP in the form of Individual holdings of equities, unit trusts, government securities and cash. An actuarial valuation of the scheme was carried out at 31 December 2012.

Employer contributions to the scheme charged to the general fund amounted to £2,141,002. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

The main actuarial assumptions were:

| | |
|---------------------------------|---------|
| Rate of pay increases | 1.5% pa |
| Rate of pension increases – RPI | 3.3% pa |

Expenses incurred in operating the scheme are charged to the PCS general fund income and expenditure account.

An interim valuation has been performed as at 31 December 2016 for FRS 102 accounting purposes and the assumptions used and the deficit within the scheme are disclosed as follows:

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under Pension are set out below:

Main financial assumptions

| | at 31 December 2016 (% p.a.) | at 31 December 2015 (% p.a.) | at 31 December 2014 (% p.a.) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Inflation assumption-RPI | 3.3 | 3.1 | 3.1 |
| Rate of general long-term increase in salaries | 1.5 | 1.4 | 1.4 |
| Rate of increases to pensions in payment | 3.3 | 3.0 | 3.1 |
| Discount rate for scheme liabilities | 2.7 | 3.8 | 3.6 |

The scheme rules link to RPI not CPI.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)

The PTC Pension Scheme (continued)

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 26.8 years if they are male and 28.9% if they are female. A member currently aged 45 will live an additional 27.9 years from the age of 65 if they are male and 30.1 years if they are female.

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

| | Value at 31 December 2016 £m | Value at 31 December 2015 £m | Value at 31 December 2014 £m |
|----------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Equities | 43.8 | 38.7 | 53.4 |
| Property | 5.4 | 5.6 | 5.9 |
| Government bonds | 27.9 | 22.7 | 5.0 |
| Sun Life annuity contracts | 9.1 | 8.7 | 9.2 |
| Corporate bonds | 7.1 | 6.4 | 4.6 |
| Asset backed bonds | 0.0 | 0.0 | 1.8 |
| Alternative Investments | 10.1 | 7.4 | 7.6 |
| Other | 0.7 | 0.7 | 1.1 |
| Combined | 104.1 | 90.2 | 88.6 |

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2016.

Reconciliation of funded status to balance sheet

| | Value at 31 December 2016 £m | Value at 31 December 2015 £m | Value at 31 December 2014 £m |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Fair value of scheme assets | 104.1 | 90.2 | 88.6 |
| Present value of funded defined benefit obligations | (132.3) | (107.4) | (111.7) |
| (Liability) recognised on balance sheet | (28.2) | (17.2) | (23.1) |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)

The PTC Pension Scheme (continued)

Analysis of income and expenditure charge

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Current service cost | 0.3 | 0.4 |
| Past service cost | 0.3 | — |
| Interest cost | 4.0 | 4.0 |
| Expected return on scheme assets | (3.4) | (3.2) |
| Expenses recognised in income and expenditure | <u>1.2</u> | <u>1.2</u> |

Changes to the present value of the defined benefit obligation during the year

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Opening defined benefit obligation | 107.4 | 111.7 |
| Current service cost | 0.3 | 0.4 |
| Interest cost | 4.0 | 4.0 |
| Contributions by scheme participants | 0.2 | 0.3 |
| Actuarial (loss)/ gain on scheme liabilities* | 23.5 | (5.9) |
| Net benefits paid out | (3.4) | (3.1) |
| Past service cost | 0.3 | — |
| Closing defined benefit obligation | <u>132.3</u> | <u>107.4</u> |

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Opening fair value of scheme assets | 90.2 | 88.6 |
| Expected return on scheme assets | 3.4 | 3.2 |
| Actuarial gain/(loss) on scheme assets | 11.8 | (0.6) |
| Contributions by the employer from all funds | 1.9 | 1.8 |
| Contributions by scheme participants | 0.2 | 0.3 |
| Net benefits paid out | (3.4) | (3.1) |
| Closing fair value of scheme assets | <u>104.1</u> | <u>90.2</u> |

Actual return on scheme assets

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Expected return on scheme assets | 3.4 | 3.2 |
| Actuarial gain/(loss) on scheme assets | 11.8 | (0.6) |
| Actual return on scheme assets | <u>15.2</u> | <u>2.6</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)

The PTC Pension Scheme (continued)

Analysis of amounts recognised in statement comprehensive Income (SOCl)

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m |
|--|---|---|
| Total actuarial gains/(losses) | (11.7) | 5.3 |
| Total gain/(loss) in SOCl | (11.7) | 5.3 |
| Cumulative amount of (losses) recognised in SOCl | (39.0) | (27.3) |

History of asset values, defined benefit obligation and surplus/(deficit) in scheme

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m | Year ended 31 December 2013 £m | Year ended 31 December 2012 £m |
|-----------------------------|---|---|---|---|---|
| Fair value of scheme assets | 104.1 | 90.2 | 88.6 | 83.7 | 73.7 |
| Defined benefit obligation | (132.3) | (107.4) | (111.7) | (100.0) | (95.4) |
| Deficit in scheme | (28.2) | (17.2) | (23.1) | (16.3) | (21.7) |

History of experience gains and losses

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m | Year ended 31 December 2013 £m | Year ended 31 December 2012 £m |
|--|---|---|---|---|---|
| Experience gains/(losses) on scheme assets | 11.8 | (0.6) | 0.1 | 4.5 | 2.1 |
| Experience gains/(losses) on scheme liabilities* | (23.5) | 5.2 | 0.0 | 0.6 | (1.0) |

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Public and Commercial Services Union
Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)

The CPSA Pension Scheme

PCS operates this as a defined benefit scheme. A full actuarial valuation of the scheme was carried out as at 31 December 2012.

The assets of the scheme are held by Legal & General and Hermes in the form of managed funds.

The main actuarial assumptions are:

| | |
|---------------------------------|---------|
| Rate of pay increases | 1.5% pa |
| Rate of pension increases – CPI | 2.2% pa |

The pension fund meets expenses incurred in operating the scheme.

Employer contributions to the scheme amounted to £1,440,103. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

An interim valuation has been performed as at 31 December 2016 for FRS 102 accounting purposes and the assumptions used and the surplus within the scheme are disclosed as follows:

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under Pension are set out below:

Main financial assumptions

| | 31 December 2016 | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|------------------|
| | (% p.a.) | (% p.a.) | (% p.a.) |
| Inflation assumption - CPI | 2.2 | 2.0 | 2.0 |
| Rate of general long-term increase in salaries | 1.5 | 1.4 | 1.4 |
| Rate of increases to pensions in payment | 2.2 | 2.0 | 2.0 |
| Discount rate for scheme liabilities | 3.8 | 3.8 | 3.6 |

The scheme rules link inflation assumptions to CPI.

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 26.8 years if they are male and 28.9 years if they are female. A member currently aged 45 will live an additional 27.9 years from the age of 65 if they are male and 30.1 years if they are female.

Public and Commercial Services Union
Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)

The CPSA pension scheme (continued)

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

| | Value at 31 December 2016 £m | Value at 31 December 2015 £m | Value at 31 December 2014 £m |
|-------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Equities | 37.7 | 31.2 | 31.5 |
| Property | 9.7 | 9.6 | 8.6 |
| Government bonds | 23.7 | 19.0 | 19.8 |
| Corporate bonds | 13.5 | 11.8 | 11.8 |
| Diversified Growth Fund | 7.3 | 7.4 | 7.4 |
| Other | 0.5 | – | (0.2) |
| Combined | <u>92.4</u> | <u>79.0</u> | <u>78.9</u> |

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2015.

Reconciliation of funded status to balance sheet

| | Value at 31 December 2016 £m | Value at 31 December 2015 £m | Value at 31 December 2014 £m |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Fair value of scheme assets | 92.4 | 79.0 | 78.8 |
| Present value of funded defined benefit obligations | (76.7) | (63.1) | (66.1) |
| Asset recognised on balance sheet | <u>15.7</u> | <u>15.9</u> | <u>12.7</u> |

Analysis of income and expenditure charge

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m |
|---|--------------------------------------|--------------------------------------|
| Current service cost | 0.4 | 0.5 |
| Past service cost | – | – |
| Interest cost | – | 2.3 |
| Expected return on scheme assets | – | (2.8) |
| Expenses recognised in income and expenditure | <u>0.4</u> | <u>–</u> |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2016 (continued)

22 Pension (continued)**The CPSA pension scheme (continued)****Changes to the present value of the defined benefit obligation during the year**

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Opening defined benefit obligation | 63.1 | 66.1 |
| Current service cost | 0.8 | 0.5 |
| Administration expenses | - | - |
| Interest cost | 2.4 | 2.3 |
| Contributions by scheme participants | 0.3 | 0.4 |
| Actuarial losses/(gains) on scheme liabilities* | 12.7 | (3.5) |
| Net benefits paid out | (2.6) | (2.7) |
| Past service cost | - | - |
| Closing defined benefit obligation | 76.7 | 63.1 |

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Opening fair value of scheme assets | 79.0 | 78.8 |
| Expected return on scheme assets | 3.0 | 2.8 |
| Actuarial gains/(losses) on scheme assets | 11.2 | (0.3) |
| Administration costs | - | (0.5) |
| Contributions by the employer from all funds | 1.3 | 0.5 |
| Contributions by scheme participants | 0.3 | 0.4 |
| Net benefits paid out | (2.4) | (2.7) |
| Closing fair value of scheme assets | 92.4 | 79.0 |

Actual return on scheme assets

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Expected return on scheme assets | 3.0 | 2.8 |
| Actuarial gain/(loss) on scheme assets | 11.2 | (0.3) |
| Actual return on scheme assets | 14.2 | 2.5 |

Analysis of amounts recognised in statement of comprehensive Income (SOCl)

| | Year ended 31 December 2016 | Year ended 31 December 2015 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Total gain/(loss) in SOCl | (1.2) | 3.2 |
| Total actuarial gain/(loss) in SOCl | (1.2) | 3.2 |
| Cumulative amount of (losses) recognised in SOCl | (2.5) | (1.3) |

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2015 (continued)

22 Pension (continued)

The CP5A pension scheme (continued)

History of asset values, defined benefit obligation and surplus in scheme

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m | Year ended 31 December 2013 £m | Year ended 31 December 2012 £m |
|-----------------------------|---|---|---|---|---|
| Fair value of scheme assets | 92.4 | 79.0 | 78.8 | 72.1 | 65.2 |
| Defined benefit obligation | (76.7) | (63.1) | (66.1) | (59.4) | (58.6) |
| Surplus in scheme | 15.7 | 15.9 | 12.7 | 12.7 | 6.6 |

History of experience gains and losses

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m | Year ended 31 December 2013 £m | Year ended 31 December 2012 £m |
|--|---|---|---|---|---|
| Experience gains/(losses) on scheme assets | 11.2 | (0.3) | 3.6 | 3.9 | 1.4 |
| Experience losses/gains on scheme liabilities* | (12.5) | 2.9 | (0.2) | 0.5 | (0.9) |

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

The General Federation of Trade Unions Pension Scheme (GFTU)

The Union participates in the GFTU defined benefit pension scheme, a multi-employer scheme. Previously it was not possible to identify the Union's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and as a result contributions were charged to the income and expenditure account as they were paid. Following discussions with the scheme actuary it has now been established that it is possible to identify the assets and liabilities attributable to the Union. However, the officers of the Union are of the opinion that the cost of obtaining the precise value of their share of the scheme deficit as at 31 December 2016 along with disclosures required to fully comply with FRS 102 Section 28 "Employees Benefits" outweighs the benefits given the known immaterial value of the Union's share of assets and liabilities. Therefore these financial statements have continued to treat this scheme as if it were a defined contribution scheme.

The charge to PCS general fund for the year was £26,767 (2015: £83,808).

Reserves

| | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m |
|---|---|---|
| Funds as stated excluding pension assets/(liabilities) | 21.5 | 16.7 |
| Pension liability | (28.2) | (17.2) |
| Pension asset | 15.7 | 15.9 |
| Adjusted funds figure including pension assets/(liabilities) | 9.0 | 15.4 |

Public and Commercial Services Union

Statement of officers responsibilities

Under the Trade Union and Labour Relations (Consolidation) Act 1992 a trade union is required to:

- keep proper accounting records which give a true and fair view of the state of affairs of the PCS and explain its transactions;
- establish and maintain a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances;
- prepare an Annual Return for the Certification Officer giving a true and fair view of the income and expenditure account and balance sheet;
- provide members of the PCS with an Income and Expenditure statement for the period, and
- prepare the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

PCS Rule 9.17(a) requires the NEC of the Union to present audited accounts to the Annual Delegate Conference for approval and adoption.