

# Form AR21

## Trade Union and Labour Relations (Consolidation) Act 1992

### Trade Union's Details

Name of Trade Union:

Communication Workers Union (CWU)

Year Ended:

31 December 2018

List No:

743T

Head Office Address:

150 The Broadway  
Wimbledon  
London  
SW19 1RX

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

Yes

No

X

Website Address:

www.cwu.org

General Secretary:

Dave Ward

Telephone Number:

020 8971 7200

Contact name for queries regarding the completion of this return:

Tony Kearns, Senior Deputy General Secretary

Telephone Number:

020 8971 7237

E-mail:

sdgs@cwu.org



## Return of Members

Number of members at the end of the year					
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
Male	149,232	3,872	-	330	<b>153,434</b>
Female	37,051	888	-	62	<b>38,001</b>
Non-Gender	3	-	-	-	<b>3</b>
<b>Total</b>	<b>186,286</b>	<b>4,760</b>	-	<b>392</b>	<b>A 191,438</b>

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

191,438
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Number of members included in totals box 'A' above for whom no home or authorised address is held:

1,898
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## Change of Officers

Changes of officers during the twelve months covered by this return:

Position Held	Name of Officer Ceasing to Hold Office	Name of Officer Appointed	Date of Change
No changes to report.			

State whether the union is:

a. A branch of another trade union?

Yes		No	X
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If yes, state the name of that other union:

b. A federation of trade unions?

Yes		No	X
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If yes, state the number of affiliated unions:

and names:

## Officers in Post

Name of Officer	Position Held
D Ward	General Secretary
A Kearns	Senior Deputy General Secretary
A Kerr	Deputy General Secretary
T Pullinger	Deputy General Secretary
<b>CWU Trustees:</b>	
A Bouch	Trustee
M Kavanagh	Trustee
K Rose	Trustee
J Upton	Trustee
<b>CWU National Executive Council:</b>	
J Loftus	President
B Shepherd	Vice President
M Ali	Voting Member
S Banbury	Voting Member
A Bouch	Voting Member
T Cooper	Voting Member
N Darbyshire	Voting Member
T Fussey	Voting Member
S Halliwell	Voting Member
S Jones	Voting Member
M Kavanagh	Voting Member
C Maden	Voting Member
C McGlynn	Voting Member
K Rose	Voting Member
L Simpson	Voting Member
D Tee	Voting Member
J Upton	Voting Member
B Weatherall	Voting Member
D Wilshire	Voting Member

## General Fund

	£	£
<b>Income</b>		
<b>From Members: Contributions and Subscriptions</b>		28,040,880
<b>From Members: Other Income from Members</b>	-	
<b>Total Other Income from Members</b>		-
<b>Total of all Income from Members</b>		28,040,880
<b>Investment Income (page 12)</b>		500,266
<b>Other Income:</b>		
Income from Federations and Other Bodies (page 4)	-	
Income from Any Other Sources (page 4)	141,000	
<b>Total of Other Income</b>		141,000
<b>Interfund Transfers:</b>		
National Welfare Fund (Fund 3)	33,130	
Scholarship Fund (Fund 4)	9,192	
<b>Total Interfund Transfers</b>		42,322
	<b>Total Income</b>	<b>28,724,468</b>
<b>Expenditure</b>		
<b>Benefits to Members (page 5)</b>		1,768,458
<b>Administration Expenses (page 10)</b>		17,943,705
<b>Federation and Other Bodies:</b>		
Trade Union Congress Affiliation	532,918	
Scottish Trades Union Congress	29,822	
Irish Congress of Trade Unions	19,240	
Union Network International Affiliation	253,000	
Miscellaneous Affiliations	13,402	
Delegations	122,437	
Sundry Donations	17,723	
<b>Total Federation and Other Bodies</b>		988,542
<b>Interfund Transfers:</b>		
Rebates to Branches (Fund 6)		8,141,369
	<b>Total Expenditure</b>	<b>28,842,074</b>
	<b>Deficit for year</b>	<b>(117,606)</b>
	Amount of General Fund at beginning of year	(17,793,844)
	Amount of General Fund at end of year	(17,911,450)

## Analysis of Income from Federation and Other Bodies and Other Income

Description	£	£
<b>Federation and Other Bodies</b>		
n/a		-
<b>Total Federation and Other Bodies</b>		-
 <b>Other Income</b>		
Political Fund Management Charge		45,000
Elstead Hotel Management Charge		96,000
<b>Total Other Income</b>		<b>141,000</b>
<b>Total of All Other Income</b>		<b>141,000</b>

## Analysis of Benefit Expenditure Shown at General Fund

	£		£
		brought forward	548,714
Representation - Employment Related Issues: Employment Tribunals	50,003	Education and Training Services: Education	494,816
Representation : Non Employment Related Issues: Legal and Medical Services Unionline	156,087 (1,000,498)	Negotiated Discount Services: n/a	-
Communications: Publications and Publicity	780,489	Salary Costs: Legal Services	723,989
Advisory Services: Harassment Helpline	221	Other Benefits and Grants: Members 25 year Certificates	939
Dispute Benefits: n/a	-		
Other Cash Payments: Death Benefits Members Insurance Scheme	520,138 42,274		
carried forward	548,714	<b>Total</b>	<b>1,768,458</b>

FUND 2		Fund Account	
Name:	Defence Fund	£	£
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Interfund Transfer - Rebates from Branches (Fund 6)		81,427
	Other Income	-	
	<b>Total Other Income as Specified</b>		-
	<b>Total Income</b>		<b>81,427</b>
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses & Other Expenditure (page 10)		-
	<b>Total Expenditure</b>		-
	<b>Surplus for the year</b>		<b>81,427</b>
	Amount of Fund at Beginning of year		909,152
	Amount of Fund at the end of year (as Balance Sheet)		990,579
	Number of members contributing at end of year		n/a

FUND 3		Fund Account	
Name:	National Welfare Fund	£	£
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Donations	19,756	
	Commissions	2,444	
	<b>Total Other Income as Specified</b>		22,200
	<b>Total Income</b>		<b>22,200</b>
<b>Expenditure</b>			
	Benefits to Members		28,500
	Administration Expenses & Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		33,130
	<b>Total Expenditure</b>		<b>61,630</b>
	<b>Deficit for the year</b>		<b>(39,430)</b>
	Amount of fund at beginning of year		61,630
	Amount of Fund at the end of year (as Balance Sheet)		22,200
	Number of members contributing at end of year		n/a

FUND 4		Fund Account	
Name:	Scholarship Fund	£	£
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Other Income:		
	Commissions	38,728	
	<b>Total Other Income as Specified</b>		38,728
	<b>Total Income</b>		<b>38,728</b>
<b>Expenditure</b>			
	Benefits to Members		29,536
	Administration Expenses & Other Expenditure (page 10)		-
	Interfund Transfer - General Fund (page 3)		9,192
	<b>Total Expenditure</b>		<b>38,728</b>
	<b>Surplus / (Deficit) for the year</b>		-
	Amount of Fund at beginning of year		50,000
	Amount of Fund at the end of year (as Balance Sheet)		50,000
	Number of members contributing at end of year		n/a

FUND 5		Fund Account	
Name:	Property Reserve	£	£
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		-
	Other Income	-	
	<b>Total Other Income as specified</b>		-
	<b>Total Income</b>		-
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses & Other Expenditure (page 10)		-
	Interfund Transfer - Branch Fund (Fund 6)		42,558
	<b>Total Expenditure</b>		<b>42,558</b>
	<b>Deficit for the year</b>		<b>(42,558)</b>
	Amount of Fund at beginning of year		24,263,920
	Amount of Fund at the end of year (as Balance Sheet)		24,221,362
	Number of members contributing at end of year		n/a



<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Branch Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From Members		-
	Investment Income (page 12)		2,891
	Interfund Transfer - General Fund (page 3)		8,141,369
	Interfund Transfer - Property Reserve (Fund 5)		42,558
	Other Income:		
	Rent and Room Hire	57,393	
	Surplus on disposal of Fixed Assets	66,635	
	<b>Total Other Income as Specified</b>		<b>124,028</b>
	<b>Total Income</b>		<b>8,310,846</b>
<b>Expenditure</b>			
	Benefits to Members		-
	Administration Expenses & Other Expenditure (page 10)		8,178,855
	Interfund Transfer - Defence Fund (Fund 2)		81,427
	<b>Total Expenditure</b>		<b>8,260,282</b>
	<b>Surplus for the year</b>		<b>50,564</b>
	Amount of Fund at beginning of year		9,268,143
	Amount of Fund at the end of year (as Balance Sheet)		9,318,707
	Number of members contributing at end of year		n/a

## Political Fund Account

Political Fund Account 1	Fund Account	
	£	£
<b>Income</b>		
Members Contributions and Levies		1,651,781
Investment Income (page 12)		-
Other Income	-	
Total Other Income as specified		-
<b>Total Income</b>		<b>1,651,781</b>
Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the Political Funds exceeds £2,000 during the period.		
<b>Expenditure</b>		
<b>Expenditure A</b> (as at page 9 ii)		555,185
<b>Expenditure B</b> (as at page 9 iii)		14,081
<b>Expenditure C</b> (as at page 9 iv)		5,796
<b>Expenditure D</b> (as at page 9 v)		8,000
<b>Expenditure E</b> (as at page 9 vi)		173,222
<b>Expenditure F</b> (as at page 9 vii)		-
<b>Non-Political Expenditure</b> (as at page 9 viii)		331,922
<b>Total Expenditure</b>		<b>1,088,206</b>
<b>Surplus for the year</b>		<b>563,575</b>
Amount of Political Fund at beginning of year		1,146,512
Amount of Political Fund at the end of year (as Balance Sheet)		1,710,087
Number of members at end of year contributing to the Political Fund		157,435
Number of members at end of the year not contributing to the Political Fund		34,003
Number of members at end of year who have completed an exemption notice and do not therefore contribute to the Political Fund		24,801

## Political Fund Account - Expenditure (A)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates

Contribution to the funds of, or on the payment of expenses incurred directly or indirectly by a political party;

Name of Political Party in relation to which money was expended	Total £
The Labour Party	555,185
<b>Total Political Fund Expenditure A</b>	<b>555,185</b>

## Political Fund Account - Expenditure (B)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000  
during the period to which return relates

Expenditure of money on the provision of any services or property for use by or on behalf of any political party

Name of Political Party in relation to which payment was made	Total £
The Labour Party	14,081
<b>Total Political Fund Expenditure B</b>	<b>14,081</b>

## Political Fund Account - Expenditure (C)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000  
during the period to which return relates

Expenditure in connection with the registration of electors, the candidature of any person, the selection of any candidate or the holding of any ballot by the union in connection with any election to a political office

Title and Date of Election	Name of Political Party/Organisation	Name of Candidate, Organisation or Political Party	Total £
Dover & Deal PPC                      23/03/18	Labour	C Conrell	360
Blackpool Nth Cleveleys PPC 03/02/18	Labour	C Webb	877
Northampton Sth PPC                      13/01/18	Labour	G Eales	418
Truro Falmouth PPC                      28/04/18	Labour	J Forbes	3,053
Welsh Labour Leader                      06/12/18	Labour	M Drakeford	700
Glasgow South West PPC                      03/02/18	Labour	M Kerr	250
South Thanet PPC                      07/04/18	Labour	R Gordon Nesbit	138
<b>Total Political Fund Expenditure C</b>			<b>5,796</b>

## Political Fund Account - Expenditure (D)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000  
during the period to which return relates

Expenditure on the maintenance of any holder of political office

Name of Office Holder	Total £
Lord Peter Hain	5,000
Hugh Gaffney MP	3,000
<b>Total Political Fund Expenditure D</b>	<b>8,000</b>

## Political Fund Account - Expenditure (E)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000 during the period to which return relates

The expenditure of money on the holding of any conference or meeting by or on behalf of a political party or of any other meeting the main purpose of which is the transaction of business in connection with a political party

Name of Political Party	Total £
The Labour Party	172,872
Co-Operative Party (Conference Fringe)	350
<b>Total Political Fund Expenditure E</b>	<b>173,222</b>

## POLITICAL FUND ACCOUNT - EXPENDITURE (F)

Expenditure under section 72 (1) (a) of the Trade Union and Labour Relations (consolidation) Act

To be completed where total expenditure from the political fund exceeds £2,000  
during the period to which return relates

On the production, publication or distribution of any literature, document, film, sound recording or advertisement the main purpose of which is to persuade people to vote for a political party or candidate or to persuade them not to vote for a political party or candidate

<b>Name of Organisation or Political Party</b>	<b>Total £</b>
<b>Total Political Fund Expenditure F</b>	-



## Expenditure from the Political Fund Not Falling Within Section 72(1) of the Trade Union & Labour Relations (Consolidation) Act 1992

For expenditure not falling within section 72(1) the requirement is-

<b>(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one:</b>	<b>Total £</b>
CWU Members Communications	700
CWU Period Poverty	600
New Deal for Workers	24,431
Post Bank	10,408
Royal Mail Re-Nationalisation Campaign	10,060
Save our Post Office	201
Various Minor Campaigns	158
<b>Total Expenditure (a)</b>	<b>46,558</b>
<b>(b) the name of each organisation to which money was paid (otherwise than for a particular cause or campaign), and the total amount paid to each one:</b>	<b>Total £</b>
Class	25,000
Dods Parliamentary Communications (subscription)	158
Durham Miners Gala	5,920
Institute of Employment Rights	13,000
Justice for Columbia	200
Labour Research Department	865
New Economics Foundation	7,500
Stand Up for Labour	500
Stop Trump Coalition	15,000
The World Transformed	12,499
<b>Total Expenditure (b)</b>	<b>80,642</b>
<b>(c) the total amount of all other money expended:</b>	<b>Total £</b>
All Other Expenditure	204,721
<b>Total Expenditure (c)</b>	<b>204,721</b>
<b>Total Non Political Expenditure</b>	<b>331,922</b>

## Analysis of Administration Expenses and Other Outgoings Excluding Amounts Charged to Political Fund Accounts

	£
<b>Administrative Expenses</b>	
Remuneration and Expenses of Staff	8,433,643
Salaries and Wages included in above	£ 7,303,874
Auditors' Fees	77,647
Legal and Professional Fees	1,142,994
Occupancy Costs	2,323,653
Stationery, Printing, Postage & Telephone	1,752,467
Expenses of Executive Committee (Head Office)	2,392,158
Expenses of Conferences	1,447,322
Other Administrative Expenses:	
Branch Organisation and Recruitment	78,978
Regional and Divisional Representation	1,026,615
Elections and Ballots	299,192
International Activities	108,371
Branch Representation	4,813,289
<b>Other Outgoings</b>	
Interest Payable:	
Bank Loans	-
Mortgages	32
Other Loans (Bank Charges & Interest)	30,666
Depreciation	431,209
Taxation (VAT)	(98,773)
Outgoings on Land and Buildings	-
Other Outgoings:	
Revaluation of Quoted Investments	301,258
Collection Costs and Charges	26,584
Branch Honoraria	185,048
Financial Expense - Pension Scheme	870,000
Provision against Debenture Loan	480,000
CWU Diaries and Promotional Goods	207
<b>Total</b>	<b>26,122,560</b>
Charged to: General Fund (page 3)	17,943,705
Defence Fund (Fund 2)	-
Branch Fund (Fund 6)	8,178,855
<b>Total</b>	<b>26,122,560</b>

## Analysis of Officials' Salaries and Benefits

Position Held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions £	Other Benefits Value £		
			Description			
<b>National Executive Council:</b>						
D Ward - General Secretary	97,898	12,153	29,100	0	0	139,151
Voting Members:						
A Hopping	2,014	41	0			2,055
M Kavanagh	3,587	73	0			3,660
C Maden	3,394	205	0		0	3,599
K Quirke	2,403	70	0		0	2,473
Additional Notes to the above analysis:						
* Any amounts which may be paid from the Branch Fund to any National Executive Council members for services as branch or regional officials' are not included in the above.						
* The Union operates one superannuation scheme providing career average benefits on pensionable pay (note 5).						

## Analysis of Investment Income

	Political Fund £	Other Funds £
Rent from Land and Buildings	-	85,599
Dividends (gross) from:		
Equities	-	25,449
Interest (gross) from:		
Government Securities (Gilts)	-	-
Mortgages	-	24,293
Local Authority Bonds	-	-
Bank and Building Societies	-	2,891
Other Investment Income:		
Disposal of Quoted Investments	-	(75)
Revaluation of Unquoted Investments	-	365,000
	-	503,157
<b>Total Investment Income</b>		<b>503,157</b>
		Credited to:
General Fund (page 3)		500,266
Branch Fund (Fund 6)		2,891
Political Fund (Account 1)		-
<b>Total Investment Income</b>		<b>503,157</b>

# Balance Sheet as at

31 December 2018

Previous Year		£	£
23,106,703	<b>Fixed Assets</b> (page 14)		22,706,761
	<b>Investments:</b>		
3,906,121	Quoted (page 15)	3,604,788	
2,897,067	Unquoted (page 15)	2,758,194	
6,803,188	<b>Total Investments</b>		6,362,982
	<b>Other Assets:</b>		
-	Loans to Other Trade Unions	-	
4,761,015	Sundry Debtors	6,086,019	
8,823,418	Cash at Bank and Cash In Hand	8,372,876	
1,172,911	Cash at Bank and Cash In Hand - Political Fund	1,582,115	
14,757,344	<b>Total of Other Assets</b>		16,041,010
44,667,235	<b>Total Assets</b>		<b>45,110,753</b>
(17,793,844)	General Fund (Fund 1)		(17,911,450)
909,152	Defence Fund (Fund 2)		990,579
61,630	National Welfare Fund (Fund 3)		22,200
50,000	Scholarship Fund (Fund 4)		50,000
24,263,920	Property Reserve Fund (Fund 5)		24,221,362
9,268,143	Branch Fund (Fund 6)		9,318,707
1,146,512	Political Fund (Account 1)		1,710,087
17,905,513	<b>Total Funds</b>		<b>18,401,485</b>
	<b>Liabilities:</b>		
-	Amount held on behalf of central Political Fund		-
-	Loans: From Other Trade Unions		-
3,586	Loans: Other (bank loans to branches)		-
-	Bank Overdraft		-
-	Tax Payable		-
2,664,517	Sundry Creditors		2,174,993
632,280	Accrued Expenses		1,084,281
861,339	Provisions		639,994
	Other Liabilities:		
22,600,000	Pension Scheme Deficit		22,810,000
26,761,722	<b>Total Liabilities</b>		26,709,268
17,905,513	<b>Net Assets</b>		<b>18,401,485</b>

## Fixed Assets Account

	Land and Buildings		Furniture and Equipment	Motor Vehicles	Not used for Union Business	Total
	Freehold	Leasehold				
	£	£				
<b>Cost or Valuation</b>						
At start of year	24,267,506	-	1,896,965	12,203	-	26,176,674
Additions	43,856	-	73,358		-	117,214
Disposals	(90,000)	-	-		-	(90,000)
Funded Assets	-	-	124,943		-	124,943
At end of year	24,221,362	-	2,095,266	12,203	-	26,328,831
<b>Accumulated Depreciation</b>						
At start of year	1,530,541	-	1,527,227	12,203	-	3,069,971
Charges for year	250,875	-	183,481		-	434,356
Disposals	(7,200)	-	-		-	(7,200)
Funded Assets	-	-	124,943		-	124,943
At end of year	1,774,216	-	1,835,651	12,203	-	3,622,070
<b>Net book value at end of year</b>	<b>22,447,146</b>	<b>-</b>	<b>259,615</b>	<b>-</b>	<b>-</b>	<b>22,706,761</b>
Net book value at end of previous year	22,736,965	-	369,738	-	-	23,106,703

## Analysis of Investments

	All Funds Except Political Fund £	Political Fund £
<b>Quoted</b>		
Equities (e.g. Shares): n/a	-	-
Government Securities (Gilts): n/a	-	-
Other Quoted Securities: Aberdeen Unit Trust	3,604,788	-
<b>Total Quoted At Market Value (as Balance Sheet)</b>	<b>3,604,788</b>	-
Historical Cost of Quoted Investment	1,418,203	-
<b>Unquoted</b>		
Equities: Unity Trust Bank ordinary shares	2,487,092	-
Government Securities (Gilts): n/a	-	-
Mortgages: Union Mortgages (cash position)	251,102	-
Bank and Building Societies: n/a	-	-
Other Unquoted Investments: People's Press Printing Society Ltd	20,000	-
<b>Total Unquoted at Fair Value (as Balance Sheet)</b>	<b>2,758,194</b>	-
Historical Cost of Unquoted Investments	1,483,696	-

## Analysis of Investment Income (Controlling Interests)

<p><b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b></p>		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 10px;">YES</td> <td style="padding: 2px 10px; text-align: center;">X</td> <td style="padding: 2px 10px;">NO</td> <td style="width: 20px;"></td> </tr> </table>	YES	X	NO	
YES	X	NO				
<p>If YES name the relevant companies:</p>						
Company Name:	Company Registration Number:					
Elstead Hotel (Bournemouth) Limited	1674002					
<p><b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b></p>		<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="padding: 2px 10px;">YES</td> <td style="width: 20px;"></td> <td style="padding: 2px 10px;">NO</td> <td style="padding: 2px 10px; text-align: center;">X</td> </tr> </table>	YES		NO	X
YES		NO	X			
<p>If NO, state the names of the persons in whom the shares controlled by the union are registered.</p>						
Company Name:	Name of Shareholders:					
Elstead Hotel (Bournemouth) Limited	Communication Workers Union					



## Summary Sheet

	All Funds Except Political Fund  £	Political Fund  £	Total Funds  £
<b>INCOME</b>			
From Members	28,040,880	1,651,781	29,692,661
From Investments	503,157	-	503,157
Other Income (including increases by revaluation of assets)	325,956	-	325,956
<b>Total Income</b>	<b>28,869,993</b>	<b>1,651,781</b>	<b>30,521,774</b>
<b>EXPENDITURE</b>			
(including decreases by valuation of assets)			
<b>Total Expenditure</b>	<b>28,937,596</b>	<b>1,088,206</b>	<b>30,025,802</b>
<b>Funds at beginning of year</b> (including reserves)			
	16,759,001	1,146,512	17,905,513
<b>Funds at end of year</b> (including reserves)			
	16,691,398	1,710,087	<b>18,401,485</b>
<b>ASSETS</b>			
	Fixed Assets		22,706,761
	Investment Assets		6,362,982
	Other Assets		16,041,010
		<b>Total Assets</b>	<b>45,110,753</b>
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	<b>26,709,268</b>
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			
			<b>18,401,485</b>

## Information on Industrial Action Ballots

**Did the union hold any ballots in respect of industrial action during the return period?**

Yes

if YES How many ballots were held:

4

For each ballot held please complete the information below:

### **Ballot 1 - Post Office Limited National Ballot**

Number of individuals who were entitled to vote in the ballot:	1,678
<b>Number of votes cast in the ballot</b>	849
Number of individuals answering "Yes" to the question:	810
Number of individuals answering "No" to the question:	37
Number of invalid or otherwise spoiled voting papers returned:	2

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot: Yes

Does section 226(2B) of the 1992 Act apply in relation to this ballot: No

If yes were the number of individuals answering "Yes " to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot: N/A

### **Ballot 2 - Bristol South East Delivery Office**

Number of individuals who were entitled to vote in the ballot:	88
<b>Number of votes cast in the ballot</b>	57
Number of individuals answering "Yes" to the question:	49
Number of individuals answering "No" to the question:	8
Number of invalid or otherwise spoiled voting papers returned:	0

Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot: Yes

Does section 226(2B) of the 1992 Act apply in relation to this ballot: No

If yes were the number of individuals answering "Yes " to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot: N/A

## Information on Industrial Action Ballots (continued)

<b>Ballot 3 - Swansea Delivery Office</b>	
Number of individuals who were entitled to vote in the ballot:	189
<b>Number of votes cast in the ballot</b>	117
Number of individuals answering "Yes" to the question:	104
Number of individuals answering "No" to the question:	13
Number of invalid or otherwise spoiled voting papers returned:	0
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot:	Yes
Does section 226(2B) of the 1992 Act apply in relation to this ballot:	No
If yes were the number of individuals answering "Yes " to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot:	N/A
<b>Ballot 4 - Isle of Man Postal</b>	
Number of individuals who were entitled to vote in the ballot:	212
<b>Number of votes cast in the ballot</b>	192
Number of individuals answering "Yes" to the question:	179
Number of individuals answering "No" to the question:	13
Number of invalid or otherwise spoiled voting papers returned:	0
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot:	Yes
Does section 226(2B) of the 1992 Act apply in relation to this ballot:	No
If yes were the number of individuals answering "Yes " to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot:	N/A

# Information on Industrial Action

**\* Categories of Nature of Trade Dispute:**

- A: terms and conditions of employment, or the physical conditions in which any workers are required to work;
- B: engagement or non-engagement, or termination or suspension of employment or the duties of employment of one or more workers;
- C: allocation of work or the duties of employment between workers or groups of workers;
- D: matters of discipline;
- E: a worker's membership or non-membership of a trade union;
- F: facilities for officials of trade unions;
- G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures.

**Did Union members take industrial action during the return period in response to any inducement on the part of the Union?**

Yes

**Industrial Action 1 - Isle of Man Postal**

- |  |  |
|--|--|
| 1 Nature of the trade dispute for which industrial action was taken: | Category A                                 |
| 2 Dates of the industrial action taken:                              | 13/12/18 - 15/12/18<br>14/02/19 - 16/02/19 |
| 3 Number of days of industrial action:                               | 4.5 days                                   |
| 4 Nature of industrial action:                                       | Strike Action                              |

# Notes to the Accounts

1 Tangible Fixed Assets		Cost or valuation 31 Dec 2018	Net book value 31 Dec 2018
Description of Freehold Property	Cost or valuation details	£	£
CWU Head Office 150 The Broadway, Wimbledon, SW19	Revaluation on transition to FRS 102 at 1 January 2014	18,150,000	17,424,000
CWU Educator & Training Centre Alvescot Lodge, Oxfordshire, OX18	Revaluation on transition to FRS 102 at 1 January 2014	1,980,502	1,842,613
Elstead Hotel (Bournemouth) Limited Bournemouth, BH1	Original cost to Union of Communication Workers	662,213	111,984
CWU North Lancs & Cumbria 75 Garstang Road, Preston, PR3	Revaluation on transition to FRS 102 at 1 January 2014	200,000	180,000
<b>Subtotal at Head Office</b>		<b>20,992,715</b>	19,558,597
Seventeen properties owned by Union Branches	Revaluation on transition to FRS 102 at 1 January 2014	3,228,647	2,888,550
<b>Cost of Land and Buildings</b>		<b>24,221,362</b>	22,447,147

The deemed cost of fixed assets includes the original cost of assets purchased by the National Communications Union and the Union of Communication Workers or, in the case of certain land and buildings, subsequent revaluation by these former Unions. Depreciation includes the amount previously written-off cost or valuation in the accounts of the National Communications Union and the Union of Communication Workers.

The Elstead hotel is subject to a leasehold interest granted to the Elstead Hotel (Bournemouth) Limited, a company wholly owned by Trustees on behalf of the Union (note 3).

150 The Broadway, Wimbledon was purchased during 1997. The UCW Pensions 2001 Scheme has a first legal charge of the property at 150 The Broadway, Wimbledon, to the value of £5,800,000 as security over the deficit in that particular pension fund (note 4).

2 Investments and Long Term Loans	2018	2017
	£	£
Mortgages and Other Long Term Loans - Secured	251,102	276,333
Quoted Investments at Market Value	3,604,788	3,906,121
Unquoted Shares at Market Value or Cost	2,507,092	2,140,734
Debenture - Elstead Hotel (Bournemouth) Limited	-	480,000
<b>Investments and Long Term Loans</b>	<b>6,362,982</b>	<b>6,803,188</b>

2a Quoted Investments at Market Value:	2018	2017
	£	£
Value at 31 December 2017	3,906,121	3,565,817
Disposal of Investments	(45,000)	(370,000)
(Deficit) / Surplus on Disposal of Investments	(75)	5,704
Additional Shares Purchased in Year	45,000	370,000
Revaluation (Deficit) / Surplus in Year	(301,258)	334,600
	<b>3,604,788</b>	<b>3,906,121</b>

The total original cost of quoted investments was £1,418,203 (2017: £1,418,203). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

2b Unquoted Shares at Market Value or Cost	2018	2017
Movement during the year:	£	£
Value at 31 December 2017	2,140,734	2,140,734
Additional Shares Purchased in Year	1,358	-
Revaluation Surplus in Year	-	-
	<b>2,142,092</b>	<b>2,140,734</b>

# Notes to the Accounts (Continued)

## 2b Unquoted Shares at Market Value or Cost (continued)

The total unquoted shares held by the Union as at the 31 December 2018 is broken down by:

- 1,061,046 shares in Unity Trust Bank revalued on 31 December 2018 at market value of £2.344 per share.
- 20,000 shares in Peoples Press Printing Society Ltd at cost of £1 per share.
- 10,000 shares in Elstead Hotel (Bournemouth) Ltd at £1 per share.
- 10 shares in Uni Network International at £20,000 per share.

### Union Network International

A full provision of £201,606 (2017 : £201,606) has been made against the cost of shares in the headquarters building of Union Network International, as recovery of the amount invested is not envisaged.

### Unionline

At 31 December 2018 the Union was a 50% equity partner in GMB/CWU Legal LLP, which is the sole beneficial corporate partner of Trade Union Legal LLP, trading as Unionline. Further details of Unionline transactions have been given in note 9.

## 3 Elstead Hotel (Bournemouth) Limited

The Union holds 100% share capital in the Elstead Hotel (Bournemouth) Limited, a hotel and conference centre in Bournemouth. This has been fully provided for in these accounts. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of Elstead Hotel (Bournemouth) Limited would have not a material impact on the accounts of the Union.

The draft accounts of the Elstead Hotel (Bournemouth) Limited as at 31 December 2018 show a loss of £192,867 and shareholders' funds at that date of a negative equity of £317,128. Included within Other Debtors (Page 13, Sundry Debtors) is £394,953 due from the Elstead Hotel (Bournemouth) Limited. This is made up of £225,953 (2017: £173,600) relating to rent / management fees and £169,000 (2017: 68,000) for a loan. Within Trade Creditors (Page 13, Sundry Creditors) £5,975 (2017: £16,272) is due to the Elstead Hotel (Bournemouth) Limited for hotel services.

The original cost of the Union's interest in this company is £2,025,000 advanced by the Union of Communication Workers prior to the date of merger in 1995. This was represented by a debenture and issue of shares. During the year ended 31 December 2011 the Elstead Hotel cancelled 1,495,002 ordinary shares of nominal value £1 each as part of a share capital restructure. The Union's interest is now represented by a debenture of £480,000 secured by a floating charge over the assets of the company and £10,000 ordinary shares of £1 each fully paid.

In line with FRS 102, the accounting policy of the Union is to value unquoted investments at fair value where this can be obtained without undue cost. In accordance with this policy the Union has revalued the shares of the Elstead Hotel (Bournemouth) Limited to an amount equal to the shareholders' funds as shown in their draft accounts as at 31 December 2018. As the Company is in a net liability position, the Union's investments (debenture and shares) has been written down to £nil.

The balance sheet value of the Union's interest in Elstead Hotel (Bournemouth) Limited is as follows:

	Debenture £
As at 31 December 2017	480,000
Provision against Debenture	(480,000)
As at 31 December 2018	<u>          -</u>

## 4 Provision for Liabilities and Charges - Pensions

The Union's accounts need to show the value of the pension schemes that it sponsors using the accounting treatment prescribed by Section 28 of FRS 102. The assumptions used in calculating the Section 28 pension scheme valuations, as disclosed in note 5, are agreed between the employer and the scheme's actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

## Notes to the Accounts (continued)

### 4 Provision for Liabilities and Charges - Pensions (continued)

Using a Section 28 valuation the Union's pension schemes at 31 December 2018 showed a total deficit of £22.81m.

	Date of Triennial Valuation	Valuation £m	Valuation £m
UCW Pensions 2001	31/12/2017	(17.35)	(16.07)
NCU SSS	31/12/2017	2.66	-
CWU 2000	31/12/2014	(2.87)	(6.74)
		(17.56)	(22.81)

The most recent triennial valuations for all schemes are dated 31 December 2014 and 2017. At this date, the total liability amounted to £17.56m.

### 5 Staff Superannuation Schemes

During the year the Union closed its three final salary defined benefit (DB) superannuation schemes to future on-going accrual. At the 31 December 2018 the Union now operates a CARE section within the CWU 2000 Pension scheme, which provides benefits for Union employees based on a proportion of career salary. The CWU 2000 Pension Scheme CARE section is open to new employees of the Union and the UCW 2001 and NCU SSS are closed. All schemes are fully funded.

Contributions to the schemes are charged to the Statement of Comprehensive Income to spread the cost of pensions over employees' working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuary at a rate of 29.1% of pensionable salaries. The actuary uses the projected unit method of valuation.

Amounts payable to the schemes by the Union in accordance with actuarial advice were:

	2018 £	2017 £
<b>Staff Superannuation Schemes</b>		
Normal Contributions	2,270,000	2,190,000
Special Contributions	750,000	750,000
	3,020,000	3,800,000

The above amounts represent the amounts which would have been charged to the Statement of Comprehensive Income in 2018 and 2017, had Section 28 of FRS 102 not been adopted in respect of accounting for retired benefits. The amounts actually charged to the Statement of Comprehensive Income and Other Comprehensive Income are shown on note 5 page 25.

The Union is considering the deficits in the various schemes in consultation with respective scheme actuaries and taking advice on the amount of future Union contributions.

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with Section 28, together with the assumptions used to determine the results, is set out below.

Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 31 December 2018. The deficit has been incorporated within the Union's balance sheet in accordance with Section 28.

The major assumptions used by the actuaries were:

	31 December 2018	31 December 2017
Discount Rate	2.8 - 3.0	2.5 - 2.6
RPI Inflation Assumption	3.6	3.5 - 3.6
Rate of Salary Increases	0	2.5 - 3.6
Allowance for Future Deferred Revaluation	2.6 - 3.6	2.5 - 3.6
Allowance for Future Pension Increases	2.6 - 3.6	2.5 - 3.6

## Notes to the Accounts (continued)

### 5 Staff Superannuation Schemes (continued)

Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 26 years if they are male and for a further 28 years if they are female. For a member currently aged 40 who retires at age 60 the assumptions are that they will live on average for a further 28 years after retirement if they are male and a further 30 years after retirement if they are female.

#### The Assets in the Schemes were:

	31 December 2018	31 December 2017
	£m	£m
	£'000	£'000
Hedge Funds	35,830	38,740
Diversified Growth Funds	24,010	32,490
Government Bonds	46,880	40,100
Corporate Bonds	2,590	2,680
Cash	970	890
	110,280	114,900
Irrecoverable Surplus on Plan Assets	(12,660)	(5,980)
<b>Total Assets</b>	<b>97,620</b>	<b>108,920</b>

#### Analysis of Amounts in the Statement of Financial Position:

	31 December 2018	31 December 2017
	£'000	£'000
<b>Changes in Present Value of Plan Liabilities</b>		
Opening Defined Benefit Obligation	131,520	126,400
Current Service Cost	2,310	2,340
Past Service Cost	50	-
Interest Cost	3,330	3,400
Actuarial Gains - Obligations due to Experience	(5,350)	-
Actuarial (Gains) / Losses on Obligations due to Assumptions	(6,610)	3,100
Contributions paid by Scheme Participants	330	320
Benefits Paid	(5,150)	(4,040)
<b>Closing Defined Benefit Obligation</b>	<b>120,430</b>	<b>131,520</b>

#### Changes in Fair Value of Plan Assets

Opening Fair Value of Scheme Assets	114,850	110,600
Expected Return (Interest Income) on Scheme Assets	2,920	2,970
Administration Expenses Paid	(460)	(430)
Actuarial (Losses) / Gains	(5,230)	2,530
Contributions paid by the Employer	3,020	2,950
Contributions paid by Scheme Participants	330	320
Benefits Paid	(5,150)	(4,040)
	110,280	114,900
Irrecoverable Surplus on Plan Assets	(12,660)	(5,980)
<b>Closing Fair Value of Plan Assets</b>	<b>97,620</b>	<b>108,920</b>

Present Value of Defined Benefit Obligation	(120,430)	(131,520)
Fair value of Plan Assets	97,620	108,920
<b>Net Liability</b>	<b>(22,810)</b>	<b>(22,600)</b>
Balance Sheet (AR21 page 13)	<b>(22,810)</b>	<b>(22,600)</b>

#### Analysis of the Amount Charged to Operating Surplus:

	31 December 2018	31 December 2017
	£'000	£'000
Current Service Cost	2,310	2,340
Past Service Costs	50	-
<b>Total Operating Charge</b>	<b>2,360</b>	<b>2,340</b>



## Notes to the Accounts (continued)

### 5 Staff Superannuation Schemes (continued)

Analysis of the Amount Credited to Other Financial Expense:	31 December 2018 £'000	31 December 2017 £'000
Expected Return (Interest Income) on Scheme Assets	2,920	2,970
Interest Cost	(3,330)	(3,400)
Administration Expenses Paid	(460)	(430)
<b>Net Return</b>	<b><u>(870)</u></b>	<b><u>(860)</u></b>

### Analysis of Amount Recognised in Other Comprehensive Income (OCI):

	31 December 2018 £'000	31 December 2017 £'000
Actuarial (Losses) / Gains	(5,230)	2,530
Actuarial Gains - Obligations due to Experience	5,350	-
Actuarial Gains / (Losses) on Obligations due to Assumptions	6,610	(3,100)
<b>Total Actuarial Losses on Post-Employment Benefit Obligations</b>	<b><u>6,730</u></b>	<b><u>(570)</u></b>
Change in Assets not Recoverable in the Future	(6,730)	(2,350)
<b>Total Losses in OCI</b>	<b><u>-</u></b>	<b><u>(2,920)</u></b>

### 6 Political Fund Net Assets

	2018 £	2017 £
Tangible Fixed Assets - Furniture, Equipment and Computers	4,170	2,049
Debtors	130,081	159
Cash at Bank	1,582,115	1,172,911
Creditors	(6,279)	(28,607)
<b>Political Fund Net Assets</b>	<b><u>1,710,087</u></b>	<b><u>1,146,512</u></b>

### 7 Contingent Liabilities

The Union did not have any guaranteed bank loans for Branches at 31 December 2018 (2017 : £3,586).

### 8 Key Management Personnel

Key management compensation of £261,023 (2017: £260,256) was paid in the year. Key management personnel is defined as the roles of General Secretary and Senior Deputy General Secretary.

### 9 Related Party Transactions

#### Unionline

At 31 December 2018, included with Other Debtors (note 8) is £403,593 due from Unionline. This is made up of a unsecured loan £273,250 (2017: £273,250), accumulated loan interest £81,203 (2017: £61,140) charged at a commercial rate and a trade debtor £49,140 (2017: £0).

In addition during the year, the Union recharged for staff and administration costs incurred relating to the activities of Unionline.

#### Elstead Hotel (Bournemouth) Limited

The Union holds 100% share capital in the Elstead Hotel (Bournemouth) Limited, a hotel and conference centre in Bournemouth. This has been fully provided for in these accounts (note 3).

## Supporting Schedules

### A Statement of Cash Flows for the year ended 31 December 2018

	Page / (Note)	2018 £	2017 £
<b>Cash Flows used in Operating Activities:</b>			
Total Loss on Ordinary Activities		(67,603)	(514,980)
Loss / (Surplus) on Revaluation of Quoted Investments	10	301,258	(334,600)
Loss / (Surplus) on Disposal of Quoted Investments	12	75	(5,704)
Surplus on Revaluation of Unquoted Investments	12	(365,000)	-
(Surplus) / Loss on Disposal of Fixed Assets	8	(66,635)	57
Provision against Debenture Loan	10	480,000	-
Depreciation Charges	10	431,209	495,812
Notional Pension Charge	27	960,000	1,010,000
Pension Deficit Reduction Payments	23 (5)	(750,000)	(750,000)
Increase in Debtors		(1,323,913)	(1,429,619)
Decrease in Creditors		(107,709)	(327,293)
<b>Cash Flows before Political Fund</b>		<b>(508,318)</b>	<b>(1,856,327)</b>
Total Surplus / (Loss) on Ordinary Activities		563,575	(119,792)
Depreciation Charges		3,147	2,049
Increase in Debtors	25 (6)	(129,922)	(2)
Decrease in Creditors	25 (6)	(22,328)	(46,604)
<b>Cash Flows from Political Fund</b>		<b>414,472</b>	<b>(164,349)</b>
<b>Net Cash Outflow from Operating Activities</b>		<b>(93,846)</b>	<b>(2,020,676)</b>
<b>Cash Flows from Investing Activities:</b>			
Payments to Acquire Fixed Assets	14	(111,946)	(233,374)
Proceeds / (Loss) from Sale of Assets		149,435	(57)
Proceeds from Sale of Investments	21 (2a)	45,000	370,000
Investments Purchases	21 (2a / 2b)	(46,358)	(370,000)
Repayment of Long Term Loans		25,231	142,565
<b>Funds before Political Fund</b>		<b>61,362</b>	<b>(90,866)</b>
<b>Political Fund:</b>			
Payments to Acquire Fixed Assets	14	(5,268)	-
<b>Net Cash Inflow / (Outflow) from Investing Activities</b>		<b>56,094</b>	<b>(90,866)</b>
<b>Cash Flows used in Financing Activities:</b>			
Repayment of Bank Loans by Branches		(3,586)	(7,545)
<b>Net Cash Outflow from Financing Activities</b>		<b>(3,586)</b>	<b>(7,545)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>		<b>(41,338)</b>	<b>(2,119,087)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>9,996,329</b>	<b>12,115,416</b>
<b>Cash and Cash Equivalents at the end of the year</b>		<b>9,954,991</b>	<b>9,996,329</b>
<b>Analysis of Changes in Cash and Cash Equivalents</b>	At 1 Jan		At 31 Dec
	2018	Cash Flows	2018
Cash at Bank and Cash In Hand:	£	£	£
Head Office	3,231,346	(271,356)	2,959,990
Branches	5,592,072	(179,186)	5,412,886
Political Fund	1,172,911	409,204	1,582,115
<b>Net Cash Position</b>	<b>9,996,329</b>	<b>(41,338)</b>	<b>9,954,991</b>

## Supporting Schedules (continued)

### B Statement of Changes in Equity For the year ended 31 December 2018

	General Fund £	Pension Fund £	Total General Fund £	Defence Fund £	Scholarship Fund £	National Welfare Fund £	Property Reserve £	Branch Fund £	Political Fund £	Total Fund Balances £
At 1 January 2017	4,738,476	(19,420,000)	(14,681,524)	1,106,416	50,000	22,471	24,156,584	9,540,034	1,266,304	21,460,285
Total Surplus / (Deficit) on Ordinary Activities for the Year	822,881	(1,010,000)	(187,119)	(197,264)	(1,659)	35,617	-	(164,555)	(119,792)	(634,772)
Other Comprehensive Expense (OCE):										
Actuarial losses on post-employment benefit obligations	-	(570,000)	(570,000)	-	-	-	-	-	-	(570,000)
Change in non recoverable assets	-	(2,350,000)	(2,350,000)	-	-	-	-	-	-	(2,350,000)
Total OCE for the Year	-	(2,920,000)	(2,920,000)	-	-	-	-	-	-	(2,920,000)
Transfers	(755,201)	750,000	(5,201)	-	1,659	3,542	107,336	(107,336)	-	-
At 31 December 2017	4,806,156	(22,600,000)	(17,793,844)	909,152	50,000	61,630	24,263,920	9,268,143	1,146,512	17,905,513
Total Surplus / (Deficit) on Ordinary Activities for the Year	800,072	(960,000)	(159,928)	81,427	9,192	(6,300)	-	8,006	563,575	495,972
Other Comprehensive Expense (OCE):										
Actuarial gains on post-employment benefit obligations	-	6,730,000	6,730,000	-	-	-	-	-	-	6,730,000
Change in non recoverable assets	-	(6,730,000)	(6,730,000)	-	-	-	-	-	-	(6,730,000)
Total (OCE) for the Year	-	-	-	-	-	-	-	-	-	-
Transfers	(707,678)	750,000	42,322	-	(9,192)	(33,130)	(42,558)	42,558	-	-
At 31 December 2018	4,898,550	(22,810,000)	(17,911,450)	990,579	50,000	22,200	24,221,362	9,318,707	1,710,087	18,401,485

# Accounting Policies

## a) Basis of Preparation of Financial Statements

These accounts have been prepared under the historical cost convention, and are in accordance with Financial Reporting Standard 102 ("FRS 102") modified by the revaluation of certain freehold property and investments.

## b) Income and Expenditure Recognition

The Financial Statements are prepared on an accruals basis. Contributions include those amounts receivable from members in respect of the year under review.

Members' legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. Conditional fee agreements are recognised in the accounts where the amount to be received is known with certainty.

Income and expenditure is shown in these accounts including Value Added Tax (VAT) where applicable.

## c) Designated Funds

Property Reserve Fund - The balance of the fund is equated to the total costs or valuation of Land and Buildings less bank loans secured thereon by transfer to or from the General Fund and Branch Fund.

Political Fund - Subscribing members, who have not opted out, contribute 87p of the full subscription fee to the Political Fund. Expenditure in connection with political activities must be charged against this fund.

Branch Fund - Branches receive monthly 29% of their Branch membership income and 27% of Retired membership, received by head office.

## d) Defined Benefit Pension Schemes

The Union's pension schemes are defined benefit scheme. The assets of the schemes are held separately from those of the Union in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on the actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each date of the statement of financial position.

The surplus or deficit arising from the Union's defined benefit Pension Scheme is disclosed in the Statement of Financial Position. Movements on the Pension Scheme, asset or liability, are reflected through the Statement of Comprehensive Income to the extent that they relate to employer's current service costs. Or movements arising from changes in actuarial assumptions, including differences between the actual returns on scheme assets and the expected returns and experience gains / (losses) arising on the scheme's liabilities are reflected through the Other Comprehensive Income / Expense.

## e) Corporation Taxation

As an unincorporated association, the Communication Workers Union is liable to Corporation Tax on its investment income and realised gains on investments sold. As a trade union, relief is available in respect of provident benefits expenditure, as statutorily defined. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the Unions properties or investments.

## f) Deferred Tax

Deferred tax is recognised in respect of all timing differences which are differences between the taxable profits and total comprehensive income that arises from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

## g) Operating Leases

Expenditure on leases other than finance leases ("operating leases") are charged to the Statement of Comprehensive Income in the period in which they are incurred.

## h) Critical Accounting Assumptions and Judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the union. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed below. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

## Accounting Policies (continued)

### h) Critical Accounting Assumptions and Judgements (continued)

In preparing these Financial Statements, the Union has made the following judgements:

- **Tangible Fixed Assets** (page 14)

Fixed assets are recognised at deemed cost. Deemed costs includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner required. Depreciation is calculated to write down the deemed cost of fixed assets to estimated realisable values on a straight line basis over the expected useful life of the assets concerned.

The principal annual rates used are:

Buildings	2%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33⅓%

No depreciation is provided on freehold land. Where no information is available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used.

Under FRS 102 property held for investment purposes should be classified separately as investment properties and held at fair value at each year end. The Union sublets a portion of its Head Office and this should therefore be classified as investment property. However, no adjustment has been made to the financial statements on the basis that calculating the fair value of this portion of the property at each year end would result in undue cost and, under FRS 102, it is therefore allowed to continue to show this as a tangible fixed asset.

- **Unionline**

The Union recharges Trade Union Legal LLP (trading as Unionline) for its share of the costs that it incurs on its legal activities. The recharge is an estimate of the current year charges based on the actual costs incurred in the prior year. As Unionline has yet to produce a cumulative surplus, there is a degree of uncertainty with regards to the recoverability of the full balance the Union is owed at the end of the year. As a result, the Union has included a provision against all amounts owed by Unionline which have been outstanding for more than two years.

- **Investments** (page 15)

Quoted investments are disclosed at mid market values at the year ended date for this return. Unquoted investments are disclosed at their original cost or, where available, at their estimated current value as estimated by an independent third party.

- **Provisions for Liabilities**

Provisions for liabilities included at the year end have been calculated using the best available knowledge at the time of preparing the financial statements, adjusted for information subsequently received. An element of estimation is therefore required when calculating the provisions.

### i) Going Concern Assumption

The obligation to prepare these financial statements on an appropriate basis has been considered by reference to budgets, forecasts and projected cash flows, as well as potential opportunities in relation to the assets owned by the Union. The impact of financial budgets in place for 2019 and beyond against the working capital available has been reviewed and it has been deemed appropriate for the financial statements to have been prepared on a going concern basis.

# Signatures to the Annual Return

including the accounts and balance sheet contained in the return.

<p><b>General Secretary</b></p> <p>Signature: <u>          <i>D. Ward</i>          </u></p> <p>Name: <u>          D Ward          </u></p> <p>Date: <u>          31/5/19          </u></p>	<p><b>Senior Deputy General Secretary</b></p> <p>Signature: <u>          <i>APKearns</i>          </u></p> <p>Name: <u>          A Kearns          </u></p> <p>Date: <u>          31/5/19          </u></p>
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### CHECK LIST

Has the return of change of officers been completed?	YES
Has the list of officers in post been completed?	YES
Has the return been signed?	YES
Has the auditor's report been completed?	YES
Is a rule book enclosed?	YES
A member's statement is:	ENCLOSED
Has the summary sheet been completed?	YES
Has the membership audit certificate been completed?	YES

# Auditor's Report

## Opinion

We have audited the financial statements of the Communication Workers Union (the 'Union') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2018 and of its result 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 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 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 audit opinion.

## Conclusions relating to Going Concern

We have nothing to report in respect of the following matters in 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 has 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 is responsible for the other information. The other information comprises the information included in the Report of the Honorary Treasurer, 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 are required by the Trade Union and Labour Relations (Consolidation) Act 1992 to report to you by exception in respect of the following matters if, in our opinion:

- the union has not kept proper accounting records;
- the accounts are not in agreement with the books of account;
- we have not received all the information and explanations we need for our audit;
- we have nothing to report to you in respect of the above matters.

# Auditors Report (continued)

## Responsibilities of the Executive Council

As explained more fully in the Statement of Responsibilities of the Executive Council. The Executive Council is 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 determines 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 is 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 directors either intend to liquidate the union 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.

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

## Use of our Report

This report is made solely to the union's members, as a body, in accordance with the provisions of the 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signature of Auditor:



Name:

BDO LLP

Profession:

Statutory Auditor

Address:

150 Aldersgate Street, London EC1A 4AB

Date:

31/05/19

Contact Name and  
Telephone Number:

Gareth Jones  
020 7354 9191



**Membership audit certificate**  
**made in accordance with section 24ZD of the**  
**Trade Union and Labour Relations (Consolidation) Act 1992**  
*(See notes 97 to 103)*

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**

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**

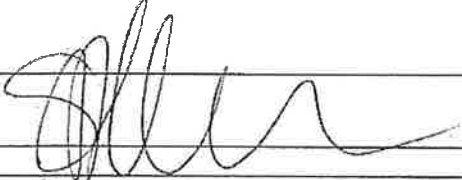
2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

**YES**

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	Simon Hearn
Address	Electoral Reform Services The Election Centre 33 Clarendon Road London, N8 0NW
Date	20/05/2019
Contact name and telephone number	Simon Hearn, Deputy Chief Executive 020 8365 8909

CWU