

Form AR21
Trade Union and Labour Relations (Consolidation) Act 1992

Trade Union's details

Name of Trade Union:

PUBLIC AND COMMERCIAL SERVICES UNION

Year ended:

31 DECEMBER 2018

List number:

753

Head or Main Office address:

160 FALCON ROAD
LONDON
SW11 2LN

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

Yes

No

(Tick as appropriate)

Website address (if available)

General Secretary:

MARK SERWOTKA

Telephone Number:

0207 801 2600

Contact name for queries regarding the completion of this return:

JES SCIORTINO

Telephone Number:

0207 801 2676

E-mail:

jes@pcs.org.uk

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

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

-For Unions based in England and Wales: Certification Office for Trade Unions and Employers' Associations, Lower Ground Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX.

-For Unions based in Scotland: Certification Office for Trade Unions and Employers' Associations, Melrose House, 69a George Street, Edinburgh EH2 2JG.



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 | 72,913 | 758 | 0 | 59 | 73,730 |
| Female | 105,230 | 856 | 0 | 51 | 106,137 |
| Undeclared | 776 | 1 | 0 | 2 | 779 |
| Total | 178,919 | 1615 | 0 | 112 | 180,646 |

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

| |
|---------|
| 180,646 |
|---------|

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

| |
|-----|
| 145 |
|-----|

Change of officers

Please complete the following to record any 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 |
|------------------|--|---------------------------|----------------|
| Deputy President | Kevin McHugh | Fran Heathcote | June 2018 |
| Vice President | Fran Heathcote | Kevin McHugh | June 2018 |
| Vice President | Paula Brown | Jacqueline Green | June 2018 |
| NEC Committee | Jacqueline Green | Paula Brown | June 2018 |
| NEC Committee | | Phil Dickens | June 2018 |
| NEC Committee | | Felicity Flynn | June 2018 |
| NEC Committee | | Tahir Latif | June 2018 |
| NEC Committee | | Kenny McKay | June 2018 |
| NEC Committee | | Annette Rochester | June 2018 |
| NEC Committee | | Dave Semple | June 2018 |
| NEC Committee | | Steve Thorley | June 2018 |
| NEC Committee | Mark Leopard | | May 2018 |
| NEC Committee | Gilaine Young | | May 2018 |
| NEC Committee | Dominic Mc Fadden | | January 2018 |
| NEC Committee | Alison Roder | | May 2018 |
| NEC Committee | Clara Paillard | | May 2018 |

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated

and names:

Officers in post

(see note 12)

Please insert a complete list of all officers in post at the end of the year to which this return relates.

| Name of Officer | Position held |
|-------------------|-------------------------------------|
| Mark Serwotka | General Secretary |
| Janice Godrich | President |
| Fran Heathcote | Deputy President |
| Kevin McHugh | Vice President |
| Jacqueline Green | Vice President |
| Zita Holbourne | Vice President |
| Chris Baugh | Assistant General Secretary |
| Phil Dickins | National Executive Committee Member |
| Martin Cavanagh | National Executive Committee Member |
| Clive Bryant | National Executive Committee Member |
| Alan Dennis | National Executive Committee Member |
| Mark Baker | National Executive Committee Member |
| Harvey Crane | National Executive Committee Member |
| Angela Grant | National Executive Committee Member |
| Austin Harney | National Executive Committee Member |
| John McInally | National Executive Committee Member |
| Steve Thorley | National Executive Committee Member |
| Sam Hall | National Executive Committee Member |
| Katrine Williams | National Executive Committee Member |
| Felicity Flynn | National Executive Committee Member |
| Candy Udwin | National Executive Committee Member |
| John Maguire | National Executive Committee Member |
| John Jamieson | National Executive Committee Member |
| Neil License | National Executive Committee Member |
| Tahir Latif | National Executive Committee Member |
| Marion Lloyd | National Executive Committee Member |
| Kenny McKay | National Executive Committee Member |
| Lorna Merry | National Executive Committee Member |
| Annette Rochester | National Executive Committee Member |
| Marianne Owens | National Executive Committee Member |
| Dave Semple | National Executive Committee Member |
| Ian Pope | National Executive Committee Member |
| Karen Watts | National Executive Committee Member |
| Hector Wesley | National Executive Committee Member |
| Paul Williams | National Executive Committee Member |

General fund
(see notes 13 to 18)

| | £ | £ |
|--|-----------|--|
| Income | | |
| From Members: Contributions and Subscriptions | | 21,016,540 |
| From Members: Other income from members (specify) | | |
| Total other income from members | | 21,016,540 |
| Total of all income from members | | |
| Investment income (as at page 12) | | 578,405 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | 0 | |
| Income from any other sources (as at page 4) | 122,050 | |
| Income from legal settlement from DWP | 3,000,000 | |
| Gain on investment property | 2,510,259 | |
| Transfer from Property fund | 92,736 | |
| Actuarial gains on DB pension scheme | 2,300,000 | |
| Total of other income (as at page 4) | | 8,025,045 |
| | | Total income |
| | | 29,619,990 |
| Expenditure | | |
| Benefits to members (as at page 5) | | 2,832,801 |
| Administrative expenses (as at page 10) | | 15,486,316 |
| Federation and other bodies (specify) | | |
| Affiliation fees | 751,423 | |
| Transfer to pension reserve | 5,300,000 | |
| Transfer to Campaigns & disputes fund | 525,000 | |
| Transfer to fighting fund | 1,000,000 | |
| PCS in the community | 2,000 | |
| Donations | 5,800 | |
| Total expenditure Federation and other bodies | | 7,584,223 |
| Taxation | | |
| | | Total expenditure |
| | | 25,903,340 |
| | | Surplus (deficit) for year |
| | | 3,716,650 |
| | | Amount of general fund at beginning of year |
| | | 7,713,393 |
| | | Amount of general fund at end of year |
| | | 11,430,043 |

Analysis of income from federation and other bodies and other income
 (see notes 19 and 20)

| Description | £ | £ |
|--|--------|---------|
| Federation and other bodies | | |
| | | |
| Total federation and other bodies | | |
| Other income | | |
| Advertising | 32,811 | |
| Commission | 48,031 | |
| Miscellaneous | 166 | |
| VAT recovered | 41,042 | |
| | | |
| Total other income | | 122,050 |
| Total of all other income | | 122,050 |

Analysis of benefit expenditure shown at general fund
(see notes 21 to 23)

| | £ | | £ |
|--|----------|---|-----------|
| Representation – Employment Related Issues | | brought forward | 972,103 |
| | 309,636 | Education and Training services | |
| | | National courses | 5,898 |
| | | Seminars | 49,642 |
| | | Organising learning & publicity | 42,593 |
| Representation – Non Employment Related Issues | (21,938) | Regional courses | 116,162 |
| | | Negotiated Discount Services | |
| | | Essential guide | 5,133 |
| Communications PCS View | 222,215 | Salary Costs | |
| | | Employment costs | 1,641,270 |
| Advisory Services Helplines | 59,580 | Other Benefits and Grants (specify) | |
| Dispute Benefits | | | |
| Other Cash Payments Benevolent Services | 81,121 | | |
| Death & personal accident | 317,536 | | |
| Ex IR sickness benefit | 3,953 | | |
| carried forward | 972,103 | Total (should agree with figure in General Fund) | 2,832,801 |

Accounts other than the revenue account/general fund

(see notes 21 to 23)

| Fund 2 | - | Fund Account |
|---|----------|------------------------|
| Name: Property fund | £ | £ |
| Income | | |
| From members | | |
| Investment income (as at page 12) | | |
| Other income (specify) | | |
| Total other income as specified | | |
| Total Income | | |
| Expenditure | | |
| Transfer to general fund | 92,736 | |
| Total Expenditure | | 92,736 |
| Surplus (Deficit) for the year | | (92,736) |
| Amount of fund at beginning of year | | 12,396,211 |
| Amount of fund at the end of year (as Balance Sheet) | | 12,303,473 |
| Number of members contributing at end of year | | No direct contribution |

| Fund 3 | - | Fund Account |
|---|----------|------------------------|
| Name: Campaigns & Disputes | £ | £ |
| Income | | |
| Transfer from general fund | | 525,000 |
| Total other income as specified | | |
| Total Income | | |
| Expenditure | | |
| Fund expenditure (See appendix 1) | 455,507 | |
| Total Expenditure | | 455,507 |
| Surplus (Deficit) for the year | | 69,493 |
| Amount of fund at beginning of year | | 74,568 |
| Amount of fund at the end of year (as Balance Sheet) | | 144,061 |
| Number of members contributing at end of year | | No direct contribution |

(See notes 21 to 23)

| Fund 4 | | Fund Account | |
|--------------------|---|---------------------|------------------------|
| Name: VSER | | £ | £ |
| Income | | | |
| | From members | | |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | Total Income | | |
| Expenditure | | | |
| | Costs associated with VSER program | 99,079 | |
| | Total Expenditure | | 99,079 |
| | Surplus (Deficit) for the year | | (99,079) |
| | Amount of fund at beginning of year | | 244,376 |
| | Amount of fund at the end of year (as Balance Sheet) | | 145,296 |
| | Number of members contributing at end of year | | No direct contribution |

| Fund 5 | | Fund Account | |
|------------------------------|---|---------------------|------------------------|
| Name: Pension reserve | | £ | £ |
| Income | | | |
| | Transfer from general account | 5,300,000 | |
| | Total other income as specified | | 5,300,000 |
| | Total Income | | 5,300,000 |
| Expenditure | | | |
| | Benefits to members | | |
| | Administrative expenses and other expenditure (as at page 10) | | |
| | Total Expenditure | | |
| | Surplus (Deficit) for the year | | 5,300,000 |
| | Amount of fund at beginning of year | | 1,400,000 |
| | Amount of fund at the end of year (as Balance Sheet) | | 6,700,00 |
| | Number of members contributing at end of year | | No direct contribution |

Political fund account

(see notes 24 to 33)

| Political fund account 1 | | To be completed by trade unions which maintain their own political fund | |
|---|---|---|-----------|
| | Income | Members contributions and levies | £ 194,844 |
| | | Investment income (as at page 12) | £ |
| | | Other income (specify) | £ |
| | | Total other income as specified | |
| | | Total income | 194,844 |
| 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 | | | |
| | Expenditure A (as at page i) | £ | |
| | Expenditure B (as at page ii) | £ | |
| | Expenditure C (as at page iii) | £ | |
| | Expenditure D (as at page iv) | £ | |
| | Expenditure E (as at page v) | £ | |
| | Expenditure F (as at page vi) | £ | |
| | Non-political expenditure (as at page vii) | £ | 55,576 |
| | | Total expenditure | 55,576 |
| | | Surplus (deficit) for year | 139,268 |
| | | Amount of political fund at beginning of year | 512,786 |
| | | Amount of political fund at the end of year (as Balance Sheet) | 652,054 |
| | | Number of members at end of year contributing to the political fund | 156,765 |
| | | Number of members at end of the year not contributing to the political fund | 23,881 |
| | | Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund | 664 |
| Political fund account 2 | | To be completed by trade unions which act as components of a central trade | |
| | Income | Contributions and levies collected from members on behalf of central political fund | £ |
| | | Funds received back from central political fund | £ |
| | | Other income (specify) | £ |
| | | Total other income as specified | |
| | | Total income | |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) | £ | |
| | Administration expenses in connection with political objects (specify) | £ | |
| | Non-political expenditure | £ | |
| | | Total expenditure | |
| | | Surplus (deficit) for year | |
| | | Amount held on behalf of trade union political fund at beginning of | |
| | | 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 | |

The following pages 9i to 9vii relate to the Political Fund Account Expenditure

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 amount spent during the period £ |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | |

Political fund account expenditure (b)

Expenditure under section 72 (1) (b) 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 to which payment was made | Total amount paid during the period £ |
|---|--|
| | |
| | |
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| | |
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| | |
| | |
| | |
| Total | |

Political fund account expenditure (c)

Expenditure under section 72 (1) (c) 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 (see note 33(iii)) | £ |
|----------------------------|--------------------------------------|---|---|
| | | | |
| | | | |
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| | | | |
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| | | | |
| | | | |
| | | | |
| Total | | | |

Political fund account expenditure (d)

Expenditure under section 72 (1) (d) 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 | £ |
|-----------------------|---|
| | |
| | |
| | |
| | |
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| | |
| | |
| | |
| | |
| | |
| Total | |

Political fund account expenditure (e)

Expenditure under section 72 (1) (e) 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 | |

Political fund account expenditure (f)

Expenditure under section 72 (1) (f) 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

| Name of organisation or political party | £ |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total | |

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 required information is-

| (a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one | £ |
|--|---------------|
| ANTI RACISM/FASCISM CAMPAIGNS | 2,822 |
| GREENING THE WORKPLACE | 8,727 |
| SCOTISH CAMPAIGNS | 5,663 |
| PARLIMENTARY WORK | 38,255 |
| Total | 55,576 |
| Total expenditure | 55,576 |
| | |
| (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 | £ |
| | |
| | |
| Total | |
| Total expenditure | |
| | |
| (c) the total amount of all other money expended | £ |
| | |
| | |
| Total | |
| Total expenditure | |

Analysis of administrative expenses and other outgoings excluding amounts charged to political fund accounts

(see notes 34 and 35)

| | | £ |
|--|-----------------------|-------------|
| Administrative Expenses | | |
| Remuneration and expenses of staff | | 11,687,319 |
| Salaries and Wages included in above | £11,687,319 | |
| Auditors' fees | | 40,582 |
| Legal and Professional fees | | 76,853 |
| Occupancy costs | | 1,108,536 |
| Stationery, printing, postage, telephone, etc. | | 304,023 |
| Expenses of Executive Committee (Head Office) | | 131,761 |
| Expenses of conferences | | 519,615 |
| Other administrative expenses (See appendix 2) | | 3,765,360 |
| | | |
| Other Outgoings | | |
| Interest payable: | | |
| Bank loans (including overdrafts) | | 0 |
| Mortgages | | 0 |
| Other loans | | 0 |
| Depreciation | | 752,267 |
| Taxation | | 0 |
| | | |
| FRS 102 Pension adjustments | | |
| Current services costs of DB schemes | | 1,000,000 |
| Past service costs of DB schemes | | 300,000 |
| Pension contributions paid in the year | | (4,200,000) |
| Total | | 15,486,316 |
| Charged to: | General Fund (Page 3) | 15,486,316 |
| | Fund (Account) | |
| | Fund (Account) | |
| | Fund (Account) | |
| | Fund (Account) | |
| Total | | 15,486,316 |

Analysis of officials' salaries and benefits

(see notes 36 to 46)

| Position held | Gross Salary | Employers N.I. contributions | Benefits | | | Total |
|---------------|--------------|------------------------------|----------------------------|----------------|------------|---------|
| | £ | £ | Pension Contributions £ | Other Benefits | | |
| | | | | Description | Value £ | |
| MARK SERWOTKA | 95,165 | 11,979 | 15,036 | | | 122,180 |
| CHRIS BAUGH | 81,378 | 10,104 | 10,686 | | | 102,168 |
| | | | | | | |
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| | | | | | | |

Analysis of investment income

(see notes 47 and 48)

| | Political Fund £ | | Other Fund(s) £ |
|--|------------------------|--------------------------------|-----------------------|
| Rent from land and buildings | | | 480,823 |
| Dividends (gross) from: | | | |
| Equities (e.g. shares) | | | 24,827 |
| Interest (gross) from: | | | |
| Government securities (Gilts) | | | |
| Mortgages | | | |
| Local Authority Bonds | | | 461 |
| Bank and Building Societies | | | |
| Other investment income (specify) | | | |
| Capital losses | | | (27,706) |
| Expected return on pension scheme assets | | | 5,300,000 |
| Interest on pension scheme liabilities | | | (5,200,000) |
| | | | 578,405 |
| | | Total investment income | 578,405 |
| | | Credited to: | |
| | | General Fund (Page 3) | 578,405 |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Fund (Account) | |
| | | Political Fund | |
| | | Total Investment Income | 578,405 |

Balance sheet as at

31 December 2018

(see notes 49 to 52)

| Previous Year | | £ | £ |
|-------------------|---|--------------------------|------------|
| 17,185,024 | Fixed Assets (at page 14) | | 21,222,200 |
| | Investments (as per analysis on page 15) | | |
| 655,473 | Quoted (Market value £ 618,121) | 613,791 | |
| 760,056 | Unquoted | 798,120 | |
| | Total Investments | | 1,411,911 |
| | Other Assets | | |
| 0 | Loans to other trade unions | | 0 |
| 2,459,408 | Sundry debtors | | 2,644,858 |
| 1,742,784 | Cash at bank and in hand | | 2,405,709 |
| 0 | Income tax to be recovered | | 0 |
| 1,400,000 | Others (Pension provision) | | 6,700,000 |
| 5,602,192 | Total of other assets | | 11,750,567 |
| 24,202,745 | | Total assets | 34,384,678 |
| 7,713,393 | General Fund (Account 1) | | 11,430,043 |
| 12,396,211 | Property Fund (Account 2) | | 12,303,475 |
| 74,568 | Campaign Fund (Account 3) | | 144,061 |
| 244,376 | VSER Fund (Account 4) | | 145,296 |
| 512,786 | Political Fund (Account 1) | | 652,054 |
| 1,400,000 | Pension Reserve (Account 5) | | 6,700,000 |
| 52,208 | Fighting Fund (Account 6) | | 1,074,297 |
| | Liabilities | | |
| | Amount held on behalf of central trade union political fund | | |
| 0 | Loans: From other trade unions | | 0 |
| 0 | Loans: Other | | 0 |
| 0 | Bank overdraft | | 0 |
| 233,843 | Tax payable | | 31,146 |
| 80,000 | Deferred tax | | 280,000 |
| 709,469 | Sundry creditors | | 581,186 |
| 785,891 | Accrued expenses | | 823,726 |
| 0 | Provisions | | 0 |
| 0 | Other liabilities (Deferred income) | | 219,394 |
| 24,202,745 | | Total liabilities | 34,384,678 |
| 24,202,745 | | Total assets | 34,384,678 |

Fixed assets account

(see notes 53 to 57)

| | Land and Buildings | | Furniture and Equipment £ | Motor Vehicles £ | Not used for union business £ | Total £ |
|---|--------------------|----------------|------------------------------|---------------------|----------------------------------|-------------|
| | Freehold £ | Leasehold £ | | | | |
| Cost or Valuation | | | | | | |
| At start of year | 4,151,485 | 846,060 | 4,589,355 | 10,000 | 10,070,000 | 19,666,900 |
| Additions | 0 | 0 | 1,980,443 | 0 | 298,741 | 298,741 |
| Disposals | 0 | 0 | (565,719) | 0 | 0 | (567,716) |
| Revaluation/Transfers | 0 | 0 | 0 | 0 | 2,510,259 | 2,510,259 |
| At end of year | 4,151,485 | 846,060 | 6,004,079 | 10,000 | 12,879,000 | 21,908,184 |
| Accumulated Depreciation | | | | | | |
| At start of year | (495,625) | (204,227) | (1,772,023) | (10,000) | 0 | (2,481,875) |
| Charges for year | (63,026) | (29,710) | (659,531) | 0 | 0 | (752,267) |
| Disposals | 0 | 0 | 565,718 | 0 | 0 | 565,719 |
| Revaluation/Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| At end of year | (558,651) | (233,937) | (1,865,834) | (10,000) | 0 | (2,668,423) |
| Net book value at end of year | 3,592,834 | 612,123 | 4,138,243 | 0 | 12,879,000 | 21,222,200 |
| Net book value at end of previous year | 3,655,860 | 641,833 | 2,817,332 | 0 | 10,070,000 | 17,185,024 |

Analysis of investments

(see notes 58 and 59)

| Quoted | All Funds Except Political Funds £ | Political Fund £ |
|---|---|---------------------|
| Intern Public Partnership Ltd | 9,204 | |
| Sarasin Responsible Corporate Bond | 50,734 | |
| BH Macro Ltd | 10,643 | |
| Source Physical Gold P-PTC | 9,507 | |
| Sarasin CI Real Estate Equity Income | 15,710 | |
| Sarasin Equisiar - UK Global Thematic - I Inc | 98,744 | |
| Sarasins Global Dividend - I Inc | 62,399 | |
| Sarasins IE Systematic absolute return | 5,936 | |
| Blackrock Heritage account | 28,170 | |
| Jupiter absolute return - UK | 6,213 | |
| Sarasin Sterling Bond-I Inc | 303,135 | |
| Various holdings less than £1,500 | 13,396 | |
| Total quoted (as Balance Sheet) | 613,791 | |
| Market Value of Quoted Investment | 618,121 | |
| Unquoted | | |
| Unity Trust Bank "A" ordinary shares of £1 | 172,092 | |
| Unity Trust Bank "C" ordinary shares of £1 | 105,128 | |
| Unity Trust Bank "A" ordinary shares of £1 | 100,000 | |
| Energy prospects Co-operative trust Ltd | 1,000 | |
| Wortley Hall | 1,000 | |
| Trade Union British Trust | 311,169 | |
| Bank and Building Societies | | |
| Sarasins money market | 107,280 | |
| Other unquoted investments (to be specified) | | |
| Total unquoted (as Balance Sheet) | 798,120 | |
| Market Value of Unquoted Investments | 846,619 | |

Analysis of investment income (controlling interests)
(see notes 60 and 61)

| | | |
|---|------------------------------|--|
| <p>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</p> | 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) |
|--------------|--|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

| | | |
|---|------------------------------|-----------------------------|
| <p>Are the shares which are controlled by the union registered in the names of the union's trustees?</p> | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|---|------------------------------|-----------------------------|

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

| Company name | Names of shareholders |
|--------------|-----------------------|
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |

Summary sheet

(see notes 62 to 73)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|--|--|--------------------------|---------------------|
| Income | | | |
| From Members | 21,038,629 | 198,844 | 21,233,473 |
| From Investments | 578,405 | 0 | 578,404 |
| Other Income (including increases by revaluation of assets) | 14,932,309 | 0 | 14,932,309 |
| Total Income | 26,549,343 | 194,844 | 26,744,187 |
| Expenditure (including decreases by revaluation of assets) | 19,632,926 | 55,576 | 19,688,502 |
| Total Expenditure | 19,632,926 | 55,576 | 19,688,502 |
| See appendix 3 for workings | | | |
| Funds at beginning of year (including reserves) | 21,880,755 | 512,786 | 22,393,541 |
| Funds at end of year (including reserves) | 31,797,172 | 652,054 | 32,449,226 |
| Assets | | | |
| | Fixed Assets | | 21,222,200 |
| | Investment Assets | | 1,411,911 |
| | Other Assets | | 11,750,567 |
| | | Total Assets | 34,384,678 |
| Liabilities | | Total Liabilities | 1,935,452 |
| Net assets (Total Assets less Total Liabilities) | | | 32,449,226 |

Information on Industrial action ballots

(see notes 74 to 80)

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

YES

If Yes How many ballots were held: 10

For each ballot held please complete the information below:

Ballot 1 Trade Dispute with BSO – Salary Grading Dispute – Q1 Strike action

Number of individuals who were entitled to vote in the ballot 13

Number of votes cast in the ballot 13

Number of Individuals answering "Yes" to the question ¹

Number of Individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

*** 1-3 should total "Number of votes cast in the ballot"**

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

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

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

Ballot 2 Trade Dispute with BSO – Salary Grading Dispute – Q2 Action short of strike action

Number of individuals who were entitled to vote in the ballot 13

Number of votes cast in the ballot 13

Number of Individuals answering "Yes" to the question ¹

Number of Individuals answering "No" to the question ²

Number of invalid or otherwise spoiled voting papers returned ³

*** 1-3 should total "Number of votes cast in the ballot"**

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

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?

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

For additional ballots please continue on next page

Ballot 3 Trade Dispute with DXC – 2018 Pay Claim Q1 – Strike action

Number of individuals who were entitled to vote in the ballot 198

Number of votes cast in the ballot 160

Number of Individuals answering "Yes" to the question 146 ¹

Number of Individuals answering "No" to the question 13 ²

Number of invalid or otherwise spoiled voting papers returned 1 ³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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 4 Trade Dispute with DXC – 2018 Pay Claim - Q2 Action short of strike

Number of individuals who were entitled to vote in the ballot 198

Number of votes cast in the ballot 160

Number of Individuals answering "Yes" to the question 159 ¹

Number of Individuals answering "No" to the question 1 ²

Number of invalid or otherwise spoiled voting papers returned 0 ³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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 5 Trade Dispute with Historic Royal Palaces – Q1 Strike action

Number of individuals who were entitled to vote in the ballot 50

Number of votes cast in the ballot 36

Number of Individuals answering "Yes" to the question 32 ¹

Number of Individuals answering "No" to the question 3 ²

Number of invalid or otherwise spoiled voting papers returned 1 ³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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

Use a continuation sheet if necessary

Ballot 6 Trade Dispute with Engie – Support Staff based in 1 Victoria Street, London, SW1H - Q1 – Strike action

Number of individuals who were entitled to vote in the ballot 22

Number of votes cast in the ballot 16

Number of Individuals answering "Yes" to the question 16¹

Number of Individuals answering "No" to the question 0²

Number of invalid or otherwise spoiled voting papers returned 0³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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 7 Trade Dispute with Aramak – Support Staff based in 1 Victoria Street, London, SW1H - Q2 Action short of strike

Number of individuals who were entitled to vote in the ballot 5

Number of votes cast in the ballot 5

Number of Individuals answering "Yes" to the question 5¹

Number of Individuals answering "No" to the question 0²

Number of invalid or otherwise spoiled voting papers returned 0³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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 8 Trade Dispute with ACAS (Grade 9 Concilators) - Q1 – Strike action

Number of individuals who were entitled to vote in the ballot 162

Number of votes cast in the ballot 106

Number of Individuals answering "Yes" to the question 88¹

Number of Individuals answering "No" to the question 18²

Number of invalid or otherwise spoiled voting papers returned 0³

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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

CONTINUATION SHEET

Ballot 9 Trade Dispute with ACAS (Grade 9 Conciliators) - Q2 Action short of strike

Number of individuals who were entitled to vote in the ballot 162

Number of votes cast in the ballot 106

Number of Individuals answering "Yes" to the question 95 1

Number of Individuals answering "No" to the question 11 2

Number of invalid or otherwise spoiled voting papers returned 0 3

*** 1-3 should total "Number of votes cast in the ballot"**

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 Y

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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 10 National Trade Dispute on Pay with the United Kingdom and Welsh Governments; the Department for Health and the Metropolitan Police Q1- Strike action

Number of individuals who were entitled to vote in the ballot 142,673

Number of votes cast in the ballot 59,285

Number of Individuals answering "Yes" to the question 50,726 1

Number of Individuals answering "No" to the question 8,528 2

Number of invalid or otherwise spoiled voting papers returned 31 3

*** 1-3 should total "Number of votes cast in the ballot"**

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 N

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? N

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

CONTINUATION SHEET

Information on Industrial action

(see note 81)

*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

If YES, for each industrial action taken please complete the information below:

Industrial Action 1 Trade Dispute with Historic Royal Palaces

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: 21st December 2018

3. Number of days of industrial action: 1

4. Nature of industrial action. Strike Action / ~~Action Short of a Strike~~ (delete one as appropriate)

Industrial Action 2 Trade Dispute with ACAS (Grade 9 Conciliators)

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: Strike action on 11 May 2018

3. Number of days of industrial action: 1 day

4. Nature of industrial action. Strike Action / ~~Action Short of a Strike~~ (delete one as appropriate)

Industrial Action 3 Trade Dispute with ACAS (Grade 9 Conciliators)

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

- A B C D E F G

2. Dates of the industrial action taken: From 25 April 2018 – 3 June 2018

3. Number of days of industrial action:

4. Nature of industrial action. ~~Strike Action~~ / Action Short of a Strike (delete one as appropriate)

Industrial Action 4 Trade Dispute with Babcock Armour Centre (TMASS)

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

- A B C D E F G

2. Dates of the industrial action taken: 19th, 20th, and 21st February 2018

3. Number of days of industrial action: 3

4. Nature of industrial action. ~~Strike Action~~ / ~~Action Short of a Strike~~ (delete one as appropriate)

Industrial Action 5

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

- A B C D E F G

Dates of the industrial action taken:

1. Number of days of industrial action:

2. Nature of industrial action. ~~Strike Action~~ / ~~Action Short of a Strike~~ (delete one as appropriate)

Industrial Action 6

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

- A B C D E F G

2. Dates of the industrial action taken:

3. Number of days of industrial action:

4. Nature of industrial action. ~~Strike Action~~ / ~~Action Short of a Strike~~ (delete one as appropriate)

Industrial Action 7

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

- A B C D E F G

2. Dates of the industrial action taken:

3. Number of days of industrial action:

4. Nature of industrial action. ~~Strike Action~~ / ~~Action Short of a Strike~~ (delete one as appropriate)

Notes to the accounts

(see notes 82 and 83)

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

SEE APPENDIX 4

Accounting policies


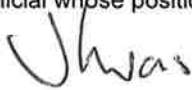
(see notes 84 and 85)

SEE APPENDIX 4

Signatures to the annual return

(see notes 86 and 87)

including the accounts and balance sheet contained in the return. Please send the return with the original signatures. Copies will not be accepted.

| | |
|---|---|
| Secretary's Signature:  Name: M. Serwatka Date: 15/5/19 | Chairman's Signature: (or other official whose position should be stated)  Name: JEFF EVANS (FINANCE DIR) Date: 30.5.19 |
|---|---|

Checklist

(see notes 88 and 89)

(please tick as appropriate)

| | | | | |
|---|----------|--|-----------|--|
| Has the return of change of officers been completed? (see Page 2 and Note 12) | Yes | | No | |
| Has the list of officers in post been completed? (see Page 2a and Note 12) | Yes | | No | |
| Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95) | Yes | | No | |
| Has the auditor's report been completed? (see Pages 24 and 25 and Notes 2 and 92) | Yes | | No | |
| Is a rule book enclosed? (see Notes 8 and 88) | Yes | | No | |
| A member's statement is: (see Note 104) | Enclosed | | To follow | |
| Has the summary sheet been completed? (see Page 17 and Notes 7 and 62) | Yes | | No | |
| Has the membership audit certificate been completed? (see Page i to iii and Notes 97 to 103) | Yes | | No | |

Checklist for auditor's report

(see notes 90 to 96)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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 92 and 93)

Please explain in your report overleaf or attached.

Yes - see audit report enclosed

2. 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 note 92)

Please explain in your report overleaf or attached.

Yes - see audit report enclosed.

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Yes - see audit report enclosed.

Public and Commercial Services Union

Independent auditors' report

For the year ended 31 December 2018

Independent auditors report to the members of the Public and Commercial Services Union

Opinion

We have audited the financial statements of the Public and Commercial Services Union ("the Union") for the year ended 31 December 2018 which comprise the total funds income and expenditure account, the general fund income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in funds and reserves, the cash flow statement 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 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 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical

responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Officers are responsible for the other information. The other information comprises the information included in the Financial report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Financial report.

We have nothing to report in respect of the following matters in relation to which 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 controls over transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Officers

As explained more fully in the Statement of Officers' responsibilities, the Officers 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 Officers 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 Officers 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 Officers 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 at the Financial Reporting Council's website at:

<https://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 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.

Phil Cliftlands
Phil Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

22 March 2019
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BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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

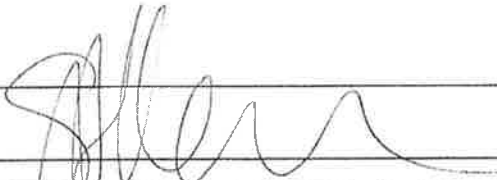
2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

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 | 23/05/2019 |
| Contact name and telephone number | Simon Hearn, Deputy Chief Executive 020 8365 8909 |

PCS

| Appendix 1 - Campaign and disputes fund | |
|--|------------------|
| Industrial Action Ballots | 195,690 |
| National Communications | 99,421 |
| Strategic legal cases | 71,732 |
| Anti - jobs cuts campaign | 58,274 |
| Department of Works and Pensions | 15,500 |
| Strike Pay | 13,240 |
| Commercial Sector Group | 4,010 |
| Customs & Excise Group | 488 |
| Alternative vision for the justice system | 212 |
| Culture Media & Sports Group | 143 |
| Mod Core Group | 57 |
| Miscellaneous costs | (3,259) |
| | 455,507 |
| Appendix 2 - Other admin costs | |
| GROUP GRANTS | 768,710 |
| PENSION SCHEME ADMINISTRATIVE COSTS | 744,699 |
| COMPUTER RUNNING COSTS | 622,441 |
| TRAVEL | 266,212 |
| BRANCH GRANTS | 262,775 |
| SUBSCRIPTION COLLECTION COSTS | 190,219 |
| OFFICE RUNNING COSTS | 169,744 |
| NEC ELECTION | 143,848 |
| SUBSISTENCE | 123,351 |
| TRADES UNION CONGRESS | 83,986 |
| PENSION PROTECTION FUND LEVY | 75,421 |
| ELECTIONS GROUPS INC OCCP ASSOCIATIONS | 70,032 |
| RESEARCH | 47,163 |
| MISCELLANEOUS OFFICE EXPENSES | 38,974 |
| BANK CHARGES | 36,459 |
| GRANTS TO OTHER GROUPINGS | 32,850 |
| ASSOCIATE MEMBERS SECTION | 18,099 |
| STAFF DEVELOPMENT | 17,822 |
| STAFF RECRUITMENT COSTS | 16,532 |
| YOUNG MEMBERS WORK | 14,583 |
| BRANCH IT SUPPORT | 9,716 |
| INTERNATIONAL MEETINGS | 6,111 |
| BAD DEBTS | 4,145 |
| HAZARDS CONFERENCE | 3,005 |
| RECRUITMENT PUBLICITY | 79 |
| GROUP COURSES | 53 |
| CANTEEN TAKINGS | (1,667) |
| | 3,765,360 |

Appendix 3 - Summary sheet

INCOME

| | Page Ref | Fund | Excl political | Political | Total |
|--|----------|-----------|-------------------|----------------|-------------------|
| Income from members | 3 | General | 21,016,540 | - | 21,016,540 |
| | 9 | Political | - | 194,844 | 194,844 |
| | 8 | Fighting | 22,089 | - | 22,089 |
| Total Income from members | | | 21,038,629 | 194,844 | 21,233,473 |
| Investment income | 3 | General | 578,405 | | 578,405 |
| Other Income | | | | | |
| Legal settlement DWP | 3 | General | 3,000,000 | | 3,000,000 |
| Gains on property | 3 | General | 2,510,259 | | 2,510,259 |
| FRS 102 adjustment actuarial gains on pensions | 3 | General | 2,300,000 | - | 2,300,000 |
| Income from other sources | 3 | General | 122,050 | - | 122,050 |
| Donations to C&D fund | 6 | C&D | | - | - |
| Total Other Income | | | 4,932,309 | - | 4,932,309 |
| TOTAL INCOME | | | 26,549,343 | 194,844 | 26,744,187 |

EXPENDITURE

| | | | | | |
|----------------------------|---|-----------|-------------------|---------------|-------------------|
| Benefits to members | 3 | General | 2,832,801 | - | 2,832,801 |
| Admin expenses | 3 | General | 15,486,316 | - | 15,486,316 |
| Affiliation Fees | 3 | General | 751,423 | - | 751,423 |
| PCS in the community | 3 | General | 2,000 | - | 2,000 |
| Donations | 3 | General | 5,800 | - | 5,800 |
| Tax | 3 | General | - | - | - |
| C&D Fund expenditure | 6 | C&D | 455,507 | - | 455,507 |
| VSER Fund expenditure | 7 | VSER | 99,079 | | 99,079 |
| Fighting fund expenditure | 8 | Fighting | - | | - |
| Political fund expenditure | 9 | Political | - | 55,576 | 55,576 |
| Total expenditure | | | 19,632,926 | 55,576 | 19,688,502 |

Summary

| Fund | Income | Expenditure | Surplus/(Deficit) for year |
|-----------|-------------------|-------------------|-------------------------------|
| General | 29,527,254 | 19,078,340 | 10,448,914 |
| Political | 194,844 | 55,576 | 139,268 |
| VSER | - | 99,079 | - 99,079 |
| C&D | - | 455,507 | - 455,507 |
| Property | - | - | - |
| Fighting | 22,089 | - | 22,089 |
| Pension | - | - | - |
| | 29,744,187 | 19,688,502 | 10,055,685 |

Appendix 4

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2018

1 Accounting policies

Basis of accounts

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

These financial statements incorporate the results of a number of semi-autonomous groups and branches operated by the Union with the estimated balance of funds held by each branch recognised within these financial statements. Movements in branch reserves are included in the year in which they occurred.

Going concern

The officers of the union have considered their obligations to prepare these financial statements on an appropriate basis, having regard to the union's net asset position at 31 December 2018.

The officers have also assessed the impact of the financial budgets in place for 2018 and beyond against the working capital available, notably its cash and investments.

The officers have also assessed the impact of the financial budgets in place for 2019 and beyond against the working capital available, notably its cash and investments. Despite a challenging environment a cash surplus arising from operations is expected in 2019.

As a result, in the opinion of the officers the union will have sufficient resources to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

a Subscriptions

Subscription income received includes amounts

remitted by, and due to be remitted from, the following sources:

- i) Pay centres who operate a payroll deduction scheme on behalf of PCS.
- ii) Members who have a direct debit facility with their bank.
- iii) Branch and office secretaries.
- iv) Members directly to headquarters.

Amounts deducted by pay centres at 31 December 2018 but not received and members paying by direct debit one month in arrears have been brought into the income and expenditure account and included in current assets within debtors.

b Investment and commercial income

All investment and commercial income is credited to the general fund when receivable.

c Taxation

As an unincorporated association the PCS 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. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses.

d Depreciation

Depreciation is calculated to write off the cost of an asset over its estimated useful working life.

- i) Depreciation on freehold property is charged, on a straight line basis, at 2% per annum.
- ii) Depreciation on leasehold property is being charged over the length of the lease.
- iii) The following are depreciated on a straight line basis at 20% per annum.
 - a) Office furniture, machinery and equipment.
 - b) Computer equipment and software.

Notes to the accounts

For the year ended 31 December 2018 (continued)

c Company cars.

Depreciation on freehold improvements is charged, on a straight line basis at 10% per annum.

d Property – Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the general fund income and expenditure account.

e Property – other

Properties are included at deemed cost, less depreciation as detailed above.

f Investments

Investments are shown at market value and any appreciation or diminution in value between cost and market price at the end of the period is shown in the general fund statement of changes in funds and reserves. Gains and losses on disposal are calculated as the difference between gross cost and net proceeds and accounted for when realised. Certain investments that are held for political rather than investment purposes are stated at cost rather than market value. These are shown separately.

g Operating Leases

Operating lease rentals are charged to the income and expenditure account evenly over the term of the lease.

h Pension costs

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting

pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the officers have made the following judgements:

Useful lives of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce.

3 Purpose of the funds and reserves

a General fund

Established to receive the subscription income and all other receipts which are intended to be used for the general purposes and meet all normal expenses and outgoings of the PCS.

b Campaign and disputes fund

Established by rule 9.11 to provide funds for special campaigns, including disputes, or highlight special issues concerning the PCS's membership.

c Political fund

Established by rule 9.12 to provide funds for campaigns which could include the furtherance of the political objectives to which section 72 of the Trade Union and Labour Relations (Consolidation) Act 1992 applies.

Notes to the accounts

For the year ended 31 December 2018 (continued)

d Property fund

Established to account for any capital costs, profits or losses, incurred in the future purchase or disposal of property.

e Voluntary selective and early retirement reserve (formerly the early retirement reserve)

Established to meet the identifiable costs of a voluntary selective early retirement scheme that allows PCS to release surplus staff.

f Fighting fund

Established to support members taking targeted industrial action, as agreed by the 2014 annual delegate conference.

g Pension reserve

Established to account for any FRS 102 revaluations on pension assets and liabilities.

Notes to the accounts

For the year ended 31 December 2018 (continued)

| | 2018 | | 2017 | |
|--|-------------|----------------|-------------|------------------|
| | £ | £ | £ | £ |
| 4 Investment income | | | | |
| Dividends and credits | | 24,827 | | 29,999 |
| Net capital gains | | 6,967 | | 11,240 |
| Unrealised (loss) / gain on investments | | (34,673) | | 8,902 |
| Interest from investment managers | | 461 | | 100 |
| | | <u>(2,418)</u> | | <u>50,241</u> |
| Pension adjustment: | | | | |
| Expected return on pension scheme assets | 5,300,000 | | 5,200,000 | |
| Interest on pension scheme liabilities | (5,200,000) | | (5,500,000) | |
| | | <u>100,000</u> | | <u>(300,000)</u> |
| | | <u>87,582</u> | | <u>(249,759)</u> |
| 5 Commercial activities | | | | |
| Advertising income | | 32,811 | | 49,525 |
| Rent | | 480,823 | | 99,012 |
| Commission received: | | | | |
| Liverpool Victoria | | 23,411 | | 51,441 |
| Lighthouse Financial Advice | | 15,257 | | - |
| BHSF | | 8,701 | | 9,911 |
| Union Income Benefit | | (246) | | 6,810 |
| Boundless | | 124 | | - |
| The People's Operator | | 704 | | - |
| | | <u>561,655</u> | | <u>216,698</u> |
| 6 Miscellaneous income | | | | |
| Other | | 166 | | 7,227 |
| | | <u>166</u> | | <u>7,227</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

7 Income received from legal settlements

The Union reached a settlement of £3,000,000 in damages from the Department of Works and Pensions (DWP) in relation to a withdrawal of a system for collecting union subscriptions direct from salaries known as "check-off".

8 Network administration (summary)

| | 2018 | | 2017 | |
|--|-------------|-------------------|-------------|-------------------|
| | £ | £ | £ | £ |
| <i>(See appendix C)</i> | | | | |
| Superannuation fund running costs | | 744,699 | | 752,003 |
| Pension Protection Fund Levy | | 75,421 | | 70,120 |
| Legal & professional fees | | 76,853 | | 39,562 |
| Credit Union Loan written off | | 4,145 | | - |
| Audit fees | | 40,502 | | 38,600 |
| Bank charges and Interest | | 36,459 | | 20,673 |
| Staff development costs | | 17,822 | | 14,218 |
| Staff recruitment costs | | 16,532 | | 23,041 |
| Computer running costs | | 622,441 | | 590,009 |
| Vehicle running costs | | 6,423 | | 4,367 |
| Pension adjustment | | | | |
| Current service costs of defined benefit schemes | 1,000,000 | | 900,000 | |
| Past service costs of defined benefit schemes | 300,000 | | - | |
| Pension contributions paid in year | (4,200,000) | | (4,100,000) | |
| | | (2,900,000) | | (3,200,000) |
| Employment costs | | 11,887,319 | | 11,329,220 |
| Accommodation running costs* | | 1,100,536 | | 1,074,711 |
| Printing, stationery and photocopying | | 110,224 | | 146,824 |
| Postage | | 66,664 | | 97,246 |
| Research | | 47,163 | | 57,302 |
| Telephone | | 120,712 | | 136,009 |
| Office costs | | 160,077 | | 219,690 |
| Subsistence | | 123,361 | | 119,055 |
| Travel | | 266,212 | | 215,934 |
| Miscellaneous | | 30,974 | | 13,051 |
| Hospitality | | - | | - |
| | | <u>12,470,607</u> | | <u>11,763,235</u> |

* Includes rent paid £385,066 (2017: £391,494)

Notes to the accounts

For the year ended 31 December 2018 (continued)

| 9 Members representative costs | Appendix | 2018 | | 2017 | |
|-------------------------------------|----------|---------|-----------|---------|-----------|
| | | £ | £ | £ | £ |
| Organising and learning | | | | | |
| Recruitment publicity | | 79 | | 3,700 | |
| National organising forums | | - | | 2,193 | |
| Youth work | | 14,503 | | 14,097 | |
| National courses | | 5,090 | | 3,631 | |
| Group and associations courses | | 53 | | 215 | |
| Branch courses | | 116,162 | | 52,559 | |
| Organising and learning publicity | | 47,726 | | 49,325 | |
| | | | 184,502 | | 130,720 |
| Other meetings | | | | | |
| International meetings | | 6,111 | | 3,769 | |
| Seminars | | 49,642 | | 74,052 | |
| National meetings | | 86,980 | | 69,537 | |
| | | | 142,743 | | 147,358 |
| National representatives | | | | | |
| Annual delegate conference | | 519,617 | | 498,040 | |
| Subsistence | | 61,939 | | 50,505 | |
| Travel | | 69,822 | | 56,290 | |
| | | | 651,378 | | 604,835 |
| Elections | | | | | |
| National | | 143,646 | | 138,237 | |
| Groups, associations and branches | | 70,032 | | 73,600 | |
| | | | 213,679 | | 211,845 |
| Local representatives | | | | | |
| Group and occupational associations | D | 768,710 | | 811,448 | |
| Branch grants | | 262,775 | | 275,018 | |
| Branch IT support | | 9,716 | | 9,295 | |
| Geographical and other structures | E | 50,949 | | 50,695 | |
| | | | 1,092,150 | | 1,146,456 |
| | | | 2,284,652 | | 2,241,214 |

Notes to the accounts

For the year ended 31 December 2018 (continued)

| 10 Members benefits | Appendix | 2018 | 2017 |
|--------------------------------------|-----------------|------------------|------------------|
| | | £ | £ |
| Death and personal accident | | 317,536 | 297,295 |
| Benevolence service | | 61,121 | 56,456 |
| Legal Services | | 267,690 | 400,523 |
| Ex IR group sickness benefit | | 3,953 | 0,602 |
| Helplines | | 59,530 | 22,900 |
| Gold badges | | - | 1,973 |
| Employment costs | | 320,193 | 366,297 |
| | | <u>1,078,002</u> | <u>1,242,126</u> |
| | | | |
| 11 Members communications | | | |
| PCS View/PCS People | | 222,215 | 415,929 |
| National publications | | - | 954 |
| Employment costs | | 1,313,076 | 1,279,695 |
| | | <u>1,535,290</u> | <u>1,696,577</u> |
| | | | |
| 12 Affiliations and donations | | | |
| Affiliation fees | G | 751,423 | 732,942 |
| PCS in the community fund | | 2,000 | 2,000 |
| Donations | F | 5,800 | 10,624 |
| | | <u>759,223</u> | <u>746,366</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

| | Investment Property £ | Freehold Property £ | Long Leasehold Properties £ | Short Leasehold Properties £ | Total Property £ |
|--|-----------------------------|---------------------------|-----------------------------------|------------------------------------|---------------------|
| 13 Tangible fixed assets | | | | | |
| Property | | | | | |
| Valuation/cost | | | | | |
| Brought forward at 1 January 2018 | 10,070,000 | 4,151,435 | 563,500 | 282,560 | 15,067,545 |
| Additions | 298,741 | - | - | - | 298,741 |
| Revaluation in year | 2,510,259 | - | - | - | 2,510,259 |
| Carried forward at 31 December 2018 | 12,879,000 | 4,151,435 | 563,500 | 282,560 | 17,876,545 |
| Depreciation | | | | | |
| Brought forward at 1 January 2018 | - | (495,625) | (20,175) | (176,052) | (699,852) |
| Depreciation for year | - | (63,026) | (5,635) | (24,075) | (92,736) |
| Carried forward at 31 December 2018 | - | (558,651) | (33,810) | (200,120) | (792,589) |
| Net book value at 31 December 2018 | 12,879,000 | 3,592,834 | 529,690 | 82,432 | 17,003,957 |
| Net book value at 31 December 2017 | 10,070,000 | 3,655,860 | 535,325 | 106,508 | * 14,367,693 |

The Unions, freehold property 160 Falcon Road is held under existing use and as investment property. The property was revalued by SHW, an external valuer, on the basis of existing use and rental property using standard RICS terms, as at the 31 December 2018.

At 31 December 2013, the property is secured. At 31 December 2016 the PTC pension scheme had a charge over the 160 Falcon Road of £7.825 million.

| EQUIPMENT | Freehold improvements | Office equipment | Computer equipment | Company cars | Total |
|--|--------------------------|---------------------|-----------------------|-----------------|--------------------|
| Cost | £ | £ | £ | £ | £ |
| Brought forward at 1 January 2018 | 891,654 | 606,907 | 3,090,714 | 10,000 | 4,599,355 |
| Elimination of fully depreciated assets | - | (43,254) | (522,465) | - | (565,719) |
| Additions in year | 1,443,096 | 78,928 | 450,419 | - | 1,900,443 |
| Carried forward at 31 December 2018 | 2,334,750 | 642,661 | 3,026,668 | 10,000 | 6,014,079 |
| Depreciation | | | | | |
| Brought forward at 1 January 2018 | - | (279,039) | (1,492,984) | (10,000) | (1,702,023) |
| Elimination of fully depreciated assets | - | 43,254 | 522,465 | - | 565,719 |
| Depreciation for year | - | (117,032) | (542,499) | - | (659,531) |
| Carried forward at 31 December 2018 | - | (352,817) | (1,513,018) | (10,000) | (1,875,835) |
| Net book value at 31 December 2018 | 2,334,750 | 289,844 | 1,513,650 | - | 4,138,243 |
| Net book value at 31 December 2017 | 891,654 | 327,940 | 1,597,730 | - | 2,817,332 |

Freehold improvements represent assets that are under construction.

Notes to the accounts

For the year ended 31 December 2018 (continued)

| 14 Taxation on surpluses on ordinary activities | 2018 | 2017 |
|--|------------------|------------------|
| | £ | £ |
| UK Corporation tax | | |
| Current tax on income from the year | - | 160,000 |
| Adjustment in respect of prior year | (200,000) | - |
| Movement in deferred tax | 200,000 | (60,000) |
| | <u>-</u> | <u>100,000</u> |
| Tax on results on ordinary activities | | |
| (Deficit) / surplus on ordinary activities before tax | <u>7,755,686</u> | <u>2,521,475</u> |
| | | |
| Surplus on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2016: 20%) | 1,473,500 | 479,000 |
| Non taxable income | (1,473,500) | (459,000) |
| Adjustment in respect of prior years | - | 140,000 |
| | <u>-</u> | <u>160,000</u> |
| Tax on results on ordinary activities | | |

| 15 Investments | Bonds and Unit Trusts and Money market | | | | | Miscellaneous holdings at cost | Total investment movement |
|--|--|------------------------|----------------|----------------|----------------|--------------------------------|---------------------------|
| | Equity | Interest bearing stock | funds | Money market | £ | | |
| | £ | £ | £ | £ | £ | £ | £ |
| Market value: | | | | | | | |
| Cost brought forward 1 January 2018 | 13,650 | 54,000 | 500,032 | 69,215 | 704,269 | 1,341,974 | |
| Unrealised gains | 9,757 | 208 | 63,509 | - | - | 73,555 | |
| Market value carried forward 1 January 2018 | <u>23,415</u> | <u>54,209</u> | <u>564,421</u> | <u>69,215</u> | <u>704,269</u> | <u>1,415,529</u> | |
| | | | | | | | |
| Movement in year-cost | | | | | | | |
| Purchases-cost | - | - | - | - | 321 | 321 | |
| Disposals-cost | (6,977) | - | - | - | (354) | (7,331) | |
| Cash deposit | - | - | - | 38,065 | - | 38,065 | |
| Cost carried forward 31 December 2018 | <u>6,681</u> | <u>54,000</u> | <u>500,032</u> | <u>107,280</u> | <u>704,236</u> | <u>1,373,029</u> | |
| Unrealised gains in year | 2,523 | (3,266) | 39,625 | - | - | 38,882 | |
| Market value carried forward 31 December 2018 | <u>9,204</u> | <u>50,734</u> | <u>540,457</u> | <u>107,280</u> | <u>704,236</u> | <u>1,411,911</u> | |

| | Appendix | 2018 | 2017 |
|----------------------------------|----------|------------------|------------------|
| | | £ | £ |
| Equities | H | 9,204 | 23,415 |
| Bonds and Interest bearing stock | I | 50,734 | 54,209 |
| Unit trusts and funds | J | 540,457 | 564,421 |
| Money market | K | 107,280 | 69,215 |
| Miscellaneous holdings at cost | L | 704,236 | 704,269 |
| | | <u>1,411,911</u> | <u>1,415,529</u> |

| 16 Debtors | | 2018 | 2017 |
|---|--|------------------|------------------|
| Recoverable in less than one year: | | | |
| Membership subscription debtor | | 1,623,046 | 1,607,968 |
| Other debtors | | 589,121 | 382,305 |
| Prepayments | | 431,090 | 469,136 |
| | | <u>2,644,056</u> | <u>2,459,408</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

| | | |
|--|------------------|------------------|
| 17 Cash at bank and in hand | 2018 | 2017 |
| | £ | £ |
| Cash | 2,143 | 2,017 |
| Bank | 2,157,366 | 1,440,257 |
| Balances in hands of groups and branches | 246,174 | 292,510 |
| | <u>2,405,709</u> | <u>1,742,784</u> |
| 18 Creditors: amounts falling due within less than one year | | |
| Trade creditors | 531,166 | 709,469 |
| Accruals | 623,726 | 735,891 |
| Deferred income | 219,394 | - |
| Corporation tax payable | 31,146 | 233,043 |
| Deferred tax payable | 200,000 | 80,000 |
| | <u>1,935,452</u> | <u>1,809,203</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

19 Commitments**Lessee**

The PCS has the following rental agreements net of VAT:

| Property leased | Date of Expiry | Total Commitment £ |
|---|-----------------|-----------------------|
| 1 Islington Liverpool, L3 | 30 June 2025 | 339,296 |
| 6 Holt Court North, Birmingham, B7 | 31 August 2018 | 32,000 |
| Lease to be ceased on completion of new premises | | |
| John Dobson St, Newcastle, NE1 | 24 March 2025 | 217,589 |
| 145 West Regent, St Glasgow G2 | 1 December 2027 | 470,976 |
| Towncentre House, Woodhouse Lane, Leeds | 24 May 2020 | 170,139 |
| 1 Cathedral Street, Cardiff, CF1 | 9 Dec 2025 | 268,621 |
| Part 2nd Floor Tony Benn House, Victoria Street, Bristol, BS1 6AY | 30 June 2030 | 163,525 |
| Peterborough, 15 Church Walk, Peterborough, PE1 22TP | 21 August 2031 | 150,315 |

Leasehold

| | | |
|---------------|------|---------|
| 5 Falcon Mews | 2113 | 202,900 |
|---------------|------|---------|

Lessor

PCS leases out office space under non-cancelable operating leases for the following future minimum lease payments. There are no contingent rents.

| | 2018 | 2017 |
|--|-------------------|----------------|
| Not later than 1 year | 968,835 | 110,158 |
| Later than 1 year and not later than 5 years | 4,364,496 | 165,925 |
| Later than 5 years | 7,093,120 | - |
| | <u>13,226,459</u> | <u>276,083</u> |

20 Contingent liabilities

On 16 December 2004 the union gave its commitment to a charge over the freehold property (Note 12) of £4.5 million to the PTC pension scheme.

On 19 January 2009 the charge was revised up to a maximum amount of £7.825 million.

21 Related party transactions

At 31 December 2018 the PTC pension scheme had a charge over the Unions freehold property (Note 13).

Notes to the accounts

For the year ended 31 December 2018 (continued)

2.2 Reconciliation of operating surplus to net cash movement from operating activities

| | 2018 | | 2017 | |
|--|-------------|-------------------------|-------------|---------------------------|
| | £ | £ | £ | £ |
| Surplus for the year – general fund | | 8,716,650 | | 3,093,906 |
| Appropriation to campaign and disputes fund | 525,000 | | 337,350 | |
| Campaign and disputes fund expenditure | (455,507) | | (770,666) | |
| Donations | - | | 1,035 | |
| | | <u>69,493</u> | | <u>60,520</u> |
| Appropriation to political fund | 194,044 | | 201,160 | |
| Political fund expenditure | (55,576) | | (75,046) | |
| | | <u>139,268</u> | | <u>126,114</u> |
| Appropriation to fighting fund | 1,022,009 | | 36,990 | |
| Fighting fund expenditure | - | | (33,439) | |
| | | <u>1,022,009</u> | | <u>3,551</u> |
| Allocation to designated reserves | - | | - | |
| Transfer from property fund | (92,736) | | (114,989) | |
| Transfer from VSER fund | - | | (433,000) | |
| VSER expenditure | (99,079) | | (317,624) | |
| | | <u>(191,815)</u> | | <u>(870,614)</u> |
| Depreciation | | 752,267 | | 745,641 |
| Pension contributions paid in year | (2,900,000) | | (3,200,000) | |
| | | <u>(2,900,000)</u> | | <u>(3,200,000)</u> |
| | | 5,607,952 | | (32,882) |
| Interest receivable | (461) | | (100) | |
| Dividends | (24,027) | | (29,999) | |
| Pension scheme income | (100,000) | | 300,000 | |
| (Gain) on sale of investments | (6,967) | | (11,240) | |
| Loss/(gain) on revaluation of investments | 34,673 | | (8,902) | |
| (Gain) on revaluation of investment property | (2,510,259) | | (1,163,661) | |
| Increase/(decrease) in creditors | 126,247 | | (741,414) | |
| (Increase)/decrease in debtors | (185,450) | | 74,054 | |
| | | <u>(2,667,043)</u> | | <u>(1,581,262)</u> |
| Net cash inflow from operating activities | | <u>2,940,909</u> | | <u>(1,614,144)</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension

The PCS operates two funded defined benefit pension schemes providing benefits based on length of service and final pensionable salary. The assets of each scheme are held separately by means of an independent trust advised by professional actuaries. In addition since the incorporation of the Association of Magisterial Officers, PCS has been a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme.

The pension charge to the general fund for all schemes for the period was £4,191,532 (2017: £4,133,625)

The PTC Pension Scheme

PCS operates this as a defined benefit scheme. The assets of the scheme are held, almost entirely, by Aon PLC in the form of individual holdings of equities, unit trusts, government securities, hedge funds and cash. An actuarial valuation of the scheme was carried out at 31 December 2015.

Employer contributions to the scheme charged to the general fund amounted to £2,770,846. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

The main actuarial assumptions were:

Rate of pay increases 1.5% pa
Rate of pension increases – RPI 3.2% pa

Expenses incurred in operating the scheme are charged to the PCS general fund income and expenditure account.

An interim valuation has been performed as at 31 December 2018 for FRS 102 accounting purposes and the assumptions used and the deficit within the scheme are disclosed as follows

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under Pension are set out below:

Main financial assumptions

| | at 31 December 2018 (% p.a.) | at 31 December 2017 (% p.a.) | at 31 December 2016 (% p.a.) |
|--|---------------------------------|---------------------------------|---------------------------------|
| Inflation assumption-RPI | 3.2 | 3.2 | 3.3 |
| Rate of general long-term increase in salaries | 1.5 | 1.5 | 1.5 |
| Rate of increases to pensions in payment | 3.2 | 3.2 | 3.3 |
| Discount rate for scheme liabilities | 2.0 | 2.5 | 2.7 |

The scheme rules link to RPI not CPI.

Notes to the accounts

For the year ended 31 December 2018 (continued)

2.3 Pension (continued)

The PTC Pension Scheme (continued)

Mortality assumption

The 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 on average for a further 26.7 years if they are male and 28.6 years if they are female. A member currently aged 45 will live an additional 27.8 years from the age of 60 if they are male and 29.9 years if they are female.

The assets in the scheme and the expected rates of return were:

| | Value at 31 December 2018 | Value at 31 December 2017 | Value at 31 December 2016 |
|-------------------------|------------------------------|------------------------------|------------------------------|
| | £m | £m | £m |
| Equities | 16.7 | 42.7 | 43.0 |
| Hedge fund | 15.2 | - | - |
| Opportunities portfolio | 2.9 | - | - |
| Other liquid assets | 4.9 | - | - |
| Property | 2.8 | 7.6 | 5.4 |
| Government bonds | 6.7 | 28.6 | 27.9 |
| Hedging components** | 40.5 | 8.9 | 9.1 |
| Corporate bonds | 17.7 | 7.5 | 7.1 |
| Alternative investments | - | 13.3 | 10.1 |
| Cash & other | 0.4 | 3.8 | 0.7 |
| Combined | <u>107.6</u> | <u>112.4</u> | <u>104.1</u> |

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

** This includes an annuity policy held with Sun Life

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2018.

Reconciliation of funded status to balance sheet

| | Value at 31 December 2018 | Value at 31 December 2017 | Value at 31 December 2016 |
|---|------------------------------|------------------------------|------------------------------|
| | £m | £m | £m |
| Fair value of scheme assets | 107.6 | 112.4 | 104.1 |
| Present value of funded defined benefit obligations | (125.2) | (133.6) | (132.3) |
| (Liability) recognised on balance sheet | <u>(17.6)</u> | <u>(21.2)</u> | <u>(28.2)</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)**The PTC Pension Scheme (continued)****Analysis of Income and expenditure charge**

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Current service cost | 0.3 | 0.3 |
| Past service cost | 0.3 | - |
| Interest cost | 3.3 | 3.5 |
| Expected return on scheme assets | (2.8) | (2.8) |
| Expenses recognised in income and expenditure | <u>1.1</u> | <u>1.0</u> |

Changes to the present value of the defined benefit obligation during the year

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Opening defined benefit obligation | 133.6 | 132.3 |
| Current service cost | 0.3 | 0.3 |
| Interest cost | 3.3 | 3.5 |
| Contributions by scheme participants | 0.2 | 0.2 |
| Actuarial (loss)/ gain on scheme liabilities* | (9.2) | 0.4 |
| Net benefits paid out | (3.3) | (3.1) |
| Past service cost | 0.3 | - |
| Closing defined benefit obligation | <u>125.2</u> | <u>133.6</u> |

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Opening fair value of scheme assets | 112.4 | 104.1 |
| Expected return on scheme assets | 2.0 | 2.0 |
| Actuarial gain/(loss) on scheme assets | (7.3) | 5.6 |
| Contributions by the employer from all funds | 2.0 | 2.0 |
| Contributions by scheme participants | 0.2 | 0.2 |
| Net benefits paid out | (3.3) | (3.1) |
| Closing fair value of scheme assets | <u>107.6</u> | <u>112.4</u> |

Actual return on scheme assets

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Expected return on scheme assets | 2.0 | 2.0 |
| Actuarial gain/(loss) on scheme assets | (7.3) | 5.6 |
| Actual return on scheme assets | <u>(4.5)</u> | <u>6.4</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)

The PTC Pension Scheme (continued)

Analysis of amounts recognised in statement comprehensive income (SOCl)

| | Year ended 31 December 2018 £m | Year ended 31 December 2017 £m |
|--|---|---|
| Total actuarial gains/(losses) | (1.9) | 5.2 |
| Total gain/(loss) in SOCl | (1.9) | 5.2 |
| Cumulative amount of (losses) recognised in SOCl | (35.7) | (33.0) |

History of asset values, defined benefit obligation and surplus/(deficit) in scheme

| | Year ended 31 December 2018 £m | Year ended 31 December 2017 £m | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m |
|-----------------------------|---|---|---|---|---|
| Fair value of scheme assets | 107.6 | 112.4 | 104.1 | 90.2 | 80.6 |
| Defined benefit obligation | (125.2) | (133.6) | (132.3) | (107.4) | (111.7) |
| Deficit in scheme | (17.6) | (21.2) | (28.2) | (17.2) | (23.1) |

History of experience gains and losses

| | Year ended 31 December 2018 £m | Year ended 31 December 2017 £m | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m |
|--|---|---|---|---|---|
| Experience gains/(losses) on scheme assets | 7.3 | 5.6 | 11.0 | (0.6) | 0.1 |
| Experience gains/(losses) on scheme liabilities* | (9.2) | (0.4) | (23.5) | 5.2 | - |

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)

The CPSA Pension Scheme

PCS operates this as a defined benefit scheme. A full actuarial valuation of the scheme was carried out as at 31 December 2015.

The assets of the scheme are held by Legal & General and Hermes in the form of managed funds.

The main actuarial assumptions are:

Rate of pay increases 1.5%
Rate of pension increases – CPI 2.1%

The pension fund meets expenses incurred in operating the scheme.

Employer contributions to the scheme amounted to £1,387,704. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

An interim valuation has been performed as at 31 December 2018 for FRS 102 accounting purposes and the assumptions used and the surplus within the scheme are disclosed as follows:

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under Pension are set out below:

Main financial assumptions

| | 31 December 2018 | 31 December 2017 | 31 December 2016 |
|--|------------------|------------------|------------------|
| | (% p.a.) | (% p.a.) | (% p.a.) |
| Inflation assumption – CPI | 2.1 | 2.1 | 2.2 |
| Rate of general long-term increase in salaries | 1.5 | 1.5 | 1.5 |
| Rate of increases to pensions in payment | 2.1 | 2.1 | 2.2 |
| Discount rate for scheme liabilities | 2.9 | 2.5 | 2.7 |

The scheme rules link inflation assumptions to CPI.

Mortality assumption

The 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 on average for a further 26.7 years if they are male and 28.6 years if they are female. A member currently aged 45 will live an additional 27.8 years from the age of 60 if they are male and 29.9 years if they are female.

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)

The CPSA pension scheme (continued)

The assets in the scheme and the expected rates of return were:

| | Value at 31 December 2018 | Value at 31 December 2017 | Value at 31 December 2016 |
|-------------------------|------------------------------|------------------------------|------------------------------|
| | £m | £m | £m |
| Equities | 0.7 | 41.2 | 37.7 |
| Property | 3.9 | 1.5 | 9.7 |
| Opportunities portfolio | 2.0 | - | - |
| Other liquid assets | 4.5 | - | - |
| Government bonds | 18.0 | 24.3 | 23.7 |
| Corporate bonds | 13.1 | 14.1 | 13.5 |
| Diversified Growth Fund | 14.3 | 7.9 | 7.3 |
| Hedging component | 31.7 | - | - |
| Other | 0.2 | 9.7 | 0.5 |
| Combined | <u>96.4</u> | <u>98.7</u> | <u>92.4</u> |

*The overall expected rate of return on scheme assets is a weighted average of the individual expected rates of return on each asset class.

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2018.

Reconciliation of funded status to balance sheet

| | Value at 31 December 2018 | Value at 31 December 2017 | Value at 31 December 2016 |
|---|------------------------------|------------------------------|------------------------------|
| | £m | £m | £m |
| Fair value of scheme assets | 96.4 | 98.7 | 92.4 |
| Present value of funded defined benefit obligations | (72.1) | (76.1) | (76.7) |
| Asset recognised on balance sheet | <u>24.3</u> | <u>22.6</u> | <u>15.7</u> |

Analysis of income and expenditure charge

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Current service cost | 0.7 | 0.6 |
| Interest cost | (0.6) | (0.4) |
| Expenses recognised in income and expenditure | <u>0.1</u> | <u>0.2</u> |

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)

The CPSA pension scheme (continued)

Changes to the present value of the defined benefit obligation during the year

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Opening defined benefit obligation | 76.1 | 76.7 |
| Current service cost | 0.7 | 0.6 |
| Interest cost | 1.9 | 2.0 |
| Contributions by scheme participants | 0.4 | 0.4 |
| Actuarial losses/(gains) on scheme liabilities* | (4.9) | 0.3 |
| Net benefits paid out | (2.1) | (3.9) |
| Closing defined benefit obligation | 72.1 | 76.1 |

* Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Opening fair value of scheme assets | 90.7 | 92.4 |
| Expected return on scheme assets | 2.5 | 2.4 |
| Actuarial gains/(losses) on scheme assets | (4.5) | 6.1 |
| Contributions by the employer from all funds | 1.4 | 1.3 |
| Contributions by scheme participants | 0.4 | 0.4 |
| Net benefits paid out | (2.1) | (3.9) |
| Closing fair value of scheme assets | 96.4 | 98.7 |

Actual return on scheme assets

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|--|--------------------------------|--------------------------------|
| | £m | £m |
| Expected return on scheme assets | 2.5 | 2.4 |
| Actuarial gain/(loss) on scheme assets | (4.5) | 6.1 |
| Actual return on scheme assets | (2.0) | 6.5 |

Analysis of amounts recognised in statement of comprehensive income (SOCl)

| | Year ended 31 December 2018 | Year ended 31 December 2017 |
|---|--------------------------------|--------------------------------|
| | £m | £m |
| Total gain/(loss) in SOCl | (0.4) | 5.8 |
| Total actuarial gain/(loss) in SOCl | (0.4) | 5.8 |
| Cumulative amount of (losses) recognised in SOCl | 2.9 | 3.3 |

Notes to the accounts

For the year ended 31 December 2018 (continued)

23 Pension (continued)

The CPSA pension scheme (continued)

History of asset values, defined benefit obligation and surplus in scheme

| | Year ended 31 December 2018 £m | Year ended 31 December 2017 £m | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m |
|-----------------------------|---|---|---|---|---|
| Fair value of scheme assets | 96.4 | 90.7 | 92.4 | 79.0 | 70.0 |
| Defined benefit obligation | (72.1) | (76.1) | (76.7) | (63.1) | (66.1) |
| Surplus in scheme | 24.3 | 22.6 | 15.7 | 15.9 | 12.7 |

History of experience gains and losses

| | Year ended 31 December 2018 £m | Year ended 31 December 2017 £m | Year ended 31 December 2016 £m | Year ended 31 December 2015 £m | Year ended 31 December 2014 £m |
|--|---|---|---|---|---|
| Experience gains/(losses) on scheme assets | 4.4 | 6.1 | 11.2 | (0.3) | 3.6 |
| Experience (losses)/gains on scheme liabilities* | (4.0) | (0.3) | (12.5) | 2.9 | (0.2) |

* This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

The General Federation of Trade Unions Pension Scheme (GFTU)

The union participates in the GFTU defined benefit pension scheme, a multi-employer scheme. Previously it was not possible to identify the union's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and as a result contributions were charged to the income and expenditure account as they were paid. Following discussions with the scheme actuary it has now been established that it is possible to identify the assets and liabilities attributable to the union. However, the officers of the union are of the opinion that the cost of obtaining the precise value of their share of the scheme deficit as at 31 December 2018 along with disclosures required to fully comply with PPS 102 Section 28 "Employees Benefits" outweighs the benefits given the known immaterial value of the union's share of assets and liabilities. Therefore these financial statements have continued to treat this scheme as if it were a defined contribution scheme.

The charge to PCS general fund for the year was £24,962 (2017: £24,847).

Reserves

| | Year ended 31 December 2017 £m | Year ended 31 December 2017 £m |
|--|---|---|
| Funds as stated excluding pension assets/(liabilities) | 25.0 | 21.0 |
| Pension liability | (17.6) | (21.2) |
| Pension asset | 24.2 | 22.6 |
| Adjusted funds figure including pension assets/(liabilities) | 32.4 | 22.4 |

24 Contingent assets

In 2018, the Union reached a settlement of £3,000,000 in damages from the Department of Works and Pensions (DWP) in relation to a withdrawal of a system for collecting union subscriptions direct from salaries known as "check-off".

The High Court has declared that the DWP breached our members' contracts when withdrawing check off and has also declared that PCS can claim damages under the Contracts (Rights of Third Parties) Act 1999.

The Union will now be pursuing similar claims against other employers who withdrew check off.

OFFICERS OF PCS AT 31 DECEMBER 2018

| | |
|-------------------------------------|--|
| General Secretary: | Mark Serwotka |
| President: | Janice Godrich |
| Deputy President: | Fran Heathcote |
| Vice President: | Kevin McHugh Jacqueline Green Zita Holbourne |
| Assistant General Secretary: | Chris Baugh |

NATIONAL EXECUTIVE COMMITTEE MEMBERS

| | |
|------------------|-------------------|
| Phil Dickins | John Jamieson |
| Martin Cavanagh | Neil License |
| Clive Bryant | Tahir Latif |
| Alan Dennis | Marion Lloyd |
| Mark Baker | Kenny McKay |
| Harvey Crane | Lorna Merry |
| Angela Grant | Annette Rochester |
| Austin Harney | Marianne Owens |
| John McInally | Dave Semple |
| Steve Thorley | Ian Pope |
| Sam Hall | Karen Watts |
| Katrine Williams | Hector Wesley |
| Felicity Flynn | Paul Williams |
| Candy Udwin | |
| John Maguire | |