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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

NATIONAL UNION OF MINEWORKERS

Year ended:

31 December 2017

List no:

199T

Head or Main Office:

Miners' Offices
2 Huddersfield Road
Barnsley
South Yorkshire
S70 2LS

Website address (if available)

www.num.org.uk

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

Yes

No

(Click the appropriate box)

General Secretary:

Christian James Ronald Kitchen

Telephone Number:

01226 215555

Contact name for queries regarding

Christian James Ronald Kitchen

Telephone Number:

01226 215555

E-mail:

chris.kitchen@num.org.uk

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

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 0330 109 3602

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
Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX

For Unions based in Scotland:

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



(Revised November 2017)

NATIONAL UNION OF MINEWORKERS
TRADE UNION List No. 199T
NATIONAL EXECUTIVE COMMITTEE MEMBERS
At 31 December 2017

N G Wilson (President)
C J R Kitchen (Secretary)
W Thomas (Vice President)
A Cummings
K Hollingsworth
D Howard
C Parkinson
A Spencer
I Lavery MP *

* Member of the NEC but not entitled to vote

Trustees:-

(allowed to attend the NEC but not allowed to vote.)

D Hamilton
N Kemp
D Murphy (retired 23 May 2017)
K Hollingsworth (appointed 23 May 2017)

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	311				311
FEMALE	8				8
TOTAL	319				A 319

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

112

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

11

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 person's office.

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		7,942
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		7,942
Investment income (as at page 12)		284,729
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	126,937	
Change in market value of investments – property	141,000	
Total of other income (as at page 4)		267,937
	TOTAL INCOME	560,608
EXPENDITURE		
Benefits to members (as at page 5)		143,334
Administrative expenses (as at page 10)		480,976
Federation and other bodies (specify)		
TUC	2,080	
Other affiliations and grant & donations	1,424	
Change in market value of investments – other	21,679	
Total expenditure Federation and other bodies		25,183
Taxation		
	TOTAL EXPENDITURE	649,493
		(88,885)
		3,181,333
		3,092,448

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		
Memorabilia	582	
Political fund administration charge	500	
NUM Superannuation Fund administration charge	25,000	
Royal London Asset Management rebate	5,359	
Gain on sale of investments	95,496	
TOTAL OTHER INCOME		126,937
TOTAL OF ALL OTHER INCOME		126,937

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues UK Coal Kellingley Protective Award	45,180	brought forward Education and Training services Retirement provision	91,441
Representation – Non Employment Related Issues Miners Pension Scheme advice NUM Superannuation Fund advice	20,845 20,280	Negotiated Discount Services	
Communications			
Advisory Services Members benefits & surgeries	5,136	Salary Costs	
Dispute Benefits		Other Benefits and Grants (specify) Superannuation benefits Fuel benefits	20,857 31,036
Other Cash Payments			
carried forward	91,441	Total (should agree with figure in General Fund)	143,334

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	NUM Nottingham – general fund	£	£
Income			
	From members		1,357
	Investment income (as at page 12)		
	Other income (specify)		
	Donations & memorabilia	19,765	
	Transfer from Nottingham Area Benevolent Fund (Fund 6)	227	
	Total other income as specified		19,992
	Total Income		21,349
Expenditure			
	Benefits to members	3,152	
	Administrative expenses & other expenditure (at page 10)	17,823	
	Total Expenditure		20,975
	Surplus (Deficit) for the year		374
	Amount of fund at beginning of year		612
	Amount of fund at the end of year (as Balance Sheet)		986
	Number of members contributing at end of year		

FUND 3		Fund Account	
Name:	NUM South Derbyshire area	£	£
Income			
	From members		
	Investment income (as at page 12)		95
	Other income (specify)		
	Total other income as specified		95
	Total Income		95
Expenditure			
	Benefits to members		
	Administrative expenses & other expenditure (at page 10)	1,074	
	Total Expenditure		1,074
	Surplus (Deficit) for the year		(979)
	Amount of fund at beginning of year		31,993
	Amount of fund at the end of year (as Balance Sheet)		31,014
	Number of members contributing at end of year		NIL

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	NUM Yorkshire Area – General Fund	£	£
Income			
	From members		1,233
	Investment income (as at page 12)		
	Other income (specify)		
	Yorkshire Trust grant	396,752	
		Total other income as specified	396,752
		Total Income	397,985
Expenditure			
	Benefits to members	31,025	
	Administrative expenses and other expenditure (as at page 10)	366,960	
		Total Expenditure	397,985
		Surplus (Deficit) for the year	NIL
		Amount of fund at beginning of year	NIL
		Amount of fund at the end of year (as Balance Sheet)	NIL
		Number of members contributing at end of year	

FUND 5		Fund Account	
Name:	Lancashire Area – General Fund	£	£
Income			
	From members		818
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	818
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)	818	
		Total Expenditure	818
		Surplus (Deficit) for the year	NIL
		Amount of fund at beginning of year	NIL
		Amount of fund at the end of year (as Balance Sheet)	NIL
		Number of members contributing at end of year	

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	NUM Nottingham Benevolent Fund	£	£
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 & other expenditure (at page 10)	20	
	Total Expenditure		20
	Surplus (Deficit) for the year		(20)
	Amount of fund at beginning of year		247
	Transfer to Nottingham Area General fund		(227)
	Amount of fund at the end of year (as Balance Sheet)		NIL
	Number of members contributing at end of year		NIL

FUND 7		Fund Account	
Name:	Pension Reserve	£	£
Income			
	Employer contributions		135,000
	Investment income (as at page 12)		
	Other income (specify)		
	Interest on pension scheme assets	948,000	
	Actuarial gain	364,000	
	Total other income as specified		1,312,000
	Total Income		1,447,000
Expenditure			
	Current service costs of scheme	121,000	
	Administrative costs	286,000	
	Interest on pension scheme liabilities	888,000	
	Change in impact of asset ceiling	205,000	
	Interest on asset ceiling	34,000	
	Total Expenditure		1,534,000
	Change in impact of asset ceiling		
	Surplus (Deficit) for the year		(87,000)
	Amount of fund at beginning of year		1,108,000
	Amount of fund at the end of year (as Balance Sheet)		1,021,000
	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		1,478	
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income	1,478	
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Decrease in area funds	3,420		
	Grants & affiliations	17,738		
	Administration expenses in connection with political objects (specify)			
	Management fees, audit fees & sundry	819		
	Non-political expenditure			
	Taxation	(3)		
			Total expenditure	21,974
			Surplus (deficit) for year	(20,496)
			Amount of political fund at beginning of year	56,951
		Amount of political fund at the end of year (as Balance Sheet)	36,455	
		Number of members at end of year contributing to the political fund	96	
		Number of members at end of the year not contributing to the political fund	223	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	16	

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)

		£
Administrative Expenses		
Remuneration and expenses of staff		531,015
Salaries and Wages included in above	£373,921	
Auditors' fees		18,480
Legal and Professional fees		74,802
Occupancy costs		11,582
Stationery, printing, postage, telephone, etc.		34,271
Expenses of Executive Committee (Head Office)		10,562
Expenses of conferences		15,588
Other administrative expenses (specify)		
Officials duties		55,284
Deputations & travel		15,278
Bank charges & sundry		2,405
Miners strike anniversary, memorials & memorabilia		9,469
Ballots		
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		1,597
Taxation		
Outgoings on land and buildings (specify)		
All land & buildings except national office Barnsley		630
Other outgoings (specify)		
Grants, donations & affiliations		24,863
Loss on disposal of fixed assets		9,748
Utilities – light, heat & power		24,128
Rates and insurance		27,949
	Total	867,651
Charged to:		
	General Fund (Page 3)	480,976
	Fund Account 2 (page 6)	17,823
	Fund Account 3 (page 6)	1,074
	Fund Account 4 (page 7)	366,960
	Fund Account 5 (page 7)	818
	Total	867,651

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contributions £	Benefits		Total £
				Description	Value £	
N G Wilson – President NUM Scotland Area *						
C J R Kitchen – National Secretary	34,194	4,370	Note 1	Travel, fuel, & phone	1,248	39,812
W Thomas – NUM South Wales Area *						
K Hollingsworth – NUM COSA Area *						
A Spencer						
A Cummings – NUM North East Area *						
D Howard						
C Parkinson						
* These NEC members are paid from NUM Area funds, for further details see the AR21 for the relevant Area.						

Note 1 – Pension benefits are provided in accordance with the Rules of the NUM Officials' and Permanent Employees' Superannuation Fund and are based on an accrual rate of 1/80^{ths} per annum and 3/80^{ths} lump sum. In the event of death, widows/dependant benefits, if applicable, are payable.

Note 2 – All NUM officials who are nationally employed are covered under a Life Assurance protection plan for which the National Union pays an annual premium of £70. This premium covers non NEC members as well as NEC members.

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			261,000
Dividends (gross) from:			
Equities (e.g. shares)			23,716
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			108
Other investment income (specify)			
			284,824
		Total investment income	284,824
		Credited to:	
		General Fund (page 3)	284,729
		Fund Account 2 (page 6)	
		Fund Account 3 (page 6)	95
		Fund Account 4 (page 7)	
		Fund Account 5 (page 7))	
		Fund Account 6 (page 8)	
		Political Fund (page 9)	
		Total Investment Income	284,824

BALANCE SHEET as at 31 December 2017

(see notes 47 to 50)

Previous Year		£	£
1,917,360	Fixed Assets (at page 14)		2,070,982
	Investments (as per analysis on page 15)		
13,141	Quoted (Market value £ 11,938)	11,938	
1,438,797	Unquoted	1,243,321	
1,451,938	Total Investments		1,255,259
	Other Assets		
	Loans to other trade unions		
30,145	Sundry debtors	19,159	
100,422	Cash at bank and in hand	108,604	
	Income tax to be recovered		
	Stocks of goods		
1,108,000	Others (specify) - Pension Fund Assets	1,021,000	
1,238,567	Total of other assets		1,148,763
4,607,865	TOTAL ASSETS		4,475,004
3,181,333	General Fund (Account 1)		3,092,448
612	Nottingham Area Fund (Account 2)		986
31,993	South Derbyshire Fund (Account 3)		31,014
NIL	Yorkshire Area Fund (Account 4)		NIL
NIL	Lancashire Area Fund (Account 5)		NIL
247	Nottingham Benevolent Fund (Account 6)		NIL
56,951	Political Fund (Account 1)		36,455
1,108,000	Pension scheme reserve (under FRSSE)		1,021,000
4,379,136			4,181,903
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
4	Tax payable		
228,725	Sundry creditors	293,101	
	Accrued expenses		
	Provisions		
	Other liabilities		
228,729	TOTAL LIABILITIES		293,101
4,607,865	TOTAL ASSETS		4,475,004

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year			401,253		1,901,348	2,302,601
Additions			4,967		160,000	164,967
Disposals			(337,775)			(337,775)
Revaluation/Transfers						
At end of year			68,445		2,061,348	2,129,793
Accumulated Depreciation						
At start of year			385,241			385,241
Charges for year			1,597			1,597
Disposals			(328,027)			(328,027)
Revaluation/Transfers						
At end of year			58,811			58,811
Net book value at end of year						
Net book value at end of year			9,634		2,061,348	2,070,982
Net book value at end of previous year						
Net book value at end of previous year			16,012		1,901,348	1,917,360

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Barclays Bank PLC (at market value)	11,938	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	11,938	
Market Value of Quoted Investment	11,938	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Unity Trust Bank shares (at cost)	632,000	
National Savings Stock	10,000	
Other unquoted investments (to be specified)		
Royal London Asset Management (at market value)	601,321	
TOTAL UNQUOTED (as Balance Sheet)	1,243,321	
Market Value of Unquoted Investments		

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 £	Political Funds £	Total Funds £
INCOME			
From Members	11,350	1,478	12,828
From Investments	284,824		284,824
Other Income (including increases by revaluation of assets)	2,131,454		2,131,454
Total Income	2,427,628	1,478	2,429,106
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	2,604,365	21,974	2,626,339
Funds at beginning of year (including reserves)	4,322,185	56,951	4,379,136
Funds at end of year (including reserves)	4,145,448	36,455	4,181,903
ASSETS			
Fixed Assets			2,070,982
Investment Assets			1,255,259
Other Assets			1,148,763
		Total Assets	4,475,004
LIABILITIES			
		Total Liabilities	(293,101)
NET ASSETS (Total Assets less Total Liabilities)			4,181,903

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.

AS ATTACHED

ACCOUNTING POLICIES

(see notes 74 and 75)

AS ATTACHED



SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: Name: Christian J R Kitchen Date: <u>31/5/18</u>	President's Signature: (or other official whose position should be stated) Name: Nicolas G Wilson Date: <u>31/5/2018</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

National Union of Mineworkers

*Notes to the accounts
for the year ended 31 December 2017*

1 Statement of National Union's Responsibilities

The Trade Union and Labour Relations (Consolidation) Act 1992 requires the Union to obtain audited financial statements for each year which show a true and fair view of the financial transactions of the General Fund, Political Fund and Nottingham Benevolent Fund during the year and the disposition, at the end of the year, of the assets and liabilities. The Union has prepared the financial statements for audit.

In preparing those financial statements, the Union is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis.

The Union is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and to enable it to ensure that the financial statements comply with the Trade Union and Labour Relations (Consolidation) Act 1992 and are in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Union has taken such steps as are reasonably open to it to safeguard the assets of the General Fund, Political Fund and Nottingham Benevolent Fund, and prevent any irregularities or error.

2 Statutory information

The National Union of Mineworkers is a trade union registered with the Certification Office under reference number 199T. The principal address is 2 Huddersfield Road, Barnsley, S70 2LS.

The financial statements are presented in sterling which is the functional currency of the Union and rounded to the nearest pound.

3 Area Trust Funds

As a result of the transfers of engagements Yorkshire Area Trust Fund and Lancashire Area Trust Fund own net assets in their own names and these are reflected in separate trust accounts. These are available to Yorkshire and Lancashire members past and present and to the NUM National Office if necessary.

National Union of Mineworkers

*Notes to the accounts
for the year ended 31 December 2017*

4 Superannuation fund

The Union's, and other associated areas, employees are members of the National Union of Mineworkers Officials' and Permanent Employees' Superannuation Fund. The Fund provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Union, are administered by the Trustees and are managed professionally.

Contributions by the Union to the scheme are determined by a qualified Actuary on the basis of triennial valuations using the projected unit method.

The total contributions to the scheme during the year by all employers were £135,000 (2016: £102,000) of which the Union's contributions were £117,681 (2016: £86,361).

Active members contribute to the fund at an average rate of 6.0% of pensionable earnings.

A full actuarial valuation was carried out at 31 December 2015 and updated to 31 December 2017 by a qualified independent actuary.

The major assumptions used by the actuaries were:

	31.12.17	31.12.16
Rate of increase in salaries	3.40%	3.50%
Discretionary pension increases	3.30%	3.30%
Discount rate	2.40%	2.50%
Inflation assumption (RPI)	3.40%	3.50%
Inflation assumption (CPI)	2.40%	2.50%

Mortality assumptions are based on 95% of table of mortality S2NA with CMI 2016 core model projections and a minimum annual improvement of 1.25% per annum.

National Union of Mineworkers

Notes to the accounts for the year ended 31 December 2017

4 Superannuation fund continued

The assets of the scheme and the expected rate of return were:

	Value 31.12.17 £000s	Value 31.12.16 £000s
Cash	-	78
Rothsay bulk annuity policy	19,987	21,295
Non – LDI portfolio	5,608	5,168
LDI portfolio	<u>12,045</u>	<u>12,319</u>
Total market value of assets	37,640	38,860
Present value of scheme liabilities	(35,031)	(36,403)
Impact on asset ceiling	<u>(2,609)</u>	<u>(1,349)</u>
Net defined benefit asset	<u>1,021</u>	<u>1,108</u>

	2017 £000s	2016 £000s
Amounts recognised in the income and expenditure account		
Current service costs	121	73
Interest on pension scheme liabilities	888	1,153
Interest on pension scheme assets	(948)	(1,267)
Interest on asset ceiling	34	88
Administration costs	<u>286</u>	<u>297</u>
Total	<u>381</u>	<u>344</u>

National Union of Mineworkers

*Notes to the accounts
for the year ended 31 December 2017*

4 Superannuation fund continued

Analysis of amount recognised in the Statement of comprehensive income

	31.12.17 £000s	31.12.16 £000s
Actuarial gains and (losses)	364	(665)
Change in impact of asset ceiling	<u>(205)</u>	<u>1,186</u>
	<u>159</u>	<u>521</u>

Reconciliation of Assets and Defined Benefit Obligations

Changes in the fair value of the assets are:

	2017 £000s	2016 £000s
Opening fair value of assets	38,860	36,226
Interest on assets	948	1,267
Employer contributions	135	102
Contributions by scheme participants	18	15
Benefits paid	(1,786)	(1,864)
Actuarial (loss)/gain on assets	(249)	3,411
Administration costs	<u>(286)</u>	<u>(297)</u>
Fair value of assets at 31 December	<u>37,640</u>	<u>38,860</u>

Changes on defined benefit obligation over the year are:

	2017 £000s	2016 £000s
Opening defined benefit obligation	36,403	32,950
Current service cost	121	73
Contribution by scheme participants	18	15
Interest costs	888	1,153
Benefits paid	(1,786)	(1,864)
Actuarial (gain)/loss on liabilities due to change in assumption	(276)	5,732
Actuarial gains due to experience	<u>(337)</u>	<u>(1,656)</u>
Defined benefit obligations at 31 December	<u>35,031</u>	<u>36,403</u>

Total contributions paid by the Union in respect of Defined Contribution Pension Schemes and Employee Private Pension Schemes were £8,896 (2016 - £8,686).

National Union of Mineworkers

General Fund Accounting Policies

*(forming part of the financial statements)
for the year ended 31 December 2017*

1 (a) **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Union's financial statements.

(b) **Basis of preparation**

The financial statements have been prepared in accordance with the provisions of Section 1A "small entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Trade Union and Labour Relations (Consolidation) Act 1992. The financial statements have been prepared under the historical cost convention.

The financial statements summarise the transactions and net assets of the Union.

(c) **Significant Judgements and Estimates**

No judgements have been made in the process of applying the below accounting policies that have had the most significant effect on amounts recognised in the financial statements.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have had significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(d) **Area income and expenditure**

With the exception of Nottingham, South Derbyshire, Yorkshire and Lancashire the financial statements do not include the funds and the income and expenditure of the Constituent Associations, as they are separately constituted Unions and prepare their own financial statements. Nottingham, South Derbyshire, Yorkshire and Lancashire are no longer Constituent Associations and are a direct part of the National Union. The net assets of these Areas are therefore incorporated in these financial statements.

(e) **Contributions**

In accordance with the Union's rules, Areas deduct an agreed amount before paying the remaining net contributions for the full 52 weeks to the General Fund. In accordance with Rule 31, the General Fund pays to the Political Fund the equivalent of four weeks contributions. The Political Fund in turn repays the contributions of those members who are exempt from the Political Fund.

National Union of Mineworkers

General Fund Accounting Policies

*(forming part of the financial statements)
for the year ended 31 December 2017*

(f) Investment income

Income from investments is included in the Income and Expenditure Account in the year in which it is receivable.

(g) Fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, 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:

Office furniture and equipment	-	10% per annum on diminishing value.
Computer and other electrical equipment	-	25% per annum on straight line basis.

The current headquarters of the National Union of Mineworkers are based in Barnsley and are owned by the National Union of Mineworkers Yorkshire Area Trust Fund.

(h) Investment Property

Holly Street investment property is included in the financial statements at net book value. This treatment does not comply with the requirements of the Financial Reporting Standard 102 (FRS102) which requires investment properties to be stated at market value. The NEC considers the cost incurred in undertaking such a valuation would outweigh any benefits. The NEC considers the valuation of the Investment properties at 31 December 2017 to be worth not less than £1,901,348.

Springvale Avenue is shown at the most recent valuation. Market valuation has been determined by Butcher Residential Limited, a firm of independent chartered surveyors.

(i) Investments

Investments are shown in the financial statements at market value.

National Union of Mineworkers

General Fund Accounting Policies

*(forming part of the financial statements)
for the year ended 31 December 2017*

(j) **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(k) **Pension costs**

Defined Benefit Pension Scheme

The cost of funding pensions is charged to the income and expenditure account on a systematic and rational basis designed to spread the cost over the useful service lives of employees.

The Union, together with associated areas, operates a funded defined benefit pension scheme for the benefit of its employees. The assets of the scheme are administered by the Trustees in a fund independent from the Union. Service costs and gains and other pension scheme finance costs and income are charged or credited to the income and expenditure account. Actuarial gains and losses are credited or charged to the statement of total recognised gains and losses in the year in which they arise.

The pension scheme figures included in the financial statements of the Union under the above policy relate to the total scheme as the National Union of Mineworkers is the principal employer and it is considered impractical and onerous to separate other individual area employer amounts. Accordingly, the pension scheme asset included in these financial statements incorporates the assets and liabilities of the other area employers.

(l) **Pension costs (cont'd)**

Defined Contribution Pension Scheme

The Union also made contributions to Employees' Private Pension Schemes. The annual contributions payable are charged to the income and expenditure account.

(m) **VAT**

Income and expenditure are stated gross of value added tax.

National Union of Mineworkers

Political Fund Accounting Policies

*(forming part of the financial statements)
for the year ended 31 December 2017*

1 **Accounting policies**

The accounting policies are those set out in Note 1 to the financial statements of the General Fund.

“Contracted out” records

Rule 30D allows a member of the National Union to be exempt from contributing to the Political Fund of the Union. Names of those members exempt from contributing to the Political Fund are recorded in the area “contracted out” records.

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES/~~NO~~

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES/~~NO~~

If "No" please explain below.

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES/~~NO~~

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

AUDITOR'S REPORT (section one)

AS ATTACHED

Signature(s) of auditor or auditors:

Gibson Booth Limited

Name(s):

Gibson Booth Limited

Profession(s) or Calling(s):

Chartered Accountants

Address(es):

12 Victoria Road
Barnsley
S70 2BB

Date:

31 May 2018

Contact name and telephone number:

01226 213131

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

National Union of Mineworkers

Year ended 31 December 2017

Independent Auditors' Report to the members of National Union of Mineworkers

We have audited the financial statements of the General Fund, Political Fund and of the Nottingham Benevolent Fund, which have been prepared in accordance with the accounting policies stated. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the National Union of Mineworkers (the 'Union'), as a body, in accordance with Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditors' 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 their members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the General Fund's, Political Fund's and Nottingham Benevolent Fund's affairs at 31 December 2017 and of their results for the year then ended; and
- have been prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – defined benefit pension scheme

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures within the Union's financial statements, and inclusion in the financial statements of the total defined benefit scheme activities and net pension asset, as the Union is principal employer. The financial statements incorporate assets and liabilities relating to the defined benefit pension scheme for the other area employers which have not been quantified due to the circumstances outlined in accounting policy note 2(k).

National Union of Mineworkers

Year ended 31 December 2017

Independent Auditors' Report to the members of National Union of Mineworkers (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the officials' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officials have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The officials are responsible for the other information. The other information comprises the information included in the report of the National Executive Committee, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Union was not entitled to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

National Union of Mineworkers

Year ended 31 December 2017

Independent Auditors' Report to the members of National Union of Mineworkers (continued)

Responsibilities of National Union of Mineworkers

As explained more fully in the statement of National Union's responsibilities statement, the officials are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the officials determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the officials are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the officials either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the officials.
- Conclude on the appropriateness of the officials' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.

National Union of Mineworkers

Year ended 31 December 2017

Independent Auditors' Report to the members of National Union of Mineworkers (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Gibson Booth Limited

Gibson Booth Limited
Chartered Accountants
Statutory Auditor
12 Victoria Road
Barnsley
South Yorkshire
S70 2BB

31 May 2018

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

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)

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

If "NO" Please explain below:

Signature

C J Kitchen

Name

Christian J R Kitchen

Office held

General Secretary

Date

31 May 2018