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- PRINT ON ONE SIDE ONLY

FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	The PPU					
Year ended:	31st December 2017					
List no:	812T					
Head or Main Office:	Chester House 68 Chestergate Macclesfield Cheshire SK11 6DY					
Website address (if available)	www.theppu.co.uk					
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td><td>(Click the appropriate box)</td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Click the appropriate box)		
General Secretary:	Unfilled					
Telephone Number:	0161 408 0787					
Contact name for queries regarding	Tracey Mullen					
Telephone Number:	01727 896000					
E-mail:	ppu@theppu.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)



Annex to AR21 – Annual Return for a Trade Union

The PPU Officers in post at the end of 2017

Board Members

Will Scott	(Chairman)
John Fenton	(Vice Chairman)
Steve Johnson	(Secretary)
Roy Wheatley	
Dave Williams	

Trustees

Andy Slater
Jon Clancy

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	435	0	14	29	478
FEMALE	11	0	1	5	17
TOTAL	446	0	15	34	A 495

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

0

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

495

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
Please see attached annex to AR21 Form			

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		346,617
From Members: Other income from members (specify)		
Total other income from members		0
Total of all income from members		346,617
Investment income (as at page 12)		
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		
Total of other income (as at page 4)		0
	TOTAL INCOME	346,617
EXPENDITURE		
Benefits to members (as at page 5)		
Administrative expenses (as at page 10)		
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		351,499
Taxation		
	TOTAL EXPENDITURE	351,499
Surplus (deficit) for year		(4,882)
Amount of general fund at beginning of year		331,214
Amount of general fund at end of year		326,332

(see notes 19 and 20)

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ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	
		Education and Training services	
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications			
		Salary Costs	
Advisory Services			
		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward		Total (should agree with figure in General Fund)	

(See notes 24 and 25)

FUND 2		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 3		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 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 26 to 31)

POLITICAL FUND ACCOUNT 1

To be completed by trade unions which maintain their own fund

		£	£
Income	Members contributions and levies		
	Investment income (as at page 12)		
	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 of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		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			

POLITICAL FUND ACCOUNT 2

To be completed by trade unions which act as components of a central trade union

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

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		
Salaries and Wages included in above	£0	
Auditors' fees		3,960
Legal and Professional fees		25,291
Occupancy costs		
Stationery, printing, postage, telephone, etc.		7,271
Expenses of Executive Committee (Head Office)		5,077
Expenses of conferences		
Other administrative expenses (specify)		
Please see attached for Administrative expenses breakdown		309,900
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Total		351,499
Charged to:	General Fund (Page 3)	351,499
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
Total		351,499

(see notes 34 to 44 below)

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ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund		Other Fund(s)
	£		£
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Total investment income			
Credited to:			
General Fund (Page 3)			
Fund (Account)			
Fund (Account)			
Fund (Account)			
Fund (Account)			
Fund (Account)			
Political Fund			
Total Investment Income			

BALANCE SHEET as at 31.12.17

(see notes 47 to 50)

Previous Year		£	£
	Fixed Assets (at page 14)		
	Investments (as per analysis on page 15)		
	Quoted (Market value £)		
	Unquoted		
	Total Investments		
	Other Assets		
	Loans to other trade unions		
2,919	Sundry debtors	2,686	
371,073	Cash at bank and in hand	346,130	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
373,992	Total of other assets		348,816
373,992	TOTAL ASSETS		348,816
	<div style="text-align: right;">Fund (Account)</div> <div style="text-align: right;">Fund (Account)</div> <div style="text-align: right;">Fund (Account)</div> <div style="text-align: right;">Superannuation Fund (Account)</div> <div style="text-align: right;">Political Fund (Account)</div> <div style="text-align: right;">Revaluation Reserve</div>		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
20,063	Sundry creditors		11,858
22,715	Accrued expenses		10,626
	Provisions		
	Other liabilities		
42,778	TOTAL LIABILITIES		22,484
373,992	TOTAL ASSETS		348,816

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							
Additions							
Disposals							
Revaluation/Transfers							
At end of year							
Accumulated Depreciation							
At start of year							
Charges for year							
Disposals							
Revaluation/Transfers							
At end of year							
Net book value at end of year							
Net book value at end of previous year							

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

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

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?

YES ☐NO ☒

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 ☐NO ☐

If NO, state the names of the persons in whom the shares controlled by the union are registered.

COMPANY NAME

NAMES OF SHAREHOLDERS

(see notes 58 and 59)

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	346,617		346,617
From Investments			
Other Income (including increases by revaluation of assets)			
Total Income	346,617		346,617
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	351,499		351,499
Funds at beginning of year (including reserves)	331,214		331,214
Funds at end of year (including reserves)	326,332		326,332
ASSETS			
Fixed Assets			
Investment Assets			
Other Assets			348,816
Total Assets			348,816
LIABILITIES			
Total Liabilities			22,484
NET ASSETS (Total Assets less Total Liabilities)			326,332

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.

Attached.

ACCOUNTING POLICIES

(see notes 74 and 75)

Attached.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

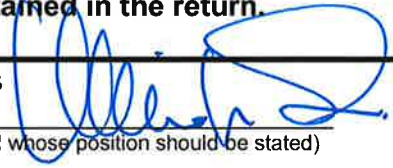
Secretary's
Signature: _____



Name: _____ Glen Beresford _____

Date: _____ 22 MAY 2018 _____

Chairman's
Signature: _____



(or other official whose position should be stated)

Name: _____ Will Scott _____

Date: _____ 22 May 18 _____

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/~~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~~

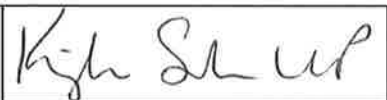
If "No" please explain below.

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)

Signature(s) of auditor or auditors:		
Name(s):	Kingston Smith LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	4 Victoria Square St Albans Hertfordshire AL1 3TF	
Date:	29/5/18	
Contact name and telephone number:	Magda Bobon 01727 896000	

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/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/~~NO~~

If "NO" Please explain below:

Signature	
Name	Will Scott
Office held	Chairman
Date	22 May 2018

The PPU



Annual Accounts

For the year ended 31 December 2017



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THE PPU TRUSTEES' ANNUAL REPORT 2017

Dear Members,

1. The PPU Trustees present their Annual Report.

TRUSTEES

2. As PPU Trustees, our role is loosely defined as "Standards and Governance". We are here not only to keep a weather eye on proceedings, but also to act as a direct conduit to the Board as necessary. If any member wishes to contact us regarding any matter they feel is not being appropriately addressed, or is causing concern, then they can do so, in confidence.

Trustees can be reached at the dedicated email address:

trustees@theppu.co.uk

MEMBERSHIP AND RECRUITMENT

3. PPU Membership numbers can be presented in both Gross and Net formats. Gross figures are total members. Net figures are used only for statutory ballots, and exclude members who are not eligible to vote statutorily. For instance, retired members and those Long-Term Sick are ineligible. As all members are qualified to vote in Consultative Ballots, and these ballots may be used to develop or endorse PPU strategy, Gross figures are used in this report.
4. As at year start 2017, the PPU membership stood at 531 (as previously reported Dec 16). As at year end 2017, the PPU membership numbers have softened to 484. While this 8.85 % drop is disappointing in itself, it does reflect positively the commitment to the PPU displayed by the vast majority of its members. While some members have chosen to leave, the PPU is delighted to welcome new joiners over the period. This trend may reflect some of the membership's frustrations with the lack of progress with dialogue between the Board and VAA, and also the lack of access to pilots joining the Company. This asymmetric recruitment environment is well-recognised, and the Board are working to mitigate this with an enhanced comms campaign.

ASSISTANCE TO MEMBERS

5. During the past 12 months, the PPU Member Assistance Team has provided assistance to over 20 members who required their union's support. This team comprises volunteers who undertake training for the role delivered by a barrister. The Members' Crisis Line number is available in the Members' Area of the PPU website, and members are strongly recommended to copy this number to their mobile phone directory. Finally, the PPU legal counsel, Alex Barley, a solicitor with Towns Needham, is available to offer members legal advice.

RECOGNITION, ASOS AND INDUSTRIAL RELATIONS

6. We are now entering our fourth year of seeking a Voluntary Recognition Agreement with the Company. In the past, the Company has stated that it is only willing to negotiate with one union. This view evolved into a stand of negotiating with one body. Now, the Company appear to favour the formation of an 'all-party' committee of pilot representatives.
7. During the meeting with the Company in December 2016, it became increasingly obvious to the Board that progress was not going to be made. As a contingency, the Board were prepared, reluctantly, to deploy

ASOS. The ballot from 16th December 2016 mandated that the PPU is now undertaking ASOS. ASOS is the withdrawal of goodwill; effectively a "Fly Your Roster" action conducted by PPU members.

8. On 20th July 2017, the Company unilaterally published their own view of Joint Recognition in a package to all pilots. The detail and mechanism of this scheme appear to be a final negotiating position. Regrettably, this stance ignores other options available, including a democratic proposal that satisfies almost all aspects of the Company scheme.

9. While ASOS duration is open-ended, the PPU Board have strived to keep lines of communication open with the Company. Letters, both private and open, offering to engage bi-laterally on any and all solutions to the dispute are sent regularly. Sadly, there has not been any significant or productive response from VAA management. The PPU has effectively removed all conditions it has previously insisted on prior to talks, bar that the initial session should, quite rightly, be held between the TWO parties in dispute. After this session has taken place, the Board do not have an objection to widening the talks to include any affected third parties. Clearly, and for the avoidance of doubt, the initial talks have to be solely between the PPU and VAA management. Our dispute is with the Company, not BALPA. This is in accordance with the mandate given to the PPU Board by the membership, and also ensures the legal premise of ASOS is not compromised.

10. Sadly, the lack of progress with the Company has left us in the same position at the end of 2017 as the start of the year. The PPU position has been modified to allow a clear path to de-escalation in this dispute. Sadly, it appears that this obvious olive branch has been eschewed by the Company for reasons unknown. Our door is always open to bi-lateral talks, and, despite the current focus on the National launch, achieving Voluntary Recognition is still firmly on the PPU agenda.

ADDITIONS TO THE BOARD

11. The Trustees are delighted to see two new board members appointed in 2017. We would like to extend a warm welcome to Captains Dave Williams and Roy Wheatley, who have joined the board to follow on from SFOs Jon Fenton and John Tobin who will reach the end of their tenure in early 2018.

CHAIRMAN'S RESIGNATION

12. The PPU was launched in 2012 by a small team led by Captain Barry Eustance. The union was created in direct response to the clearly stated need, from professional pilots throughout the airline industry, for a union that puts *the member* at the very centre of its being. Creating an organisation such as this, from scratch, to becoming a certified, official, trade union is a monumental task. The workload required of all board members, assisted by volunteers, was enormous.

13. As Chairman, Barry has worked tirelessly for the PPU for over six years. It would be an unrealistic expectation that this relentless effort would not spill into personal life, and a realistic and understandably necessary change was sought by Barry. Regrettably, the membership was informed of Barry's resignation in October 2017. Captain Will Scott stood in as Acting-Chairman, and the PPU remained united, robust and reasonable.

14. As Trustees, we would like to formally extend our deeply-felt thanks and gratitude to Barry for all he has done for this union. Likewise, we also acknowledge the unwavering support and forbearance of Barry's partner, Paula, over the past few years; we wish them a quieter and more relaxing time enjoying their beloved Mediterranean.

WEBINARS, GENERAL MEMBERS' MEETINGS AND MEMBER ENGAGEMENT

15. Over the past year, we have seen the benefits of running online Webinars. Whilst face-to-face engagement with members is preferable, there are difficulties in bringing a 24/7, remote-working membership to meetings. This has been mitigated in the past by running multiple meetings in multiple locations. Recent

improvements in teleconferencing applications have allowed the Board to organise and host online Webinars. The downside of communicating electronically is offset by allowing easier and more flexible attendance. Overall, in 2017, the Board was able to engage directly with more of the Members by Webinar than those able to attend GMMs.

16. One area that does cause concern, and which is the subject of complaint from some members, is comms flow. Members have commented that there is a need for more frequent updates from the Board, and that they find the apparent lack of comms frustrating. We have raised this issue with the Board. The main problem with getting comms published is the process in which comms are generated and then approved for publication. The current process sees a piece drafted, reviewed by board members, then sent for legal oversight before being returned for full board approval prior to release. This process can take a few days and is unwieldy. The Board recognise this and have set in train the necessary changes.

PREPARATION FOR NATIONAL LAUNCH

17. In order to improve the whole comms package, and in preparation for the National launch, the Board will completely revamp the comms and member-engagement process.

18. The Board have ended the contract with the Press Officer saving around £4k pm and engaged a professional media company to assist with updating PPU media prior to National launch. This new engagement was made for an initial three month trial, and the media company provided a full report. The break clause will allow the Board to ensure this direction is delivering results. This multi-strand project will see a streamlined comms production process, a new look to the website, and a step into today's comms arena: namely social media feeds. This is a large project, and the Board are keen not to launch until every aspect has been proven to work correctly. This is a lesson learned after technical glitches in the MiVote system required ballot emails to be re-issued. There are clearly costs associated with this engagement. The new website will be supplied under a fixed cost of £15k. However, in concert with the National launch, data analytics will be used to target search engines and direct potential new members to our sites. This will be professionally managed, the Board have agreed a 6 month limited contract at circa £6,480pcm, plus hubspot/wordsearch technology which adds approximately £500pcm depending on hits. The Board feel that this expenditure is necessary in order to improve comms, re-vamp our online presence and publicise the National launch. Accordingly, the Trustees have asked for an estimate of this projected expenditure.

REQUEST FOR VOLUNTEERS

19. The PPU is a union that is constructed around the principles laid out below. The adage, "Many hands make light work", is never truer. As we move towards a National launch, your union must shape itself into the organisation it was designed to be. That means recruiting for and setting up the Company Task Group. This is the daily interface between the pilots and the Company. It deals with local matters, and may be organised with a degree of flexibility as to how it is constituted. The Board remains overarching, and will, in time, contain members from the represented airlines. This is how the PPU will move forward, and the 1st July 2017 change to the Constitution reflects this.

"Our strength is our membership. YOU.

The PPU, a 21st Century Union for 21st Century Pilots. Run by the members for the members."

20. To ensure we continue to offer the highest levels of support for our members, the Board is actively seeking new recruits to the Task Groups and to the Member Assistance Team. The Trustees urge any Members who may be interested in finding out about these rewarding roles to contact admin@theppu.co.uk for details. Remember, we need volunteers to step up. Your union is very much in your hands.

LOOKING AHEAD TO 2018

21. The next year will prove to be pivotal in the PPU's history. In 2018, the union will roll-out a National launch and a modernising re-brand. It is important to stress to the Members that this cannot be a true success without their support. With the support of our members, we have the opportunity to propel OUR union into

the next phase. While we will always seek to resolve the Voluntary Recognition dispute, we also have a new and exciting project to launch.

CONCLUSION

22. Overall, 2017 has been a positive year for the PPU. Whilst there has been a disappointing, and perplexing, lack of response from the Company in our bid for meaningful dialogue, the PPU has continued to keep the lines of communication emphatically open. ASOS, regrettably, continues despite a clear path for de-escalation being offered to the Company. On a more positive note, and despite what has been reported by third parties elsewhere, the PPU membership numbers, while softening slightly, remain buoyant with new members being welcomed to the union. A major piece of work is well underway in the PPU National Launch and modernising re-brand. We are expecting the launch in early Summer of 2018.

23. The PPU remains a committed, moderate and focussed union, acting within the Members' mandate, and planning for the future in the best interests of its membership.



Captain Andy Slater
Trustee



SFO Jon Clancy
Trustee

April 2018

Opinion

We have audited the financial statements of The PPU for the year ended 31 December 2017 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. 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 any party other than the Union and Union's members as a body, for our audit work, for this report, or for the opinion we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2017 and of its transactions for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

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 financial statements section of our report. We are independent of the company 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.

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 officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company'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 Union's officers are responsible for the other information. The other information comprises the information included in the annual report, 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.

Independent Auditors' report to the members of The PPU For the year ended 31 December 2017

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.

Responsibilities of officers

The Union's officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. The Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires the officers of the Union to;

- keep proper accounting records which give a true and fair view of the state of affairs of The PPU and explain its transactions;
- establish and maintain a satisfactory system of control of the accounting records, cash holdings and all the receipts and remittances;
- prepare an annual return for the Certification Officer giving a true and fair view of the revenue account and balance sheet; and
- provide members of The PPU with a statement of income and expenditure for the year.

In preparing the financial statements, the officers are responsible for assessing the company'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 officers either intend to liquidate the 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 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 judgement 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 purposes of expressing an opinion on the effectiveness of the company's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the officers.
-

Independent Auditors' report to the members of The PPU
For the year ended 31 December 2017

- Conclude on the appropriateness of the officers' 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 company'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 company to cease to continue as a going concern.
- 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.

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

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and
- the financial statements are not in agreement with the accounting records and returns.



Kingston Smith LLP
Statutory auditor

4 Victoria Square
St Albans
Hertfordshire
AL1 3TF
Date: 29/5/18

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The PPU

Income and Expenditure Account
For the year ended 31 December 2017

		2017		2016	
	Notes	£	£	£	£
Income					
Membership subscriptions		218,985		236,717	
Legal insurance subscriptions		127,632		136,814	
			346,617		373,531
Expenditure					
Insurance		156,354		176,535	
Accountancy		19,619		19,399	
Audit fees		3,960		3,882	
Office costs	2	142,633		79,708	
Legal and professional fees		25,291		55,258	
Bank charges		3,642		3,851	
			351,499		338,633
Surplus/(deficit) for the year					
			(4,882)		34,898
Balance brought forward at 1 January 2017					
			331,214		296,316
Balance carried forward at 31 December 2017					
			326,332		331,214

All recognised gains and losses for the year are included in the Income and Expenditure Account.

The overall result for the year arose on the Union's continuing activities.

The notes on pages 10 - 11 form part of these accounts.

The PPU

Balance Sheet at 31 December 2017

	Note	2017 £	2016 £
Current Assets			
Debtors	3	2,686	2,919
Cash at bank		346,130	371,073
Current Liabilities			
Creditors due within one year	4	(22,484)	(42,778)
Net Assets		<u>326,332</u>	<u>331,214</u>
Funds			
Income and Expenditure account		<u>326,332</u>	<u>331,214</u>
Total Members' Funds		<u>326,332</u>	<u>331,214</u>

The Annual Accounts were approved and authorised for issue by the Board in
.....April 2018..... and signed on its behalf by:



.....
Will Scott
Chairman

The notes on pages 10 - 11 form part of these accounts.

1 Accounting Policies

1.1 Accounting Convention

These financial statements have been prepared in accordance with Section 1a of the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

After making enquiries, the board has a reasonable expectation that the Union has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

1.3 Subscriptions

Subscriptions represent amounts receivable in respect of membership subscriptions and legal insurance subscriptions levied to members.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The PPU has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

The financial instruments are recognised in the balance sheet when the Union becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Basic financial liabilities, including trade payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

	2017 £	2016 £
2 Office Costs		
Affiliation fees	4,946	4,119
Board election	-	300
Board members' expenses	5,077	7,406
Insurance	369	405
IT, advertising, promotion & entertainment	71,362	32,919
Miscellaneous expenses	2,917	555
Room hire	780	4,348
Online voting	2,640	3,675
Printing, postage & stationery	42	52
Telephone & fax	7,229	6,789
Website hosting	360	360
Outsourced Staff & training costs	41,166	18,780
Travelling	3,149	-
Welcome packs	396	-
Consultancy Services	2,200	-
	<u>142,633</u>	<u>79,708</u>
3 Debtors		
	2017 £	2016 £
Trade debtors	1,416	2,919
Prepayments	1,270	-
	<u>2,686</u>	<u>2,919</u>
4 Creditors: Amounts falling due within one year		
	2017 £	2016 £
Trade Creditors	11,858	20,063
Other Creditors	10,626	22,715
	<u>22,484</u>	<u>42,778</u>