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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	BAKERS, FOOD & ALLIED WORKERS
Year ended:	31 <sup>ST</sup> DECEMBER 2017
List no:	55T
Head or Main Office:	STANBOROUGH HOUSE GREAT NORTH ROAD STANBOROUGH WELWYN GARDEN CITY HERTFORDSHIRE AL8 7TA
Website address (if available)	www.bfawu.org
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	RONNIE DRAPER
Telephone Number:	01707 260150
Contact name for queries regarding	ADRIAN STEWART
Telephone Number:	01707 260150
E-mail:	info@bfawu.org

**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

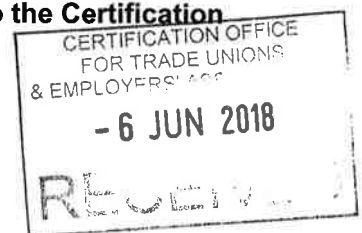
The address to which returns and other documents should be sent are:

**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)

# 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	0	0	0	0	0
FEMALE	00	0	0	0	0
<b>TOTAL</b>	<b>17,512</b>	<b>577</b>	<b>365</b>	<b>0</b>	<b>A 18,454</b>

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

18,089

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

## 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
EC Member Region 3	Colin Hall	Paul McGarry	May 2017

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:

**BAKERS, FOOD & ALLIED WORKERS' UNION**  
**OFFICIALS AT 31<sup>ST</sup> DECEMBER 2017**

<b>Name</b>	<b>Position</b>	<b>Location</b>
Mr Ronne Draper	General Secretary	-
Mr Ian Hodson	National President	-
Ms Rachel Mullen	Executive Council member	Female Rep
Ms Lorna McKinnon	Executive Council member	Youth Rep
Ms Mandy Ambrose	Executive Council member	Region 1
Mr Pat Kelly	Executive Council member	Region 1
Mr John Newman	Executive Council member	Region 2
Mr Jason Moore	Executive Council member	Region 2
Ms Jacquie Barnwell	Executive Council member	Region 3
Mr Lee Pepper	Executive Council member	Region 3
Mr Paul McGarry	Executive Council member	Region 3
Mr Sean Wellsby	Executive Council member	Region 4
Mrs John Owens	Executive Council member	Region 4
Mr John Fitzpatrick	Executive Council member	Region 4
Ms Pauline McCarthy	Executive Council member	Region 5
Mr Joe Knapper	Executive Council member	Region 5
Ms Lizzie Dinning	Executive Council member	Region 5
Mr Jim Carlin	Executive Council member	Region 5
Mr David Byrne	Executive Council member	Region 6
Mr Diarmuid Best	Executive Council member	Region 7

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		2,594,739
<b>From Members:</b> Other income from members (specify)		
	-	
<b>Total other income from members</b>		-
<b>Total of all income from members</b>		2,594,739
<b>Investment income (as at page 12)</b>		2,280
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	-	
	421,663	
<b>Total of other income (as at page 4)</b>		421,663
		<b>TOTAL INCOME</b>
		3,018,682
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		150,961
<b>Administrative expenses (as at page 10)</b>		2,593,270
<b>Federation and other bodies (specify)</b>		
IUF UITA IUL and EFFATT	33,234	
G.F.T.U.	17,782	
Trades Union Congress fees	37,737	
Sundry Affiliations	5,254	
Irish Union	65,000	
Regional Affiliation Fees	5,461	
<b>Total expenditure Federation and other bodies</b>		164,468
<b>Taxation</b>		-
		<b>TOTAL EXPENDITURE</b>
		2,908,699
		<b>Surplus (deficit) for year</b>
		109,984
		<b>Amount of general fund at beginning of year</b>
		1,530,107
		<b>Amount of general fund at end of year</b>
		1,640,091

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
CCFA receipts charges	18,420	
Legal income	31,500	
Net movement in reserves in respect of CCFAs	196,880	
Administration charge - Political Fund	-	
Investment income	28,003	
Sundry commissions	601	
Increase in market value of investments	120,132	
Profit on disposal of investments	11,345	
VAT recoveries	14,782	
<b>TOTAL OTHER INCOME</b>		421,663
<b>TOTAL OF ALL OTHER INCOME</b>		421,663

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal defence costs incurred in period	56,189	<b>brought forward</b>  Education and Training services Training Health and Safety Expenses	86,115   7,064 14,528
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications “Foodworker” printing and distribution	29,926	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Funeral grants	3,525
		Free card grants	5,250
		Sundry grants	1,555
		Sickness benefits	32,858
		Unemployment benefits	65
Other Cash Payments			
<b>carried forward</b>	86,115	<b>Total (should agree with figure in General Fund)</b>	150,961

(See notes 24 and 25)

<b>FUND 2</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>BENEVOLENT FUND</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		5,932
	Investment income (as at page 12)		-
	Other income (specify)		-
	<b>Total other income as specified</b>		-
	<b>Total Income</b>		5,932
<b>Expenditure</b>			
	Benefits to members		2,808
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		2,808
	<b>Surplus (Deficit) for the year</b>		3,124
	<b>Amount of fund at beginning of year</b>		20,892
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		24,016
	<b>Number of members contributing at end of year</b>		4,853

<b>FUND 3</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Social Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Other income (specify)		
	Donations	616	
	<b>Total other income as specified</b>		616
	<b>Total Income</b>		616
<b>Expenditure</b>			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 10)		302
	<b>Total Expenditure</b>		302
	<b>Surplus (Deficit) for the year</b>		314
	<b>Amount of fund at beginning of year</b>		2,132
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		2,446
	<b>Number of members contributing at end of year</b>		0

(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>	Pension Fund	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		(269,000)
	<b>Total Expenditure</b>		(269,000)
	<b>Surplus (Deficit) for the year</b>		269,000
	<b>Amount of fund at beginning of year</b>		(4,545,000)
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		(4,276,000)
	<b>Number of members contributing at end of year</b>		0

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



(See notes 24 and 25)

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

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

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	Members contributions and levies		77,561	
	Investment income (as at page 12)		-	
	Other income (specify)			
	Total other income as specified		-	
	Total income		77,561	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)			
	Contributions to Labour parties, election funds etc.		21,740	
	Administration expenses in connection with political objects (specify)			
	Conference expenses		7,998	
	Publications		405	
	Collectors' commissions			
	Non-political expenditure		1,969	
		Total expenditure		32,112
		Surplus (deficit) for year		45,449
		Amount of political fund at beginning of year		7,536
	Amount of political fund at the end of year (as Balance Sheet)		52,985	
	Number of members at end of year contributing to the political fund		17,512	
	Number of members at end of the year not contributing to the political fund		942	
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		0	

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>		
		<b>£</b>	<b>£</b>	
<b>Income</b>	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			
<b>Expenditure</b>	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)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		1,382,111
Salaries and Wages included in above	£1,071,785	
Movement in Defined benefit pension liability		(269,000)
Auditors' fees		49,213
Legal and Professional fees		34,869
Occupancy costs		147,341
Stationery, printing, postage, telephone, etc.		77,414
Expenses of Executive Committee (Head Office)		307,703
Expenses of conferences		61,455
Other administrative expenses (specify)		
Computer expenses and website		151,288
Branch secretaries		122,678
Collectors commission		80,389
Office cleaning and sundries (inc. Benevolent and social fund)		19,290
Investment manager charges		20,891
Promotion		5,338
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		23,181
Depreciation		18,051
Taxation		-
Other outgoings (specify)		
VAT on above expenses		92,360
<b>Total</b>		2,324,572
Charged to:	General Fund (Page 3)	2,593,270
	Benevolent Fund (Page 6)	-
	Social Fund (Page 6)	302
	Pension Fund (Page 7)	(269,000)
	Fund (Account)	
<b>Total</b>		2,324,572

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions s £	Description	Value £	
General Secretary	48,251	5,533	7,495	Car Medical	9,510 80	70,869
National President	48,251	5,533	7,495	Car Medical	11,232 80	72,591

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			2,280
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)			
	-		2,280
<b>Total investment income</b>			<b>2,280</b>
Credited to:			
General Fund (Page 3)			2,280
Benevolent Fund (Page 6)			-
Social Fund (Page 6)			-
Pension Fund (Page 7)			-
Fund (Account )			-
Fund (Account )			-
Political Fund			-
<b>Total Investment Income</b>			<b>2,280</b>

# BALANCE SHEET as at 31/12/2017

(see notes 47 to 50)

Previous Year		£	£
91,392	<b>Fixed Assets</b> (at page 14)		80,495
	<b>Investments</b> (as per analysis on page 15)		
1,425,891	Quoted (Market value £)	1,614,479	
300	Unquoted	300	
1,517,583	<b>Total Investments</b>		1,695,274
	<b>Other Assets</b>		
	Loans to other trade unions		
428,750	Sundry debtors	230,276	
129,798	Cash at bank and in hand	233,363	
	Income tax to be recovered		
	Stocks of goods		
98,299	Others (specify) Contributions receivable	98,932	
676,249	<b>Total of other assets</b>		562,571
2,193,832	<b>TOTAL ASSETS</b>		2,257,845
1,530,107	General Fund		1,640,091
20,892	Benevolent Fund		24,016
2,132	Social Fund		2,446
(4,545,000)	Pension Fund		(4,276,000)
7,536	Political Fund		52,985
	Revaluation Reserve		-
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
633,165	Sundry creditors		538,308
	Accrued expenses		
4,545,000	Provisions – pension scheme deficit		4,276,000
	Other liabilities		
5,178,165	<b>TOTAL LIABILITIES</b>		4,814,308
2,193,832	<b>TOTAL ASSETS</b>		2,257,845

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold old £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year	211,611	33,884	450,652	13,799		709,946
Additions	-	-	7,156	-		7,156
Disposals	-	-	-	-		-
Revaluation/Transfer s	-	-	-	-		-
At end of year	211,611	33,884	457,808	13,799		717,102
<b>Accumulated Depreciation</b>						
At start of year	141,692	27,106	437,107	12,649		618,554
Charges for year	5,120	848	10,935	1,150		18,053
Disposals	-	-	-	-		-
Revaluation/Transfer s	-	-	-	-		-
At end of year	146,812	27,954	448,043	13,799		636,608
<b>Net book value at end of year</b>	64,799	5,930	9,766	-		80,495
<b>Net book value at end of previous year</b>	69,919	6,778	13,545	1,150		91,392

# 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)		
City Asset Managed Funds	1,614,479	
TOTAL QUOTED (as Balance Sheet)	1,614,479	
Market Value of Quoted Investment	1,614,479	
<b>UNQUOTED</b> Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Unquoted Loans	300	
TOTAL UNQUOTED (as Balance Sheet)	300	
Market Value of Unquoted Investments	300	



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		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)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	2,600,671	77,561	2,678,232
From Investments	2,280	-	2,280
Other Income (including increases by revaluation of assets)	422,279	-	422,279
<b>Total Income</b>	3,025,230	77,561	3,102,791
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	2,642,809	32,112	2,674,921
<b>Funds at beginning of year</b> (including reserves)	(2,991,869)	7,536	(2,984,333)
<b>Funds at end of year</b> (including reserves)	(2,609,448)	52,985	(2,556,463)
<b>ASSETS</b>			
Fixed Assets			80,495
Investment Assets			1,614,779
Other Assets			562,571
		<b>Total Assets</b>	2,257,845
<b>LIABILITIES</b>		<b>Total Liabilities</b>	4,814,308
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			(2,556,463)

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

See attached notes

**1. Accounting policies**

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

- a) The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.
- b) Income and Expenditure is accounted for on the accruals basis, provision being made for contributions receivable for the period to 31st December, but not received by the year end and also for other accrued income and expenditure.
- c) Fixed assets are depreciated over their estimated useful life in equal annual instalments:

Freehold property	Fifty years from the date of purchase or valuation
Leasehold property	Forty years
Motor cars	Two years
Office furniture and equipment and computer equipment	Two and a half years
- d) Investments (Fixed asset investments) in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the income and expenditure account for the period.
- e) Pension costs (see note 6)
- f) Operating lease rentals are charged on a straight line basis over the lease term.
- g) Income received under the collective conditional fee agreements (CCFAs) is included in the accounts in full on legal defence and compensation claims settled in the Union's favour. The Union accounts for costs and disbursements as incurred and for refunded disbursements as received. Full provision is made for potential legal costs on continuing cases against income received under the CCFAs where the income exceeds the legal costs incurred under the agreements in accordance with the terms of the agreement.

A review of the reserve will be carried out on a regular basis and a transfer to the Union's general fund will be made where the income received under the CCFAs on a year by year basis is considered to be in excess of any estimated costs (based on the Union's past experience) that might arise on any outstanding legal cases.
- h) Government Grants received are netted off against the direct expenditure incurred on each of the projects. In the case of the Union Learning Fund, a grant has been provided to cover the full cost of the project. In the case of the Union Modernisation Fund the union operates a matched funding approach where 50% of the costs of the project are funded by the union. The cost to the union of this project is shown on the working expenses schedule (Schedule III).
- i) Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus or deficit for the year.
- j) Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities.

**2. Fixed Assets**

All freehold property is stated at cost less depreciation to date.

Movements on fixed assets are disclosed in Schedule IV.

**3. The Irish Union**

The Union is associated with the Bakers, Food and Allied Workers' Union in the Republic of Ireland. The accounts for the Irish Union are not consolidated, as this Union remains a separate legal entity. The Irish Union accounts for its own transactions, assets and liabilities, and submits audited statutory accounts to the Certification Officer of the Republic of Ireland.

**4. Contingent Liabilities**

As at the year end it is estimated that the Union was administering 1,020 (2016: 1,122) legal cases on behalf of its members. For cases lodged up until March 2013 cases continue to be handled on behalf of members on a conditional fee agreement. For cases lodged after this date the union is no longer entitled to notional insurance refunds although may receive legal income in relation to cases successfully dealt with by the acting solicitor.

In relation to the former conditional fee agreement, the Union was indemnified against the costs of lost legal cases to the extent that notional insurance refunds exceeded any costs incurred. Where notional insurance refunds exceeded costs incurred in the year, the excess was carried forward as a reserve against the potential cost of cases in progress at the year end. Under the new regime, any legal monies received are recognised in the year earned and no deferral is applied.

**5. Operating Lease Commitments**

At the Financial year end, The Union had future minimum lease payments under non-cancellable operating leases as follows:

	2017			2016		
	£	£	£	£	£	£
	Motor cars	Office equipment	Land and buildings	Motor cars	Office equipment	Land and buildings
Not later than one year	93,852	27,056	2,100	107,387	34,571	
One to two years	44,749	31,137		70,214	22,545	
Two to five years	9,903	48,233		18,942		
The charge against income for the year was	108,351	30,628	4,200	106,620	36,075	6,882

**6. Pension costs**

The Union operates a UK registered trust based pension scheme that provides defined benefits. For service up to 31 May 2011, pension benefits are linked to members' final pensionable salaries and service to 31 May 2011 (or date of leaving if earlier). From 1 June 2011, pension benefits are built up on a Career Average Revalued Earnings (CARE) basis, where benefits are linked to members' salaries in each year and increased to retirement broadly in line with inflation.

The Trustees are responsible for running the Scheme in accordance with the Scheme's Trust Deed and Rules, which sets out their powers. The Trustees of the Scheme are required to act in the best interests of the beneficiaries of the Scheme.

There are three categories of pension scheme members:

- Active members: currently employed by the Union
- Deferred members: former active members of the Union
- Pensioner members: in receipt of pension.

**6. Pension costs (continued)**

The Trustees are required to carry out an actuarial valuation every 3 years. The last actuarial valuation of the Scheme was performed by the Scheme Actuary for the Trustees as at 31 December 2015. This valuation revealed a funding shortfall of £1.874 million. The Union agreed to pay annual contributions of 14.6% of members' pensionable salaries less the total amount of member contributions each year to meet the cost of future service accrual. In respect of the deficit in the Scheme as at 31 December 2015, the Union has agreed to pay £90,000 pa for 17 years and 10 months from 1 January 2017.

The Union will meet the cost of the death in service lump sum benefits, and administrative and other expenses incurred by Trustees, up to a maximum of £62,000 pa from 2017. The Union therefore expects to pay £241,000 to the Scheme during the accounting year beginning 1 January 2018, before the deduction of the overpaid contributions by the Union prior to 31 December 2017.

The results for the most recent formal actuarial valuation as at 31 December 2015 have been updated to 31 December 2017 by a qualified independent actuary. The assumptions used were as follows:

<b>Significant actuarial assumptions</b>	Year to 31/12/17	Year to 31/12/16
Discount rate	2.48%	2.50%
Retail prices inflation (RPI)	3.10%	3.20%
Consumer prices inflation (CPI)	2.10%	2.20%
 <b>Other actuarial assumptions</b>		
Salary increases	2.10%	2.20%
Pension increases:		
Post 88 GMP	1.90%	2.00%
Pre 1 June 2011	3.00%	3.10%
Post 31 May 2011	2.00%	2.10%
CARE revaluation:		
Active members	3.10%	3.20%
Deferred members	2.10%	2.20%
Revaluation of deferred pensions in excess of GMP	3.10%	3.20%

**Demographic assumptions**

Description	Year ended 31/12/17	Year ended 31/12/16
- Mortality (before and after retirement)	S2PA CMI_2017_M/F [1.00%] (yob) rated up by 1 year	S2PA CMI_2015_M/F [1.00%] (yob) rated up by 1 year

**Life expectancies (in years)**

	Year ended 31/12/17		Year ended 31/12/16	
	Male	Female	Male	Female
Life expectancy for someone aged 65 in 2017	20.90	22.80	21.10	23.00
Life expectancy at age 65 for an individual aged 45 in 2017	21.90	24.00	22.30	24.50

6. Pension costs (continued)

**Assets**

The fair value of the assets of the Scheme were:

<b>Asset class</b>	Year ended 31/12/17 Mkt value £'000	Year ended 31/12/16 Mkt value £'000
Equities/Growth Assets	4,363	4,419
Bonds	-	-
Gilts	1,010	986
Liability driven investments	823	688
Trustee bank account	43	23
Sundry debtors & creditors	15	18
Owed to the Union	(20)	(68)
Insured annuities	96	100
	<u>6,330</u>	<u>6,166</u>

The return on the asset was:

Asset class	£'000	£'000
Interest income	153	207
Return on assets less interest income	99	472
Total return on assets	<u>252</u>	<u>679</u>

7. Reconciliation of Movement in Members' Funds

	2017	2016
	£	£
Member's Funds Brought Forward	(2,984,333)	(1,637,978)
Surplus/(Deficit) on General Fund	109,984	94,010
Movement ((deficit)/surplus) on Pension Fund Reserve	269,000	(1,439,000)
(Deficit)/surplus on Political Fund	45,449	876
(Deficit)/Surplus on Benevolent Funds	3,124	(2,326)
(Deficit)/Surplus on North Eastern Social Fund	314	85
Member's Funds Carried Forward	<u>(2,556,463)</u>	<u>(2,984,333)</u>

# ACCOUNTING POLICIES

(see notes 74 and 75)

See policies with in attached notes to the accounts.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's  
Signature: 

Chairman's Signature:   
(or other official whose position should be stated)

Name: RONNIE DRAPER

Name: IAN HODSON

Date: 24/5/18

Date: 24/5/2018

## 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)

# AUDITOR'S REPORT (section one)

Signature(s) of auditor or auditors:	<i>Kreston Reeves Ltd</i>	
Name(s):	Kreston Reeves LLP	
Profession(s) or Calling(s):	Chartered Accountants & Statutory Auditors	
Address(es):	Faraday Court, Unit A Manor Royal Estate Crawley RH10 9PU	
Date:	30/5/18	
Contact name and telephone number:	01293 776152	
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	<i>Kreston Reeves LL</i>
Name	Kreston Reeves LLP
Address	Faraday Court, Unit A Manor Royal Estate Crawley RH10 9PU
Date	30/5/18
Contact name and telephone number	01293 776152

### **Opinion**

We have audited the financial statements on pages 1 to 15 of Bakers, Food and Allied Workers Union (the 'Union') for the year ended 31 December 2017. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 surplus for the year then ended;
- 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.

### **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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the executive council 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 executive council are responsible for the other information. The other information comprises the information included in the Annual Report of the Executive Council, other than the financial statements and our Auditors' 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**

In the light of the knowledge and understanding of the Union and its environment obtained in the course of the audit, we have not identified material misstatements in the Executive Council's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Union has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures within the form AR21 of Officers' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Executive Council**

As explained more fully in the Executive Council's responsibilities statement on page 16, the executive council 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 executive council 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 executive council 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 executive council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

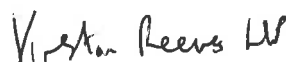
### **Auditors' responsibilities for the audit of the financial statements**

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

### **Use of our report**

This report is made solely to the Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). 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 the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.



Unit A  
Faraday Court, Manor Royal Estate  
Crawley  
West Sussex, RH10 9PU

**Kreston Reeves LLP**  
Chartered Accountants  
& Statutory Auditors  
Date: 30 May 2018