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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:	National Union of Rail, Maritime and Transport Workers
Year ended:	31 December 2016
List no:	715T
Head or Main Office:	Unity House 39 Chalton Street London NW1 1JD
Website address (if available)	https://www.rmt.org.uk/home/
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:	M Cash
Telephone Number:	020 7387 4771
Contact name for queries regarding	Sailesh Mehta
Telephone Number:	020 7388 7000
E-mail:	smehta@hwfisher.co.uk

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

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

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

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2017)

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

SCHEDULE OF OFFICERS YEAR ENDED 31 DECEMBER 2016

General Secretary

M Cash

Assistant General Secretaries

S Hedley

M. Lynch

National Officers – Shipping

S Todd

M Carden

Regional Organisers

P Bialyk

D Collinson

P Cox

M Hogg

D Ireland

C Johnston

B Kelly

J Leach

G Martin

S McGowan

JK Molloy

P Skelly

S Smart

M Thompson

J Tilley

M Tosh

K Usher

B Whitehead

ITF Inspectors

N McVicar

D Procter

L Wilson

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	66,694	96	64	340	67,194
FEMALE	11,866	10	7	36	11,919
TOTAL	78,560	106	71	376	79,113

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

3,058

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

78,961

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
No changes to officers during the period.			

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£000's	£000's
INCOME		
From Members: Contributions and Subscriptions		15,305
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		15,305
Investment income (as at page 12)		5,160
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	529	
Total of other income (as at page 4)		529
		TOTAL INCOME
		20,994
EXPENDITURE		
Benefits to members (as at page 5)		3,745
Administrative expenses (as at page 10)		22,662
Federation and other bodies (specify)		
Affiliation fees and grants	519	
Total expenditure Federation and other bodies		519
Taxation		0
		TOTAL EXPENDITURE
		26,926
		(5,932)
		45,664
		39,732

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£000's	£000's
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Sundry income	529	
TOTAL OTHER INCOME		529
TOTAL OF ALL OTHER INCOME		529

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£000's		£000's
Representation – Employment Related Issues		brought forward	3,031
Legal costs	1,077	Education and Training services	
Negotiation costs	93	Education costs	714
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications			
Magazines/Journals	531		
Publicity and website	354		
Member communications	71	Salary Costs	
Diaries	56		
Recruitment of members	191		
		Other Benefits and Grants (specify)	
Dispute Benefits			
Dispute fund payments	381		
Other Cash Payments			
Accident benefit	138		
Death grants	79		
Retirement grants	54		
Permanent downgrading	3		
Fines pool	3		
carried forward	3,031	Total (should agree with figure in General Fund)	3,745

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Orphan Fund	£000's	£000's
Income			
	From members		348
	Investment income (as at page 12)		15
	Other income (specify)		
	Donations	1	
	Sundry income	5	
	Total other income as specified		6
	Total Income		369
Expenditure			
	Benefits to members	144	
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		144
	Surplus (Deficit) for the year		225
	Amount of fund at beginning of year		1,902
	Amount of fund at the end of year (as Balance Sheet)		2,127
	Number of members contributing at end of year		78,961

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

(See notes 24 and 25)

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

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

(See notes 24 and 25)

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

FUND 7		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
Total Income			
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Surplus (Deficit) for the year		
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			
Number of members contributing at end of year			

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£000's	£000's
Income	Members contributions and levies		264
	Investment income (as at page 12)		12
	Other income (specify)		
	Total other income as specified		0
	Total income		276
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Other affiliation fees and grants	38	
	Campaign costs	73	
	Educational meetings	26	
	Administration expenses in connection with political objects (specify)		
	Administration costs	58	
	Wages and salaries	75	
	Non-political expenditure		
	Total expenditure		270
	Surplus (deficit) for year		6
	Amount of political fund at beginning of year		23
Amount of political fund at the end of year (as Balance Sheet)		29	
	Number of members at end of year contributing to the political fund		78,758
	Number of members at end of the year not contributing to the political fund		355
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		203

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		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
	Total income		
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

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

(see notes 32 and 33)

	£000's
Administrative Expenses	
Remuneration and expenses of staff	7,227
Salaries and Wages included in above	£4,837,000
Auditors' fees	59
Legal and Professional fees	338
Occupancy costs	808
Stationery, printing, postage, telephone, etc.	427
Expenses of Executive Committee (Head Office)	846
Expenses of conferences	456
Other administrative expenses (specify)	
Ballots and election costs	47
Branches and regional councils	1,361
Motor expenses	167
Computer and equipment maintenance	542
Other admin costs	232
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	25
Mortgages	
Other loans	
Depreciation	261
Taxation	
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Refund of VAT	(108)
Bad debt provision	34
Remeasurement of defined benefit pension liability	9,940
Total	22,662
Charged to:	
General Fund (Page 3)	22,662
Total	22,662

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contribution s £	Other Benefits		
				Description	Value £	
General Secretary	98,086	12,327	32,576	Car benefit	3,733	149,676
				Season ticket	2,954	
Senior Assistant General Secretary	55,243	6,594	18,347	Car benefit	2,578	85,163
				Season ticket	2,401	
Assistant General Secretary	76,028	9,462	18,586	Season ticket	1,444	105,520
The Union makes pension contributions on behalf of and provides season tickets to all members of staff.						
The President received allowances and expenses totalling £58,491.						
The members of the National Executive Committee received allowances and expenses as detailed in the attached schedule of Costs of the National Executive Committee.						

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £000's		Other Fund(s) £000's
Rent from land and buildings			639
Dividends (gross) from:			
Equities (e.g. shares)	12		689
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Surplus on sale of investments			176
Net pension scheme interest			(106)
Change in fair value of investments			3,792
Provision for diminution in value of investments			(15)
	12		5,175
		Total investment income	5,187
		Credited to:	
		General Fund (Page 3)	5,160
		Fund (Account 2)	15
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	12
		Total Investment Income	5,187

BALANCE SHEET as at 31 December 2016

(see notes 47 to 50)

Previous Year		£000's	£000's
31,992	Fixed Assets (at page 14)		33,860
	Investments (as per analysis on page 15)		
17,615	Quoted (Market value £ 20,030,000)	20,030	
2,239	Unquoted	2,285	
19,854	Total Investments		22,315
	Other Assets		
	Loans to other trade unions		
1,027	Sundry debtors	1,004	
562	Cash at bank and in hand	574	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
1,589	Total of other assets		1,578
53,435	TOTAL ASSETS		57,753
45,664	General Fund (Account)		39,732
1,902	Fund (Account 2)		2,127
	Fund (Account)		
	Superannuation Fund (Account)		
23	Political Fund (Account)		29
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
327	Loans: Other		496
	Bank overdraft		
	Tax payable		
1,825	Sundry creditors		2,045
	Accrued expenses		
	Provisions		
3,694	Pension liabilities		13,324
5,846	TOTAL LIABILITIES		15,865
53,435	TOTAL ASSETS		57,753

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings Freehold £000's		Furniture and Equipment £000's	Motor Vehicles £000's	Not used for union business £000's	Total £000's
Cost or Valuation						
At start of year	32,486		1,875			34,361
Additions	303		23			326
Disposals						
Revaluation/Transfer s	1,803					
At end of year	34,592		1,898			36,490
Accumulated Depreciation						
At start of year	664		1,705			2,369
Charges for year	208		53			261
Disposals						
Revaluation/Transfer s						
At end of year	872		1,758			2,630
Net book value at end of year	33,720		140			33,860
Net book value at end of previous year	31,822		170			31,992

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £000's	Political Fund £
Equities (e.g. Shares)	20,030	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	20,030	
Market Value of Quoted Investment	20,030	
UNQUOTED Equities	1,692	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies	593	
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	2,285	
Market Value of Unquoted Investments	2,285	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £000's	Political Funds £000's	Total Funds £000's
INCOME			
From Members	15,653	264	15,917
From Investments	5,175	12	5,187
Other Income (including increases by revaluation of assets)	535	0	535
Total Income	21,363	276	21,639
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	27,070	270	27,340
 Funds at beginning of year (including reserves)	 47,566	 23	 47,589
Funds at end of year (including reserves)	41,859	29	41,888
 ASSETS			
Fixed Assets			33,860
Investment Assets			22,315
Other Assets			1,578
		Total Assets	57,753
LIABILITIES		Total Liabilities	15,865
NET ASSETS (Total Assets less Total Liabilities)			41,888

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 attached notes to the accounts.

ACCOUNTING POLICIES

(see notes 74 and 75)

See attached notes to the accounts.

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>MICK CASH</u> Date: <u>29 JUNE 2017</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>SEAN HOYLE</u> Date: <u>29 JUNE 2017</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
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"/>

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

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

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

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)

SEE ATTACHED COPY OF AUDITOR'S REPORT

AUDITOR'S REPORT (section one)

Signature(s) of auditor or auditors:			<i>HW Fisher & Co</i>	
Name(s):			HW Fisher & Company	
Profession(s) or Calling(s):			Chartered Accountants	
Address(es):			Acre House 11-15 William Road London NW1 3ER	
Date:			<i>29 June</i>	<i>2017</i>
Contact name and telephone number:			Sailesh Mehta 020 7388 7000	
N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.				

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. MEMBERSHIP AUDIT CERTIFICATE PROVIDED SEPARATELY.

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

1. 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

2. 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 1 or 2 above 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)

[Large empty rectangular box for audit details]

Signature of assurer	
Name	
Address	
Date	
Contact name and telephone number	

MEMBERSHIP AUDIT CERTIFICATE

SECTION TWO

For a trade union with no more than 10,000 members at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES/NO

If "NO" Please explain below:

Signature

--

Name

--

Office held

--

Date

--



**HW Fisher
& Company**

CHARTERED ACCOUNTANTS

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

YEAR ENDED 31 DECEMBER 2016

INDEPENDENT ASSURER'S MEMBERSHIP AUDIT CERTIFICATE

MADE IN ACCORDANCE WITH SECTION 24ZD OF THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATION) ACT 1992

Respective responsibilities of trade union and independent assurer

The trade union is required by section 24 of the Trade Union and Labour Relations (Consolidation) Act 1992 ("the Act") to maintain a register of the names and addresses of its members and, by section 24ZB of the Act, in respect of each reporting period to appoint a qualified independent person to be an assurer in relation to that period.

Our responsibilities as independent assurer are to provide the union a membership audit certificate in relation to the reporting period which accords with the requirements of section 24ZD of the Act and to carry out such enquiries as we consider necessary to provide that certificate.

Basis of opinion

The evidence available to us in order to assess whether the trade union's system for processing changes of member addresses had operated effectively throughout the reporting period was limited as a result of the Union's systems not requiring the retention of documentary evidence relating to member address changes once such changes have been processed.

Opinion of the independent assurer

In our opinion:

- (a) Except for the area described in the basis of opinion paragraph above in respect of which the evidence available to us was limited, the trade union's system for compiling and maintaining the register of the names and addresses of its members was satisfactory for the purposes of complying with the union's duties under section 24(1) throughout the reporting period, and;
- (b) Solely in respect of the information described in the basis of opinion paragraph above where the information available to us was limited, we did not obtain all of the information and explanations which we considered necessary for the performance of our functions.

HW Fisher & Company

H W FISHER & COMPANY
Chartered Accountants

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



Dated: *29 June 2017*

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

COSTS OF THE NATIONAL EXECUTIVE COMMITTEE

YEAR ENDED 31 DECEMBER 2016

	Attendance £	Expenses, excluding travel £	Fares, rail & others £	Lodging allowance £	Total £
A Budds	37,781	1,359	5,406	8,155	52,701
P Collins*	36,329	1,548	1,512	10,002	49,391
M Craig*	10,534	1,011	-	2,147	13,692
L Davison	38,336	1,385	1,125	9,801	50,647
E Dempsey	39,353	-	1,437	9,200	49,990
S Hoyle*	39,353	2,655	7,365	9,118	58,491
K Lingwood*	33,608	452	97	2,781	36,938
K Mazur	37,781	-	1,316	9,840	48,937
P Mcdonnell	36,329	1,540	3,986	9,558	51,413
B Pascoe*	39,353	2,852	2,534	9,681	54,420
B Potts*	39,353	2,826	10,358	9,600	62,137
M Rodgers*	37,781	1,359	10,199	9,517	58,856
J Reid	36,329	-	461	10,563	47,353
D Shannon*	37,781	2,792	3,791	9,594	53,958
P Shaw*	37,901	2,949	6,661	8,516	56,027
S Shaw*	37,781	1,794	2,966	10,398	52,939
J Slec	37,781	-	46	10,001	47,828
	<u>613,464</u>	<u>24,522</u>	<u>59,260</u>	<u>148,472</u>	<u>845,718</u>

* In addition the Union provides accommodation while on Union business.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF THE
NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT
WORKERS**

We have audited the accounts of the National Union of Rail, Maritime and Transport Workers for the year ended 31 December 2016, set out on pages 9 to 34. 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 National Executive Committee and auditors

As explained more fully in the Statement of Responsibilities of the National Executive Committee on page 7, the Union's National Executive Committee is responsible for the preparation of accounts which give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information presented with the accounts, including the Report of the General Secretary, to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts 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: 31 May 2017

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2016

1 INFORMATION IN RESPECT OF THE UNION

The National Union of Rail, Maritime and Transport Workers is a trade union registered in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 with its head office at Unity House, 39 Chalton Street, London NW1 1JD.

2 ACCOUNTING FRAMEWORK

The accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"). The Union is a Public Benefit Entity.

In accordance with FRS102, the format of these accounts is based on those contained in the Regulations to the Companies Act 2006, notwithstanding that the Union does not report under that Act. The formats have been adapted, as required by Part 1 of Schedule 1 of the Regulations, in order that they give a true and fair view of the Union's activities.

3 PRESENTATION CURRENCY

The accounts are presented in sterling and rounded to the nearest thousand Pounds.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, as modified to include the revaluation of certain fixed assets, and in accordance with the specific accounting policies set out below.

(a) Contribution income

Contributions are accounted for on an accruals basis.

(b) Expenditure

Expenditure in the accounts is presented inclusive of VAT where applicable.

(c) Investment income

Income from the Union's investments in equity and debt instruments and rental property is accounted for on an accruals basis.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Taxation

Corporation tax is payable on the Union's income from investment activities, but only to the extent that the relevant income exceeds expenditure on provident benefits.

Deferred tax is recognised in respect of timing differences that arise from the inclusion of income and expenditure in tax assessments in periods different from those in which they are recognised in the accounts. Differences include the recognition in the accounts of gains and losses arising from adjustments to the fair value of investments where these gains or losses are only brought into tax assessment on disposal of the relevant asset. Deferred tax is the amount of tax that the Union expects to arise on the sale of the relevant asset (or on other reversal of the timing difference). Where the Union does not expect tax to arise on the reversal of a particular timing difference no deferred tax is recognised. The recognition and carrying value of deferred tax liabilities or assets are reviewed and reassessed at each reporting date to take account of all relevant changes in circumstances.

(e) Tangible fixed assets

Tangible fixed assets are initially measured at cost. Office equipment and the land and buildings comprising the Union's Education Centre are subsequently measured at cost and the Union's office buildings (including Head Office) are subsequently measured at valuation, in all cases net of depreciation and any impairment losses. At each reporting date, the Union reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the income and expenditure account.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost or valuation, less estimated residual value, on a straight line basis over the estimated useful lives of the assets. The rates applied are as follows:

Freehold buildings	-	2% per annum
Office equipment	-	20% per annum

The gain or loss arising on the disposal of a tangible fixed asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income and expenditure account.

(f) Investment properties

Investment properties are initially measured at cost and subsequently measured at fair value. Changes in the fair value of investment properties are recognised in the income and expenditure account.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial assets and liabilities

Financial assets and liabilities are grouped as either "Basic financial assets or liabilities" or "Other financial assets or liabilities" based on their particular characteristics and are accounted for accordingly.

Basic financial assets

Basic financial assets include cash and bank balances and trade and other debtors. Basic financial assets are initially measured at transaction price and subsequently measured at cost less any impairment losses.

Other financial assets

Other financial assets include the Union's investments in listed and unlisted equity and debt instruments.

Listed investments are initially measured at fair value, which is normally the transaction price, and subsequently measured at fair value (market value). Changes in the fair value of listed investments are recognised in the income and expenditure account.

The Union does not consider that reliable ongoing estimates of the fair value of its unlisted investments are available. As a result, unlisted investments are initially measured at transaction price and subsequently measured at cost less any impairment losses.

Impairment of financial assets

At each reporting date, the Union reviews the carrying amounts of all financial assets carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Impairment losses are recognised in the income and expenditure account.

Basic financial liabilities

Basic financial liabilities include trade and other creditors and bank loans. Basic financial liabilities are initially measured at transaction price and subsequently measured at cost. Debt instruments repayable in more than one year, including bank loans, are subsequently measured at amortised cost using the effective interest method, in order to systematically allocate the interest expense over the expected repayment period of the debt.

(h) Post-employment benefits

The Union recognises the present value of its defined benefit pension obligations, net of the fair value of plan assets, as its "net defined benefit pension liability" in the balance sheet and the net change in that liability during the period in the income and expenditure account or as other comprehensive income as appropriate depending on the nature of the change.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Post-employment benefits (continued)

The Union measures the cost of its pension obligations using the projected unit credit method which incorporates a number of actuarial assumptions and is discounted to present value using an appropriate discount rate derived from the rate of return on a high quality corporate bond of the same currency and a term similar to the estimated period of the future payments. It is the Union's policy to engage an independent actuary to perform the detailed actuarial calculations necessary to value its defined benefit pension obligations.

The change in the net defined benefit pension liability arising from employee service rendered during the reporting period is recognised in the income and expenditure account within the operating result; the net interest on the net defined benefit pension liability during the reporting period is recognised in the income and expenditure account within income from investment operations; and the remeasurement of the net defined benefit liability, including actuarial gains and losses, is recognised in other comprehensive income.

5 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of its accounting policies, the Union is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. All significant estimates and underlying assumptions are reviewed on an on going basis and the relevant carrying amounts of assets and liabilities are revised to reflect any changes.

As at 31 December 2016 the carrying amounts of the following assets and liabilities were subject to judgement or to estimation uncertainty:-

- It is the Union's judgement that reliable estimates of the fair value of its unlisted investments, as included in note 11 to the accounts, are not available. As a result, unlisted investments are measured on a historic cost basis as described in note 4.

- The fair values of the Union's investment properties and other land and buildings, as included in note 10 to the accounts, cannot be directly observed. In order to manage the resulting estimation uncertainty the Union engages independent valuers to provide all material valuations.

- The Union is involved in numerous ongoing legal cases on behalf of its members, the total cost and outcome of which are uncertain. At each balance sheet date the Union considers all cases on a portfolio basis in order to arrive at an estimate of its liability for unbilled legal costs in respect of cases which may prove to be unsuccessful.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

6 CONTRIBUTIONS	2016	2015
	£'000	£'000
General Fund	15,305	14,555
Orphan Fund	348	344
Political Fund	264	262
	<u>15,917</u>	<u>15,161</u>

Contributions to the General Fund were made up as follows:-

	2015	2014
	£'000	£'000
National Dispute Fund	87	86
Legal Fund	261	258
Other	14,957	14,211
	<u>15,305</u>	<u>14,555</u>

The Union's expenditure in respect of Dispute Fund payments and member legal costs is set out in Note 7.

7 OPERATING EXPENDITURE

(a) Benefits and services to members	2016	2015
	£'000	£'000
Legal costs		
Defence of members and other legal costs	1,077	703
Cash benefits		
Accident benefit	138	117
Death grants	79	62
Retirement grants	54	40
Funeral benefit	-	1
Permanent downgrading	3	3
Fines Pool	3	4
Dispute Fund payments	381	6
	<u>658</u>	<u>233</u>
Education Costs		
Representatives' courses	35	46
Branch Secretaries' courses	5	21
Regional Council schools	59	17
Education Centre costs	153	185
Other courses	98	122
Bursaries	-	1
Union Learning Fund	364	471
	<u>714</u>	<u>863</u>
Negotiation expenses		
Committees, conferences and negotiating expenses	93	171
Publicity and Propaganda		
Publicity and website costs	354	343
RMT News	531	566
Member communications	71	71
Recruitment of members	191	136
Diaries	56	48
	<u>1,203</u>	<u>1,164</u>
General Fund	<u>3,745</u>	<u>3,134</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

7 OPERATING EXPENDITURE (continued)

(b) Representation of members	2016	2015
	£'000	£'000
<i>Branch and Regional Council costs</i>		
Branch Secretaries' salaries	688	683
Branch and Regional Council expenditure	673	733
	1,361	1,416
<i>Affiliation fees and grants</i>		
Affiliation fees	472	443
Grants	47	20
	519	463
<i>Committees and conferences</i>		
Annual General Meeting	212	197
Delegates to TUC and various bodies	115	110
Foreign delegations	39	33
Other costs	90	72
	456	412
General Fund	2,336	2,291
Political Fund	38	64
	2,374	2,355
(c) Employment costs	2016	2015
	£'000	£'000
Officers' salaries and expenses	1,389	1,362
Office staff salaries	3,573	3,552
National Executive Committee*	846	615
National Insurance costs	588	455
Net pension scheme charges	1,677	1,562
	8,073	7,546
General Fund	8,073	7,546
Political Fund	75	73
	8,148	7,619

*The 2015 comparative figure for the costs of the National Executive Committee consists of the combined costs of the General Grades and the Shipping Grades of the Council of Executives, which were previously presented separately.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

7 OPERATING EXPENDITURE (continued)

(d) Property and equipment costs	2016 £'000	2015 £'000
Rent and rates	326	308
Insurance	67	67
Heating and lighting	79	124
Cleaning and materials	50	42
Maintenance and renewals	286	311
	<u>808</u>	<u>852</u>
Motor car expenses	167	182
Computer and equipment maintenance	542	492
Depreciation	261	260
	<u>970</u>	<u>934</u>
General Fund	<u>1,778</u>	<u>1,786</u>
(e) Professional services and administration	2016 £'000	2015 £'000
<i>Administration costs</i>		
Printing and stationery	73	112
Membership services	120	80
Literature and periodicals	17	29
Postage and carriage	238	234
Telephone	116	174
Credit Union costs	28	27
	<u>592</u>	<u>656</u>
<i>Professional services</i>		
Audit fees	59	58
Bank charges	67	42
Commission on contributions	7	54
Investment management fees	74	79
Property costs	40	65
Legal fees	12	63
Professional fees	122	83
Ballots and elections costs	47	170
General financial services	83	83
	<u>511</u>	<u>697</u>
General Fund	<u>1,103</u>	<u>1,353</u>
Political Fund	58	59
	<u>1,161</u>	<u>1,412</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

7 OPERATING EXPENDITURE (continued)

(f) Other operating expenditure	2016 £'000	2015 £'000
Refund of VAT relating to expenditure in the current year	(108)	(117)
Bad debt provision	34	51
Interest payable	25	9
General Fund	(49)	(57)
Orphan Fund	144	142
Political Fund	99	132
	<u>194</u>	<u>217</u>

8 OTHER INCOME/(EXPENDITURE)

(a) Other income	2016 £'000	2015 £'000
Rental income	639	577
Sundry income	535	562
	<u>1,174</u>	<u>1,139</u>
General Fund	1,168	1,126
Orphan Fund	6	13
	<u>1,174</u>	<u>1,139</u>
 (b) Investment income	 2016 £'000	 2015 £'000
Dividend income	701	703
Surplus on sale of investments	176	-
Provision for diminution in value of investments	(15)	-
	<u>862</u>	<u>703</u>
General Fund	835	268
Orphan Fund	15	16
Political Fund	12	12
	<u>862</u>	<u>296</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

8 OTHER INCOME/(EXPENDITURE) (continued)

(c) Change in fair value of investments	2016 £'000	2015 £'000
Change in fair value of listed investments	1,989	(407)
Change in fair value of investment properties	1,803	-
	<hr/>	<hr/>
General Fund	<u>3,792</u>	<u>(407)</u>
	<hr/> <hr/>	<hr/> <hr/>
(d) Net pension scheme interest	2016 £'000	2015 £'000
Interest on funded pension scheme assets	1,956	1,828
Interest on funded pension scheme liabilities	(2,034)	(2,146)
Interest on unfunded supplementation liability	(28)	(29)
	<hr/>	<hr/>
General Fund	<u>(106)</u>	<u>(347)</u>
	<hr/> <hr/>	<hr/> <hr/>

9 TAXATION

Current tax

No Corporation Tax liability arises as the cost of provident benefits provided by the Union in the year is in excess of taxable income.

Deferred tax

The Union does not expect any tax liability to arise in the event of the sale of the properties and investments measured at fair value in these accounts as a result of its ongoing reinvestment policy and the availability of relevant reliefs. Accordingly no deferred tax liability has been recognised as at the balance sheet date.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

10 TANGIBLE FIXED ASSETS	Land and buildings			Total £'000
	Investment properties £'000	Other £'000	Office equipment £'000	
Cost or Valuation				
At 1 January 2016	18,449	14,037	1,875	34,361
Additions	48	255	23	326
Disposals	-	-	-	-
Revaluations	1,803	-	-	1,803
At 31 December 2016	20,300	14,292	1,898	36,490
Depreciation				
At 1 January 2016	-	664	1,705	2,369
Charge for the year	-	208	53	261
Revaluations	-	-	-	-
At 31 December 2016	-	872	1,758	2,630
Net book value				
At 31 December 2016	20,300	13,420	140	33,860
<i>At 31 December 2015</i>	<i>18,449</i>	<i>13,373</i>	<i>170</i>	<i>31,992</i>
Comparable historical cost for the land and buildings included at valuation:				£'000
Cost				
At 1 January 2016				10,207
Additions				233
At 31 December 2016				10,440
Depreciation based on cost				
At 1 January 2016				2,605
Charge for the year				153
At 31 December 2016				2,758
Net book value				
At 31 December 2016				7,682
<i>At 31 December 2015</i>				<i>7,602</i>

All land and buildings are freehold.

The valuation of investment properties was performed as at 31 December 2016 by CBRE Limited in respect of Maritime House, Clapham, and has resulted in a value, on a market value basis, of £20,300,000.

Cost or valuation in respect of other land and buildings reflects the following:

The National Education Centre, Doncaster, at its historic cost of £3,735,000.

A valuation performed as at 31 December 2014 by CBRE Limited in respect of the freehold property at Chalton Street, resulting in a value, on an existing use basis, of £8,100,000.

Formal professional valuations have not been undertaken in respect of the other properties owned by the Union however all values have been reviewed and the Union considers that the relevant carrying values are not materially different from their current values as at the reporting date.

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

11 INVESTMENTS

(a) Movement in the year	Quoted securities £'000	Unquoted securities £'000	Loans and deposits £'000	Total £'000
Cost				
At 1 January 2016	17,615	1,712	547	19,874
Additions	2,587	-	61	2,648
Disposals	(2,161)	-	-	(2,161)
Change in fair value	1,989	-	-	1,989
At 31 December 2016	20,030	1,712	608	22,350
Provision for diminution in value				
At 1 January 2016	-	20	-	20
Movement in year	-	-	15	15
Release of provision	-	-	-	-
At 1 January 2016 and 31 December 2016	-	20	15	35
Net book value				
At 31 December 2016	20,030	1,692	593	22,315
<i>At 31 December 2015</i>	<i>17,615</i>	<i>1,692</i>	<i>547</i>	<i>19,854</i>
(b) Summary position				
	2016		2015	
	Cost or realisable value £'000	Market value £'000	Cost or realisable value £'000	Market value £'000
Quoted				
Industrial	15,717	20,030	15,217	17,615
Unquoted				
Other shares	1,692	1,692	1,692	1,692
Loans and deposits				
Loans	-	-	15	15
Cash deposits	593	593	532	532
	593	593	547	547
	18,002	22,315	17,456	19,854

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

11 INVESTMENTS (continued)

(c) Detailed schedule of investments

Quoted

			Market value £'000
25,000	Amec Plc	Ordinary	118
10,000	Anglo American Plc	US\$0.54 Ordinary (Post Cons)	116
10,500	Astrazeneca Plc	US\$0.25 Ordinary	466
40,000	Aviva Plc	Ordinary	195
25,000	Baillie Gifford Japan Trust	Ordinary	140
50,000	Barclays Plc	Ordinary	112
20,000	BHP Billiton Plc	US\$0.50 Ordinary	261
125,000	Blackrock Fund MGRS	Contd Eurpocan Income D Inc	178
50,000	Blackrock Greater Europe	Ordinary	140
90,000	BP Plc	US\$0.25 Ordinary	459
12,500	British American Tobacco Plc	Ordinary	578
200,000	British Telecom Plc	8.625% Bonds 26/03/2020	261
100,000	BT Group Plc	Ordinary	367
5,300	Carnival Plc	US\$1.66 Ordinary Shares	219
100,000	Centrica Plc	Ordinary	234
34,000	Compass Group Plc	Ordinary	510
15,000	Coupland Cardiff Funds	Jpn Inc & Gth Found Inc (USD)	202
300,000	Coventry Building Society	5.875% EMTN 28/09/2022	371
22,500	Diageo Plc	Ordinary	475
150,000	Ecclesiastical Ins Office	8.625% Non Cum Irrd Pref	204
32,700	Experian PLC	US\$0.10 Ordinary	515
5,000	Findlay Park	FP American (US\$)	359
300,000	General Electric Capital	6.25% MTN 29/9/2020	355
75,000	GKN Plc	Ordinary	249
21,500	Glaxosmithkline Plc	Ordinary	336
47,500	HSBC Holdings Plc	US\$0.50 Ordinary	312
65,625	Informa Plc	Ordinary	446
7,500	Intertek Group Plc	Ordinary	261
148,750	Invesco Asia Trust Plc	Ordinary	340
52,000	Ishares Plc	S&P 500 shares	946
3,500	Ishares V Plc	MSCI Japan Monthly GBP Hgd	179
50,000	JP Morgan Euro SMLR CO	Ordinary	147
75,000	JPM American Inv Trust Plc	Ordinary	277
200,000	Kames Capital	Investment Grade Bond B	244
10,000	Kier Group	Ordinary	137
250,000	Land Securities Cap Markets	4.875% MTN 29/09/2023-25	303
20,000	Land Securities Group Plc	Ordinary	213
175,000	Legal & General Group Plc	Ordinary	433
1,000	Legg Mason Global Funds	ClearBridge US Agg Gwth Class	212
200,000	Lloyds TSB Bank PLC	5.125% Notes 07/03/2025	260
480,000	Lloyds TSB Group Plc	Ordinary	300
400,000	Marks & Spencer Plc	6.125% MTN 6/12/2021	478
150,000	Marks & Spencer Plc	4.75% Bonds 12/06/2025	173
15,000	Mercantile Investment	Ordinary	257
350,000	PGH Capital Ltd	6.625% Gtd Sub Nts 18/12/2025	365
10,000	Polar Capital Fund	Healthcare Opps Instl	277
15,000	Prudential Plc	Ordinary	244
54,000	River & Mercantile Asset Mgmt	UK Equity Smlr Cos B Inc (GBP)	218
920,000	Rolls Royce Holdings Plc	c shares	1
20,000	Rolls Royce Holdings Plc	Ordinary	134

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

11 INVESTMENTS (continued)

(c) Schedule of investments at cost or realisable value (continued)

			Market value £'000
13,376	Royal Bank of Scotland	Ordinary	30
38,635	Royal Dutch Shell Plc	EUR0.07 B Shares (UK Listed)	908
90,000	Schroder Asia Pacific Fund	Ordinary	299
100,000	Scottish Widows PLC	5.5% Bonds 16/06/2023	111
17,500	Shaftesbury Plc	25p Ordinary Shares	159
3,500	Shire Plc	Ordinary	164
31,000	Smith & Nephew Plc	US\$0.20 Ordinary Shares	379
17,500	SSE Plc	50p Ordinary Shares	272
20,000	Standard Chartered Plc	US\$0.50 Ordinary	133
32,500	Templeton Emerging Mark Inv	Ordinary	194
50,000	Tesco Plc	Ordinary	103
300,000	Threadneedle Investments	UK Corp Bond Inst 2 Dist	184
520,000	Treasury Stock	5% Stock 7/03/2025	692
250,000	Treasury Stock	4% Treasury Gilt 7/03/2022	297
12,000	Unilever Plc	Ordinary	395
20,000	United Utilities Group Plc	Ordinary	180
170,000	Vodafone Group Plc	US\$0.2095238 Ordinary	340
4,700	Whitbread Plc	76.797385p Ordinary Shares	177
24,000	WPP Plc	Ordinary	436
			<u>20,030</u>
Unquoted			
			Cost or realisable value £'000
Other shares			
-	Unity Trust Bank plc £1 Ordinary shares		1,692
			<u>1,692</u>
Loans and deposits			
Loans			-
Cash deposits			593
			<u>593</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

12	DEBTORS AND PREPAYMENTS	2016	2015
		£'000	£'000
	Trade debtors	202	239
	Other debtors	667	493
	Prepayments and accrued income	135	295
		<u>1,004</u>	<u>1,027</u>
		<u><u>1,004</u></u>	<u><u>1,027</u></u>
13	CREDITORS AND ACCRUALS	2016	2015
		£'000	£'000
	Trade creditors	348	412
	Taxes and social security costs	188	97
	Other creditors	107	65
	Accruals and deferred income	1,402	1,251
		<u>2,045</u>	<u>1,825</u>
		<u><u>2,045</u></u>	<u><u>1,825</u></u>
14	BANK LOANS		
	Bank loan maturity analysis		
		2016	2015
		£'000	£'000
	Due within one year	233	14
		<u>233</u>	<u>14</u>
		<u><u>233</u></u>	<u><u>14</u></u>
	Bank loan due after more than one year		
	Due between one to two years	239	14
	Due between two to five years	24	45
	Due in five years or more	-	254
		<u>263</u>	<u>313</u>
		<u><u>263</u></u>	<u><u>313</u></u>
	The bank loans are unsecured and interest is charged at 2.25% above the bank's base rate. At the balance sheet date the base rate was 0.25% p.a.		
15	FINANCIAL ASSETS AND LIABILITIES BY CATEGORY	2016	2015
		£'000	£'000
	Financial assets:		
	Measured at fair value through income and expenditure	20,030	17,615
	Equity instruments measured at cost less impairment	1,692	1,692
	Basic debt instruments measured at cost less impairment	1,394	1,251
	Total financial assets	<u>23,116</u>	<u>20,558</u>
		<u><u>23,116</u></u>	<u><u>20,558</u></u>
	Financial liabilities:		
	Short-term debt instruments measured at cost	1,857	1,752
	Financial liabilities measured at amortised cost	496	327
	Total financial liabilities	<u>2,353</u>	<u>2,079</u>
		<u><u>2,353</u></u>	<u><u>2,079</u></u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

16 ANALYSIS OF FUNDS

As at 31 December 2016

	General Fund £'000	Orphan Fund £'000	Political Fund £'000	Combined Funds £'000
Head office	38,845	2,127	(90)	40,882
Branches	745	-	116	861
Regional Councils	142	-	3	145
	39,732	2,127	29	41,888

As at 31 December 2015

	General Fund £'000	Orphan Fund £'000	Political Fund £'000	Combined Funds £'000
Head office	44,873	1,902	(87)	46,688
Branches	679	-	107	786
Regional Councils	112	-	3	115
	45,664	1,902	23	47,589

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

17 POST-EMPLOYMENT BENEFITS

The Union operates a defined benefit pension scheme for its employees and officials. The assets of the scheme are held in trustee administered funds separate from the Union's finances.

In addition to the funded scheme, the Union has granted unfunded supplementation benefits to certain historic pensioners of the National Union of Railwaymen.

The details of both of these schemes are given in the following notes.

1. The National Union of Rail, Maritime & Transport Workers Pension Scheme

From 1 January 1991, the Fund incorporates the assets and liabilities of the National Union of Railwaymen's Employee's Superannuation Fund. From 31 January 2008 the Fund incorporates The National Union of Seamen - Officials' and Employees' Superannuation Fund.

The Fund is a funded defined benefit scheme providing benefits based on final pensionable salary. The basis of determining the final pension and the rates at which the member and the Union provides contributions differ depending on when the member entered the Fund. Contribution rates are determined by the Fund's actuary. A salary sacrifice arrangement is now in place resulting in the Union making contributions on behalf of members and members having a corresponding reduction in pay.

The Union pays additional employer contributions of £490,000 per annum until 30 November 2026.

The most recent actuarial valuation was carried out as at 31 December 2014. This valuation showed that the fair value of the assets of the Fund was £51.6 million. The estimated actuarial value of the liabilities is assessed as being £56.2 million, which represents a deficit of £4.6 million and a funding level of 92%, compared to the projected liabilities. The next triennial actuarial valuation will be performed as at 31 December 2017.

The most recent comprehensive actuarial valuation has been updated by independent actuaries appointed by the Union in order to measure the defined benefit pension obligation as at 31 December 2016. The result of this updated valuation is reported below.

Net defined benefit pension liability at the balance sheet date

	2016	2015
	£'000	£'000
Fair value of scheme assets	59,016	51,407
Present value of defined benefit pension obligations	(71,541)	(54,305)
Net defined benefit pension liability	<u>(12,525)</u>	<u>(2,898)</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

17 POST-EMPLOYMENT BENEFITS (continued)

Reconciliation of opening and closing balances of the present value of defined benefit pension obligations

	2016	2015
	£'000	£'000
Scheme liabilities at start of year	54,305	60,535
Current service cost	1,518	1,582
Interest expense	2,034	2,146
Actual contributions - members	38	39
Actual benefit payments by the scheme	(1,741)	(2,070)
Actuarial loss/(gain)	15,387	(7,927)
	<u>71,541</u>	<u>54,305</u>

The current service cost is the cost to the Union of pension rights earned by members of the scheme in the year.

Reconciliation of opening and closing balances of the fair value of scheme assets

	2016	2015
	£'000	£'000
Fair value of scheme assets at start of year	51,406	50,942
Actual benefit payments by the scheme	(1,741)	(2,070)
Actual contributions - employer	1,837	1,745
Actual contributions - members	38	39
Interest income	1,956	1,828
Return on assets less amount recognised in interest income	5,520	(1,078)
	<u>59,016</u>	<u>51,406</u>

Total cost of the scheme for the year analysed between the amounts recognised in the income and expenditure account and other comprehensive income:

Income and expenditure account

	2016	2015
	£'000	£'000
<i>Employment costs</i>		
Current service cost	1,518	1,582
<i>Investment income</i>		
Interest income on scheme assets	(1,956)	(1,828)
Interest expense on scheme liabilities	2,034	2,146
Net interest on the net defined benefit pension liability	<u>78</u>	<u>318</u>
Total charge to income and expenditure	<u>1,596</u>	<u>1,900</u>

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

17 POST-EMPLOYMENT BENEFITS (continued)

Remeasurement of the net defined benefit pension liability recognised in other comprehensive income

	2016 £'000	2015 £'000
Return on scheme assets less interest on scheme assets recognised in the income and expenditure account	(5,520)	1,078
Actuarial loss/(gain)	15,387	(7,927)
Total amount recognised in other comprehensive income	<u>9,867</u>	<u>(6,849)</u>

Analysis of scheme assets

	Fair values	
	2016 £'000	2015 £'000
Equity securities	30,452	32,900
Debt securities	18,708	16,347
Other (includes investments in diversified growth funds, alternatives and cash)	9,856	2,159
Total fair value of scheme assets	<u>59,016</u>	<u>51,407</u>

The return on scheme assets for the year was £7,476,000 (2015: £750,000).

The principal actuarial assumptions used at the balance sheet date were:

	2016 %	2015 %
Rate of increase in pensionable salaries	4.50	4.20
Rate of increase in pensions in payment	3.20	3.00
Rate of increase of deferred benefits	2.50	2.20
Discount rate for scheme liabilities	2.70	3.80
Rate of inflation (RPI/CPI)	3.50/2.50	3.20/2.20

NATIONAL UNION OF RAIL, MARITIME AND TRANSPORT WORKERS

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 DECEMBER 2016

17 POST-EMPLOYMENT BENEFITS (continued)

2. Unfunded supplementation to historic pensioners of the National Union of Railwaymen

Benefit supplementation was awarded to certain historic members of the National Union of Railwaymen's Employees' Superannuation Fund to provide cost of living increases. The benefits are unfunded and are payable directly by the Union. No new members accrue further supplementation.

Independent actuaries appointed by the Union have valued the Union's obligations arising from these supplementation rights as at 31 December 2016. The result of this valuation is reported below.

Defined benefit pension liability at the balance sheet date

	2016 £'000	2015 £'000
Present value of defined benefit pension obligations	800	796

Reconciliation of opening and closing balances of the present value of defined benefit pension obligations

	2016 £'000	2015 £'000
Scheme liabilities at start of year	796	858
Interest expense	28	29
Actual benefit payments by the Union	(97)	(110)
Actuarial loss	73	19
Scheme liabilities at end of year	800	796

Total cost of the scheme for the year analysed between the amounts recognised in the income and expenditure account and other comprehensive income:

Income and expenditure account

	2016 £'000	2015 £'000
<i>Investment income</i>		
Interest expense on scheme liabilities	28	29
Total amount recognised in the income and expenditure account	28	29

Remeasurement of defined benefit pension liability recognised in other comprehensive income

	2016 £'000	2015 £'000
Actuarial loss	73	19
Total amount recognised in other comprehensive income	73	19

The principal actuarial assumptions used at the balance sheet date were:

	2016 %	2015 %
Rate of increase in pensions in payment	3.20	3.00
Discount rate for scheme liabilities	2.70	3.80
Rate of inflation (RPI)	3.50	3.20