

- DO NOT STAPLE
- 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:

MUSICIANS' UNION

Year ended:

31 DECEMBER 2016

List no:

154T

Head or Main Office:

60-62 Clapham Road
London
SW9 0JJ

Website address (if available)

<http://www.musiciansunion.org.uk/>

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:

080 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 June 2016)

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 | 21,319 | 190 | 11 | 86 | 21,606 |
| FEMALE | 8,878 | 96 | 3 | 23 | 9,000 |
| TOTAL | 30,197 | 286 | 14 | 109 | A 30,606 |

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

| |
|--------|
| 3 |
| 28,819 |

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:

Appendix A

MUSICIANS' UNION

OFFICERS IN POST AS AT 31 DECEMBER 2016

| <u>Region</u> | <u>Member</u> | <u>From</u> | <u>To</u> |
|-----------------------------|----------------------|--------------------|------------------|
| Wales & South West England | R Ballantyne | 01-Jan-16 | 31-Dec-16 |
| East & South East England | C Chesterman | 01-Jan-16 | 31-Dec-16 |
| East & South East England | N Dixon | 01-Jan-16 | 31-Dec-16 |
| London | S Done | 01-Jan-16 | 31-Dec-16 |
| North of England | K Dyson | 01-Jan-16 | 31-Dec-16 |
| London | R Finlay | 01-Jan-16 | 31-Dec-16 |
| Scotland & Northern Ireland | A Gascoine | 01-Jan-16 | 31-Dec-16 |
| Wales & South West England | A Gleadhill | 01-Jan-16 | 31-Dec-16 |
| Midlands | P Hartley | 01-Jan-16 | 31-Dec-16 |
| London | S Haynes | 01-Jan-16 | 31-Dec-16 |
| East & South East England | A Hopgood | 01-Jan-16 | 31-Dec-16 |
| London | D Lee | 01-Jan-16 | 31-Dec-16 |
| London | G Newson | 01-Jan-16 | 31-Dec-16 |
| Scotland & Northern Ireland | R Noakes | 01-Jan-16 | 31-Dec-16 |
| Midlands | R Page | 15-Feb-16 | 31-Dec-16 |
| North of England | D Pigott | 01-Jan-16 | 31-Dec-16 |
| North of England | E Spencer | 01-Jan-16 | 31-Dec-16 |
| London | B White | 01-Jan-16 | 31-Dec-16 |
| East & South East England | P Williams | 01-Jan-16 | 31-Dec-16 |

GENERAL FUND

(see notes 13 to 18)

| | £ | £ |
|--|--------------------------|------------------|
| INCOME | | |
| From Members: Contributions and Subscriptions | | 5,391,430 |
| From Members: Other income from members (specify) | | |
| | | |
| Total other income from members | | |
| Total of all income from members | | 5,391,430 |
| Investment income (as at page 12) | | 1,716,944 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | 1,847,093 | |
| Income from any other sources (as at page 4) | | |
| | | |
| Total of other income (as at page 4) | | 1,847,093 |
| | | |
| | TOTAL INCOME | 8,955,467 |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 1,186,282 |
| Administrative expenses (as at page 10) | | 7,501,800 |
| Federation and other bodies (specify) | | |
| Trade Union | 83,850 | |
| Other Affiliations | 125,772 | |
| | | |
| Total expenditure Federation and other bodies | | 209,622 |
| Taxation | | 184,750 |
| | | |
| | TOTAL EXPENDITURE | 9,082,454 |
| | | |
| Surplus (deficit) for year | | (126,987) |
| | | |
| Amount of general fund at beginning of year | | 17,152,661 |
| | | |
| Amount of general fund at end of year | | 17,025,674 |

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 | 126,569 | |
| Services, Sound and Vision Corporation | 12,000 | |
| Dubbing agreements | 82,400 | |
| BBC - cable revenue | 695,000 | |
| ITV - cable revenue | 42,637 | |
| Employment Creation Fund | 31,423 | |
| The Educational Recording Agency Limited | 823,770 | |
| Commission and other income | 9,204 | |
| Undistributable monies from C & D account | 24,090 | |
| TOTAL OTHER INCOME | | 1,847,093 |
| TOTAL OF ALL OTHER INCOME | | 1,847,093 |

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

| | £ | | £ |
|---|---------|---|-----------|
| Representation – Employment Related Issues | 266,599 | brought forward | 737,966 |
| | | Education and Training services | 66,579 |
| Representation – Non Employment Related Issues | | Negotiated Discount Services | |
| Communications | 391,044 | Salary Costs | |
| Advisory Services | | Other Benefits and Grants (specify) | |
| | | Instrument insurance | 186,027 |
| Dispute Benefits | | Public liability insurance | 49,206 |
| | | Tax protection insurance | 65,080 |
| | | Donation to MU Benevolent fund | 81,424 |
| Other Cash Payments | 80,323 | | |
| carried forward | 737,966 | Total (should agree with figure in General Fund) | 1,186,282 |

(See notes 24 and 25)

| FUND 2 | | Fund Account | |
|--------------------|---|---|----------|
| Name: | Benevolent Fund | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | 31,664 |
| | Other income (specify) | | |
| | Donation | 135,037 | |
| | | | |
| | | Total other income as specified | 135,037 |
| | | Total Income | 166,701 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | 129,546 |
| | | | |
| | | Total Expenditure | 129,546 |
| | | | |
| | | Surplus (Deficit) for the year | 37,155 |
| | | Amount of fund at beginning of year | 456,110 |
| | | Amount of fund at the end of year (as Balance Sheet) | 493,265 |
| | | | |
| | | Number of members contributing at end of year | N/A |

| FUND 3 | | Fund Account | |
|--------------------|---|---|-----------|
| Name: | Collection & Distribution No. 4 | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Funds Received | 1,395,518 | |
| | | | |
| | | Total other income as specified | 1,395,518 |
| | | Total Income | 1,395,518 |
| Expenditure | | | |
| | Benefits to members | 1,096,440 | |
| | Administrative expenses and other expenditure (as at page 10) | 126,569 | |
| | | | |
| | | Total Expenditure | 1,223,009 |
| | | | |
| | | Surplus (Deficit) for the year | 172,509 |
| | | Amount of fund at beginning of year | 248,893 |
| | | Amount of fund at the end of year (as Balance Sheet) | 421,402 |
| | | | |
| | | Number of members contributing at end of year | N/A |

(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 | | 85,461 |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total income | | 85,461 |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) | | 31,481 |
| | Administration expenses in connection with political objects (specify) | | 37,526 |
| | Non-political expenditure | | |
| | Total expenditure | | 69,007 |
| | Surplus (deficit) for year | | 16,454 |
| | Amount of political fund at beginning of year | | 7,930 |
| | Amount of political fund at the end of year (as Balance Sheet) | | 24,384 |
| | Number of members at end of year contributing to the political fund | | 23,679 |
| | Number of members at end of the year not contributing to the political fund | | 6,927 |
| | 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 | 4,208,866 |
| Salaries and Wages included in above | £3,259,050 |
| Auditors' fees | 40,956 |
| Legal and Professional fees | 50,019 |
| Occupancy costs | 315,118 |
| Stationery, printing, postage, telephone, etc. | 112,955 |
| Expenses of Executive Committee (Head Office) | 109,136 |
| Expenses of conferences | 51,073 |
| Other administrative expenses (specify) | |
| Regional Committee | 68,571 |
| Re-measurement of defined benefit liability | 801,000 |
| Appendix B | 589,849 |
| Other Outgoings | |
| Interest payable: | |
| Bank loans (including overdrafts) | |
| Mortgages | |
| Other loans | |
| Depreciation | 327,115 |
| Taxation | |
| Outgoings on land and buildings (specify) | |
| Other outgoings (specify) | |
| Restructuring Costs | 827,142 |
| Grants and Benefits (Benevolent fund) | 129,546 |
| Collection and Distribution Admin fee | 126,569 |
| Total | 7,757,915 |
| Charged to: | |
| General Fund (Page 3) | 7,501,800 |
| Fund (Account 2) | 129,546 |
| Fund (Account 3) | 126,569 |
| Fund (Account) | |
| Total | 7,757,915 |

Appendix B

MUSICIANS' UNION

| Schedule of other admin expenses | <u>2016</u> |
|--|--------------------|
| Repairs and maintenance | 50,625 |
| Motor vehicle costs | 12,698 |
| Hire of equipment | 30,706 |
| Computer costs | 138,909 |
| Section Committees | 59,146 |
| Delegates expenses including travel | 28,828 |
| Ballot expenses | 38,525 |
| Sundry expenses | 40,648 |
| Bank charges | 29,095 |
| VAT previous periods | 5,179 |
| Advertising | 38,959 |
| Member incentive | |
| Public relations | 153 |
| Leaflets | 25,078 |
| Research | |
| Events, Exhibitions & Seminars | 42,873 |
| Bulk email | |
| Marketing | |
| Other Digital Communications | 150 |
| Other Promotional | 53,014 |
| Grants and awards | 37,359 |
| Delegates expenses including travel | |
| Investment management fees | 60,000 |
| MU Re-branding | |
| IT Projects | |
| Net finance charge | (65,000) |
| Change in Investment market valuation | |
| Provision against cash investment | |
| Profit/ (Loss) on disposal of fixed assets | (39,607) |
| Website development | |
| Other Digital Communications | |
| War Horse Band Payments | (4,000) |
| Brand Management | 6,511 |
| | <u>589,849</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> £ |
|--------------|--------------------|-------------|--------------------|
| R Ballantyne | 2,236 | A Hopgood | NIL |
| C Chesterman | NIL | D Lee | 5,868 |
| N Dixon | 487 | G Newson | NIL |
| S Done | 3,349 | R Noakes | NIL |
| K Dyson | NIL | R Page | NIL |
| R Finlay | 371 | D Pigott | 492 |
| A Gascoine | NIL | E Spencer | NIL |
| A Gleadhill | 750 | B White | NIL |
| P Hartley | 1,750 | P Williams | NIL |
| S Haynes | 1,308 | | |

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) | | | 278,827 |
| Interest (gross) from: | | | |
| Government securities (Gilts) | | | |
| Mortgages | | | |
| Local Authority Bonds | | | |
| Bank and Building Societies | | | 10,658 |
| Other investment income (specify) | | | |
| Profit or (loss) on sale of investments | | | 93,313 |
| Profit or (loss) on exchange rates | | | (387,293) |
| Increase in market valuation | | | 1,753,103 |
| | | | |
| | | Total investment income | 1,748,608 |
| | | | |
| Credited to: | | | |
| | | General Fund (Page 3) | 1,716,944 |
| | | Fund (Account 2) | 31,664 |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Political Fund | |
| | | | |
| | | Total Investment Income | 1,748,608 |

BALANCE SHEET as at 31 December 2016

(see notes 47 to 50)

| Previous Year | | £ | £ |
|---------------|---|------------|------------|
| 1,131,571 | Fixed Assets (at page 14) | | 1,003,212 |
| | Investments (as per analysis on page 15) | | |
| 12,583,504 | Quoted (Market value £ 14,196,888) | 14,196,888 | |
| 65,085 | Unquoted | 65,085 | |
| 12,648,589 | Total Investments | | 14,261,973 |
| | Other Assets | | |
| | Loans to other trade unions | | |
| 691,345 | Sundry debtors | | 1,390,727 |
| 3,490,163 | Cash at bank and in hand | | 1,904,388 |
| | Income tax to be recovered | | |
| | Stocks of goods | | |
| | Others (specify) <small>ref: 49</small> | | |
| 4,181,508 | Total of other assets | | 3,295,115 |
| 17,961,668 | TOTAL ASSETS | | 18,560,300 |
| 17,152,661 | Fund (Account 1) | | 17,025,854 |
| 456,110 | Fund (Account 2) | | 493,265 |
| | Fund (Account) | | |
| | Superannuation Fund (Account) | | |
| 7,931 | Political Fund (Account) | | 24,384 |
| | Revaluation Reserve | | |
| | LIABILITIES | | |
| | Amount held on behalf of central trade union political fund | | |
| | Loans: From other trade unions | | |
| | Loans: Other | | |
| | Bank overdraft | | |
| 196,808 | Tax payable | | 184,750 |
| 1,240,861 | Sundry creditors | | 1,083,910 |
| 248,893 | Accrued expenses | | 421,402 |
| (1,641,596) | Provisions | | (964,596) |
| 300,000 | Other liabilities | | 291,331 |
| 17,961,668 | TOTAL LIABILITIES | | 18,560,300 |
| 17,961,668 | TOTAL ASSETS | | 18,560,300 |

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

| | Land and Buildings Freehold Leasehold £ | £ | Furniture and Equipment £ | Motor Vehicles £ | Not used for union business £ | Total £ |
|---|--|---|------------------------------------|------------------------|--|------------|
| Cost or Valuation | | | | | | |
| At start of year | 2,065,478 | | 289,638 | 505,803 | | 2,860,919 |
| Additions | | | 4,524 | 232,330 | | 236,854 |
| Disposals | | | | (238,166) | | (238,166) |
| Revaluation/Transfers | | | | | | |
| At end of year | 2,065,478 | | 294,162 | 499,967 | | 2,859,607 |
| Accumulated Depreciation | | | | | | |
| At start of year | 1,202,652 | | 265,074 | 261,622 | | 1,729,348 |
| Charges for year | 152,106 | | 18,824 | 156,185 | | 327,115 |
| Disposals | | | | (200,068) | | (200,068) |
| Revaluation/Transfers | | | | | | |
| At end of year | 1,354,758 | | 283,898 | 217,739 | | 1,856,395 |
| Net book value at end of year | 710,720 | | 10,264 | 282,228 | | 1,003,212 |
| Net book value at end of previous year | 862,826 | | 24,563 | 244,181 | | 1,131,571 |

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

| QUOTED | All Funds Except Political Funds £ | Political Fund £ |
|--|--|-------------------------|
| Equities (e.g. Shares) | 14,196,888 | |
| Government Securities (Gilts) | | |
| Other quoted securities (to be specified) | | |
| TOTAL QUOTED (as Balance Sheet) | 14,196,888 | |
| Market Value of Quoted Investment | 14,196,888 | |
| | | |
| 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 | COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) | | |
| MU Nominee Company Ltd. | 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 | 5,391,430 | 85,461 | 5,476,891 |
| From Investments | 1,748,608 | | 1,748,608 |
| Other Income | 1,982,130 | | 1,982,130 |
| Total Income | 9,122,168 | 85,461 | 9,207,629 |
| EXPENDITURE (including decreases by revaluation of assets) | | | |
| Total Expenditure | 9,211,820 | 69,007 | 9,280,827 |
| | | | |
| Funds at beginning of year (including reserves) | 17,608,771 | 7,930 | 17,616,701 |
| Funds at end of year (including reserves) | 17,519,119 | 24,384 | 17,543,503 |
| | | | |
| ASSETS | | | |
| | Fixed Assets | | 1,003,212 |
| | Investment Assets | | 14,261,973 |
| | Other Assets | | 3,295,115 |
| | | Total Assets | 18,560,300 |
| LIABILITIES | | Total Liabilities | 1,016,797 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 17,543,503 |

The amounts in respect of the Collection & Distribution Funds totalling £421,402 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 they have not been included within the amounts set out 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 or attach notes to the accounts. The box occupies most of the page below the instructions.

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------------------------------|
| 1. OTHER INCOME | | |
| Collection and Distribution Account collection fee | 127 | 122 |
| Services, Sound and Vision Corporation | 12 | 12 |
| Dubbing agreements | 82 | 165 |
| BBC WW - cable revenue | 695 | 970 |
| ITV & other cable revenue | 43 | 41 |
| Employment Creation Fund | 31 | 36 |
| The Educational Recording Agency Limited | 824 | 811 |
| Commission and other income | 9 | 16 |
| Undistributable monies from C & D No 3 account | - | 237 |
| Undistributable monies from C & D No 4 account | 24 | 10 |
| | <u>1,847</u> | <u>2,420</u> |
| | 2016 £'000 | 2015 £'000 |
| 2. EMPLOYEE COSTS | | |
| Salaries and national insurance | 3,259 | 3,235 |
| Pensions to retired officials | 4 | 4 |
| Pension costs | 817 | 983 |
| Organising expenses | 174 | 175 |
| Training and sundry expenses | 14 | 14 |
| | <u>4,268</u> | <u>4,411</u> |
| | 2016 £'000 | 2015 £'000 <i>(as restated)</i> |
| 3. PROPERTY AND EQUIPMENT COSTS | | |
| Rent, rates, light, heat and cleaning | 262 | 318 |
| Repairs and maintenance | 51 | 68 |
| Motor vehicle costs | 13 | 15 |
| Hire of equipment | 31 | 28 |
| Profit on disposal of fixed assets | (40) | (48) |
| Depreciation | 327 | 347 |
| IT costs | 139 | 159 |
| Insurance | 53 | 50 |
| | <u>836</u> | <u>937</u> |

The depreciation charge for 2016 has been calculated excluding the cost attributed to land. An adjustment has been made to the depreciation charge for 2015 of £6,000 to reflect this change. As a consequence, the Accumulated Funds at the end of 2014 and 2015 have been adjusted to reflect the impact in previous years

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| 4. REPRESENTATION COSTS | | |
| Committees, Delegates & Stewards | | |
| Executive committee | 109 | 104 |
| Delegates conference | 51 | 103 |
| Section committees | 59 | 52 |
| Regional committees | 24 | 27 |
| Stewards' commission | 44 | 57 |
| International Representation | | |
| FIM Affiliation fees | 90 | 83 |
| Delegates expenses | 29 | 12 |
| | <u>406</u> | <u>438</u> |
| | 2016 | 2015 |
| | £'000 | £'000 |
| 5. BENEFITS & SERVICES TO MEMBERS | | |
| Member Benefits | | |
| Legal defence of members | 267 | 106 |
| The Musician | 249 | 238 |
| Training and education services | 11 | 24 |
| Instrument insurance | 186 | 184 |
| Public liability insurance | 49 | 47 |
| Personal accident insurance | 80 | 96 |
| Tax protection insurance | 65 | 48 |
| Diaries, publications & loyalty pins | 142 | 139 |
| Members training | 55 | 66 |
| Communications | | |
| Advertising | 39 | 34 |
| Member incentive | - | 5 |
| Public relations | - | 4 |
| Leaflets | 25 | 7 |
| Events, exhibitions & seminars | 43 | 21 |
| Bulk email | - | 1 |
| Brand management | 7 | 16 |
| Other promotional | 53 | 78 |
| | <u>1,271</u> | <u>1,114</u> |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £'000 | 2015 £'000 |
|--|---------------|---------------|
| 6. ADMINISTRATIVE EXPENSES | | |
| Administration | | |
| Printing, postage, stationery and telephone | 113 | 169 |
| Ballot expenses | 39 | 39 |
| Magazine/publication subscriptions | 20 | 17 |
| Archiving costs | - | 5 |
| Catering | 13 | 10 |
| Sundry expenses | 8 | 7 |
| Bank charges | 29 | 20 |
| VAT previous periods | 5 | (3) |
| Professional Fees | | |
| Audit fee | 41 | 41 |
| Legal and professional | 44 | 27 |
| Investment management fees | 60 | 74 |
| Property management fees | 7 | 5 |
| Project Costs | | |
| War Horse band reimbursements | (4) | - |
| Dilapidations on lease terminations | 11 | - |
| | <u>386</u> | <u>411</u> |
| | 2016 £'000 | 2015 £'000 |
| 7. GRANTS & AFFILIATION FEES | | |
| Grants and awards | 37 | 31 |
| Donation to MU Benevolent Fund | 81 | 136 |
| Trades Union Congress | 84 | 84 |
| GFTU | 27 | 27 |
| Other affiliations | 9 | 12 |
| | <u>238</u> | <u>290</u> |
| | 2016 £'000 | 2015 £'000 |
| 8. INVESTMENT INCOME | | |
| Income from listed investments | 278 | 270 |
| Bank interest receivable | 11 | 4 |
| Profit on sale of investments | 93 | 48 |
| Net loss on forward foreign exchange contracts | (387) | (41) |
| | <u>(5)</u> | <u>281</u> |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| 9. CORPORATION TAX | | |
| Corporation tax at 23.25% (2015 : 23.25%) | 185 | 197 |
| Tax on investment interest income | - | (1) |
| | <u>185</u> | <u>196</u> |

| | Land & Buildings (as restated) £'000 | Fixtures Fittings & Equip- ment £'000 | Motor Vehicles £'000 | Total £'000 |
|---------------------------------|---|---|----------------------------|----------------|
| 10. FIXED ASSETS | | | | |
| Cost | | | | |
| At 1 January 2016 | 2,065 | 290 | 506 | 2,861 |
| Additions | - | 4 | 232 | 236 |
| Disposals | - | - | (238) | (238) |
| At 31 December 2016 | <u>2,065</u> | <u>294</u> | <u>500</u> | <u>2,859</u> |
| Accumulated depreciation | | | | |
| At 1 January 2016 | 1,203 | 265 | 261 | 1,729 |
| Charge for the year | 152 | 19 | 156 | 327 |
| Relating to disposals | - | - | (200) | (200) |
| At 31 December 2016 | <u>1,355</u> | <u>284</u> | <u>217</u> | <u>1,856</u> |
| Net book value | | | | |
| At 31 December 2016 | <u>710</u> | <u>10</u> | <u>283</u> | <u>1,003</u> |
| At 31 December 2015 | <u>862</u> | <u>25</u> | <u>245</u> | <u>1,132</u> |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | MF unlisted invest- ments £'000 | MF listed invest- ments £'000 | BF listed invest- ments £'000 | Total £'000 |
|-------------------------------|---|--|--|----------------|
| 11. INVESTMENTS | | | | |
| Market Value | | | | |
| At 1 January 2016 | 65 | 12,407 | 177 | 12,649 |
| Additions | - | 2,355 | - | 2,355 |
| Disposals | - | (2,118) | - | (2,118) |
| Net movement in cash deposits | - | (378) | - | (378) |
| Change in investment values | - | 1,723 | 30 | 1,753 |
| At 31 December 2016 | 65 | 13,989 | 207 | 14,261 |
| | | | | |
| | 2016 | | 2015 | |
| | Cost | Market | Cost | Market |
| | Value | Value | Value | Value |
| | £'000 | £'000 | £'000 | £'000 |
| Ruffer investments | 5,329 | 5,862 | 5,617 | 5,347 |
| Legal and General investments | 5,407 | 6,938 | 5,262 | 5,971 |
| Miscellaneous investments | 922 | 1,189 | 919 | 1,089 |
| Unlisted investments | 65 | 65 | 65 | 65 |
| Benevolent Fund unit trusts | 94 | 207 | 94 | 177 |
| | 11,817 | 14,261 | 11,957 | 12,649 |

As set out in the accounting policies, no provision has been made for deferred tax due to the reinvestment policy adopted by the Union.

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| 12. SUNDRY DEBTORS AND PREPAYMENTS | | |
| Trade debtors | 726 | 25 |
| Other debtors | 124 | 63 |
| Prepayments and accrued income | 541 | 603 |
| | 1,391 | 691 |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

| | 2016 £'000 | 2015 £'000 |
|--|----------------|----------------------|
| 13. SUNDRY CREDITORS, ACCRUALS AND DEFERRED INCOME | | |
| Trade creditors | 150 | 86 |
| Other creditors | 304 | 525 |
| Accruals and deferred income | 630 | 629 |
| | <u>1,084</u> | <u>1,240</u> |
| | PPL | C & D |
| | £'000 | £'000 |
| 14. INDEMNITY FUNDS HELD | | Total |
| Balance at 1 January 2016 | 250 | 50 |
| Payments made | - | (9) |
| | <u>250</u> | <u>41</u> |
| Balance at 31 December 2016 | | £'000 |
| | | 2016 |
| | | <i>(as restated)</i> |
| | | 2015 |
| | | £'000 |
| 15. NOTES TO THE CASH FLOW STATEMENT | | |
| A. Reconciliation of surplus, before taxation, to net cash inflow from operating activities | | |
| Surplus after investment operations | 913 | 307 |
| Bank interest received | (11) | (4) |
| Income from listed investments | (278) | (270) |
| Depreciation | 327 | 347 |
| Movement of investments' market valuation | (1,753) | 213 |
| Net pension scheme income | (125) | (201) |
| Profit on sale of fixed assets | (40) | (48) |
| Profit on sale of investments | (93) | (48) |
| Increase/(decrease) in creditors | 8 | (248) |
| (Increase)/decrease in debtors | (700) | 877 |
| Net cash (outflow)/inflow from operating activities | <u>(1,752)</u> | <u>925</u> |
| | | Cash at bank |
| | | and on |
| | | deposit |
| | | £'000 |
| B. Analysis of net funds | | |
| At 1 January 2016 | | 3,490 |
| Cashflow | | (1,584) |
| At 31 December 2016 | | <u>1,906</u> |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

16. OPERATING LEASES

At 31 December 2016, the Union had obligations of total future minimum lease payments under non-cancellable operating leases for the following period:

| | 2016 | | 2015 | |
|---------------------------------------|--|---|--|---|
| | Plant & Equip- ment £'000 | Land & Buildings £'000 | Plant & Equip- ment £'000 | Land & Buildings £'000 |
| Expiry date: | | | | |
| No later than one year | 34 | 80 | 24 | 83 |
| Later than one, no later than 5 years | 95 | 176 | 23 | 216 |
| Later than five years | 1 | 175 | - | 174 |
| | 130 | 431 | 47 | 473 |

The lease payment recognised as an expense during the year was £78,288 (2015: £127,000)

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

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 £756,791 (2015: £644,260).

(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 2016.

The last full actuarial valuation of the Musicians' Union Permanent Officials and Staff Pension Fund was carried out using the chosen assumptions and then the results have been updated to reflect the position at 31 December 2016. The next full valuation is scheduled for 1 January 2018.

The main financial assumptions used were:

| | 2016 | 2015 | 2014 |
|--|-------|-------|-------|
| Rate of increase in pensionable salaries | 3.40% | 3.15% | 3.10% |
| Rate of increase in pensions in payment | 3.40% | 3.15% | 3.10% |
| Discount rate for scheme liabilities | 2.80% | 3.90% | 3.60% |
| Rate of inflation | 3.55% | 3.30% | 3.20% |

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently age 65 will live on average for a further 22.4 years if they are male; and for a further 24.5 years if they are female.

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

17 STAFF PENSION SCHEMES

(Continued)

Net Assets of the scheme

The net pension assets recognised in the Union's balance sheet as at 31 December 2016 is as follows:

| | 2016 £'000 | 2015 £'000 |
|------------------------------|-----------------|----------------|
| Equities | 5,303 | 4,606 |
| Bonds | 1,136 | 5,393 |
| Property | 6,060 | 1,124 |
| Cash/other | 126 | 112 |
| Total market value of assets | <u>12,625</u> | <u>11,235</u> |
| Present value of liabilities | <u>(11,660)</u> | <u>(9,594)</u> |
| Scheme surplus | <u>965</u> | <u>1,641</u> |

Analysis of FRS102 movement:

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Contributions | 60 | 172 |
| Return on scheme assets | 427 | 397 |
| Interest on scheme liabilities | <u>(362)</u> | <u>(368)</u> |
| Net interest on defined benefit liability | <u>65</u> | <u>29</u> |
| Net pension scheme income | <u>125</u> | <u>201</u> |
| Remeasurement of defined benefit pensions | <u>(801)</u> | <u>734</u> |
| | <u>(676)</u> | <u>935</u> |
| Pension assets brought forward | <u>1,641</u> | <u>706</u> |
| Pension assets carried forward | <u>965</u> | <u>1,641</u> |

MUSICIANS' UNION

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2016

17 STAFF PENSION SCHEMES

(Continued)

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

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Opening defined benefit obligation | 9,594 | 10,336 |
| Interest cost | 362 | 368 |
| Liabilities & changes to demo & fin assumptions | 2,313 | (897) |
| Net benefits paid out | (609) | (213) |
| | <u>11,660</u> | <u>9,594</u> |

Changes to the fair value of scheme assets during the year

| | 2016 £'000 | 2015 £'000 |
|---|---------------|---------------|
| Opening fair value of scheme assets | 11,235 | 11,042 |
| Expected return on scheme assets (interest on assets) | 427 | 397 |
| Actuarial gains/(losses) on scheme assets in excess of interest | 1,512 | (163) |
| Contributions by the employer | 60 | 172 |
| Net benefits paid out | (609) | (213) |
| | <u>12,625</u> | <u>11,235</u> |

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>JL Smith</i></u> Name: <u>JOHN SMITH</u> Date: <u>14.06.17</u> | Chairman's Signature: <u><i>David Lee</i></u> (or other official whose position should be stated) Name: <u>DAVID LEE</u> Date: <u>14.06.17</u> |
|--|--|

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"/> |
| IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94) | YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |

MUSICIANS' UNION
ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2016

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 (excluding land), 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:

| | |
|-----------------------|-----------------------------|
| 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.

MUSICIANS' UNION
ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2016

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

MUSICIANS' UNION
ACCOUNTING POLICIES
YEAR ENDED 31 DECEMBER 2016

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.

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)

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

| | | |
|------------------------------------|--|--|
| Signature(s): | <i>HW Fisher & Co.</i> | |
| Name(s): | <i>HW Fisher & Company</i> | |
| Profession(s) or Calling(s): | <i>Chartered Accountants Statutory Auditor</i> | |
| Address(es): | <i>Acre House 11 - 15 William Road London NW1 3ER United Kingdom</i> | |
| Date: | <i>16 June 2017</i> | |
| Contact name and telephone number: | <i>Sailesh P Mehta 020 7388 7000</i> | |

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 2016, set out on pages 3 to 24. 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 2016 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

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

Dated: 3 May 2017

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/~~NO~~

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/~~NO~~


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

YES/~~NO~~

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 | <i>H W Fisher & Company</i> |
| Address | <i>Acre House 11 - 15 William Road London NW1 3ER United Kingdom</i> |
| Date | <i>16 June 2017</i> |
| Contact name and telephone number | <i>Sailesh P Mehta 020 7388 7000</i> |