

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

Trade Union's details

Name of Trade Union:	<div>Prospect</div>
Year ended:	<div>31 December 2018</div>
List number:	<div>771T</div>
Head or Main Office address:	<div>New Prospect House 8 Leake Street London SE1 7NN</div>
Has the address changed during the year to which the return relates?	<div>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)</div>
Website address (if available)	<div>www.prospect.org.uk</div>
General Secretary:	<div>Mr M Clancy</div>
Telephone Number:	<div>020 7902 6600</div>
Contact name for queries regarding the completion of this return:	<div>Joanne Rowe</div>
Telephone Number:	<div>020 7902 2262</div>
E-mail:	<div>Joanne.rowe@prospect.org.uk</div>

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	97,425	1,588	43	3,680	102,736
Female	37,271	615	14	3,230	41,130
Total	134,696	2,203	57	6,910	A 143,866

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

143,866

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

469

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
President	Denise McGuire	Craig Marshall	June 2018
Deputy vice-president		Neil Hope-Collins	June 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
Craig Marshall	President
Eleanor Wade	Vice-president
Ann Jones	Deputy vice-president
Neil Hope-Collins	Deputy vice-president
Mike Clancy	General Secretary

General fund

(see notes 13 to 18)

	£'000	£'000
Income		
From Members: Contributions and Subscriptions	21,284	
From Members: Other income from members (specify)	-	
Total other income from members		-
Total of all income from members		21,284
Investment income (as at page 12)	2,191	
Other Income		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	329	
Defined Pension Scheme Remeasurement	2,772	
Total of other income (as at page 4)		5,292
	Total income	26,576
Expenditure		
Benefits to members (as at page 5)		811
Administrative expenses (as at page 10)		21,840
Federation and other bodies (specify)		
Loss on Sale of Investments	72	
Change in Investment Values	2,549	
Affiliations	629	
Donations	29	
Net Pension Scheme Expenditure	946	
Total expenditure Federation and other bodies		4,225
Taxation		-
	Total expenditure	26,876
Surplus (deficit) for year		(300)
Amount of general fund at beginning of year		22,178
Amount of general fund at end of year		21,878

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

Description	£'000	£'000
Federation and other bodies	-	
Total federation and other bodies		-
Other income		
Membership Services Income	52	
Compromise Agreements	271	
Sundry Income	6	
Total other income		329
Total of all other income		329

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

	£'000		£'000
Representation – Employment Related Issues	16	brought forward	600
Representation – Non Employment Related Issues			
Communications		Negotiated Discount Services	-
Printing & Distribution	259	Salary Costs	-
Website	168		
		Other Benefits and Grants (specify)	
		Recruitment	211
Dispute Benefits (Ballots)	86		
Other Cash Payments (Death Benefits)	71		
carried forward	600	Total (should agree with figure in General Fund)	811

Accounts other than the revenue account/general fund

(see notes 21 to 23)

Fund 2		Fund Account	
Name:		£	£
Income			
From members			
Investment income (as at page 12)			
Other income (specify)			
Total other income as specified			
Total Income			
Expenditure			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
Total Expenditure			
Surplus (Deficit) for the year			
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			
Number of members contributing at end of year			

Fund 3		Fund Account	
Name:		£	£
Income			
From members			
Investment income (as at page 12)			
Other income (specify)			
Total other income as specified			
Total Income			
Expenditure			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
Total Expenditure			
Surplus (Deficit) for the year			
Amount of fund at beginning of year			
Amount of fund at the end of year (as Balance Sheet)			
Number of members contributing at end of year			

(See notes 21 to 23)

Fund 4		Fund Account	
Name:		£	£
Income			
From members			
Investment income (as at page 12)			
Other income (specify)			
	Total other income as specified		
	Total Income		
Expenditure			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
	Total Expenditure		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

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

(See notes 21 to 23)

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

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

Political fund account

(see notes 24 to 33)

Political fund account 1		To be completed by trade unions which maintain their own political fund	
		£'000	
Income	Members contributions and levies	£	69
	Investment income (as at page 12)	£	-
	Other income (specify)	£	-
	Total other income as specified		
	Total income		69
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)	£	85
	Total expenditure		85
	Surplus (deficit) for year		(16)
	Amount of political fund at beginning of year		629
	Amount of political fund at the end of year (as Balance Sheet)		613
	Number of members at end of year contributing to the political fund		114,484
	Number of members at end of the year not contributing to the political fund		29,382
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		29,382

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		

Political fund account expenditure (a)

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

Name of political party in relation to which money was expended	Total amount spent during the period £
Nil return	
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 £
Nil return	
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))	£
Nil return			
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	£
Nil return	
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	£
Nil return	
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	£
Nil return	
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	£'000
Civil Service Live 2018 Sponsorship (DODS)	10,680
Renewable Energy Presentation December 2018	4,381
QinetiQ Campaign (closed March 2018)	147
Fringe Support at Labour, Lib Dem and SNP Conferences 2018 – Smiths Institute	18,000
Fringe Support at Conservative Party Conference - Connect	8,305
Northern Energy Skills Transition Project – July 2018	7,500
Breaking the Bias Jan 2018	1,013
EU – Brexit events Feb, June and Nov 2018	1,592
Total	
Total expenditure	51,618
(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	£
2016 – FDA - PUBLIC SRV + CIVIL SRV SUPERANNUATION CONSULT (50% shared cost)	420
Paterson and Brewer – Professional Advice re Political Fund Rule Changes	9,676
MILLER TECH- - Database changes for Political Fund Compliance	14,345
Total	
Total expenditure	24,441
(c) the total amount of all other money expended	£
Miscellaneous	9,103
Total	
Total expenditure	9,103

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

(see notes 34 and 35)

		£'000
Administrative Expenses		
Remuneration and expenses of staff		16,313
Salaries and Wages included in above	£14,826	
Auditors' fees		122
Legal and Professional fees		313
Occupancy costs		1,403
Stationery, printing, postage, telephone, etc.		387
Expenses of Executive Committee (Head Office)		132
Expenses of conferences		563
Other administrative expenses (specify)		
Branch Expenses		953
Education & Training		199
Research		42
Editorial Publications		65
Advisory Services		152
IT Costs		304
Bank charges,		14
Sundry Office Expenses		115
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		-
Mortgages		-
Other loans		-
Depreciation		695
Taxation		-
Outgoings on land and buildings (specify)		
Equipment Maintenance and Repairs		68
Other outgoings (specify)		
Total		21,840
Charged to:	General Fund (Page	
	Fund (Account)	
	Fund (Account)	
	Fund Account)	
	Fund (Account)	
Total		

Analysis of officials' salaries and benefits

(see notes 36 to 46)

[illegible]

Analysis of investment income

(see notes 47 and 48)

	Political Fund £'000		Other Fund(s) £'000
Rent from land and buildings			132
Dividends (gross) from:			
Equities (e.g. shares)			671
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Surplus on Sale of Buildings			1,388
			2,191
		Total investment income	2,191
Credited to:			
		General Fund (Page 3)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	2,191

Balance sheet as at

31 December 2018

(see notes 49 to 52)

Previous Year £'000		£'000	£'000
16,549	Fixed Assets (at page 14)		14,285
	Investments (as per analysis on page 15)		
31,297	Quoted (Market value £30,385,000)	30,385	
917	Unquoted	2,449	
<u>48,763</u>	Total Investments		32,834
	Other Assets		
	Loans to other trade unions	-	
1,986	Sundry debtors	2,080	
2,601	Cash at bank and in hand	2,262	
	Income tax to be recovered	-	
	Stocks of goods	-	
	Others (specify)		
<u>4,587</u>	Total of other assets		4,342
53,350	Total assets		51,461
22,178	Fund (Account)		21,878
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
629	Political Fund (Account)		613
	Revaluation Reserve		
	Liabilities		
	Amount held on behalf of central trade union political fund		-
	Loans: From other trade unions		-
	Loans: Other		-
	Bank overdraft		-
	Tax payable		-
1,116	Sundry creditors		1,369
	Accrued expenses		-
	Provisions		-
29,427	Other liabilities (Pension Scheme)		27,601
<u>30,543</u>	Total liabilities		28,970
53,350	Total assets		51,461

Fixed assets account

(see notes 53 to 57)

	Land and Buildings Freehold Leasehold £'000 £'000		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
Cost or Valuation						
At start of year	18,043	-	1,488	914	-	20,445
Additions	-	-	395	87	-	482
Disposals	(2,285)	-	-	(107)	-	(2,392)
Revaluation/Transfers						
At end of year	15,758	-	1,883	894	-	18,535
Accumulated Depreciation						
At start of year	2,475	-	930	491	-	3,896
Charges for year	234	-	376	85	-	695
Disposals	(273)	-	-	(68)	-	(341)
Revaluation/Transfers						
At end of year	2,436	-	1,306	508	-	4,250
Net book value at end of year	13,322	-	577	386	-	14,285
Net book value at end of previous year	15,568	-	558	423	-	16,549

Analysis of investments

(see notes 58 and 59)

Quoted		All Funds Except Political Funds £'000	Political Fund £'000
	Equities (e.g. Shares)	6,366	
	Government Securities (Gilts)		
	Other quoted securities (to be specified)		
	Unit Trusts	24,019	
	Bank Deposits	-	
	Total quoted (as Balance Sheet)	30,385	
	Market Value of Quoted Investment	30,385	
Unquoted	Equities		
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies	1,988	
	Other unquoted investments (Unity Trust Bank shares)	461	
	Total unquoted (as Balance Sheet)	2,449	
	Market Value of Unquoted Investments	2,449	

Analysis of investment income (controlling interests)

(see notes 60 and 61)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
Company name	Company registration number (if not registered in England & Wales, state where registered)		
Prospect Custodian Trustees Ltd	3836445		

Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" 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 Fund £'000	Political Funds £'000	Total Fund £'000
Income			
From Members	21,284	69	21,353
From Investments	2,191	-	2,191
Other Income (including increases by revaluation of assets)	3,101	-	3,101
Total Income	26,576	69	26,646
Expenditure (including decreases by revaluation of assets)	26,876	85	26,961
Total Expenditure	26,876	85	26,961
Funds at beginning of year (including reserves)	22,178	629	22,807
Funds at end of year (including reserves)	21,878	613	22,491
Assets			
Fixed Assets			14,285
Investment Assets			32,834
Other Assets			4,342
Total Assets			51,461
Liabilities			
Total Liabilities			28,970
Net assets (Total Assets less Total Liabilities)			22,491

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: 14

For each ballot held please complete the information below:

Ballot 1

Number of individuals who were entitled to vote in the ballot 43

Number of votes cast in the ballot 30

Number of Individuals answering "Yes" to the question 29 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 Y / N

Ballot 2

Number of individuals who were entitled to vote in the ballot 38

Number of votes cast in the ballot 24

Number of Individuals answering "Yes" to the question 20 ¹

Number of Individuals answering "No" to the question 4 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 Y / N

For additional ballots please continue on next page

Ballot 3

Number of individuals who were entitled to vote in the ballot 89

Number of votes cast in the ballot 49

Number of Individuals answering "Yes" to the question 49 ¹

Number of Individuals answering "No" to the question 0 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 Y / N

Ballot 4

Number of individuals who were entitled to vote in the ballot 90

Number of votes cast in the ballot 50

Number of Individuals answering "Yes" to the question 48 ¹

Number of Individuals answering "No" to the question 2 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 Y / N

Ballot 5

Number of individuals who were entitled to vote in the ballot 35

Number of votes cast in the ballot 31

Number of Individuals answering "Yes" to the question 28 ¹

Number of Individuals answering "No" to the question 3 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 Y / N

Use a continuation sheet if necessary

Ballot 6

Number of individuals who were entitled to vote in the ballot 35

Number of votes cast in the ballot 31

Number of Individuals answering "Yes" to the question 30 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 Y / N

Ballot 7

Number of individuals who were entitled to vote in the ballot 125

Number of votes cast in the ballot 82

Number of Individuals answering "Yes" to the question 70 ¹

Number of Individuals answering "No" to the question 12 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 Y / N

Ballot 8

Number of individuals who were entitled to vote in the ballot 1,136

Number of votes cast in the ballot 678

Number of Individuals answering "Yes" to the question 628 ¹

Number of Individuals answering "No" to the question 48 ²

Number of invalid or otherwise spoiled voting papers returned 2 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)? Y

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 Y

Use a continuation sheet if necessary

Ballot 9

Number of individuals who were entitled to vote in the ballot 41

Number of votes cast in the ballot 35

Number of Individuals answering "Yes" to the question 33 ¹

Number of Individuals answering "No" to the question 2 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)? Y

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 Y

Ballot 10

Number of individuals who were entitled to vote in the ballot 41

Number of votes cast in the ballot 35

Number of Individuals answering "Yes" to the question 34 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)? Y

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 Y

Ballot 11

Number of individuals who were entitled to vote in the ballot 77

Number of votes cast in the ballot 35

Number of Individuals answering "Yes" to the question 31 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 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 Y / N

Use a continuation sheet if necessary

Ballot 12

Number of individuals who were entitled to vote in the ballot 77

Number of votes cast in the ballot 35

Number of Individuals answering "Yes" to the question 31 ¹

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

Number of invalid or otherwise spoiled voting papers returned 2 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 Y / N

Ballot 13

Number of individuals who were entitled to vote in the ballot 71

Number of votes cast in the ballot 40

Number of Individuals answering "Yes" to the question 29 ¹

Number of Individuals answering "No" to the question 10 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 Y / N

Ballot 14

Number of individuals who were entitled to vote in the ballot 71

Number of votes cast in the ballot 40

Number of Individuals answering "Yes" to the question 29 ¹

Number of Individuals answering "No" to the question 7 ²

Number of invalid or otherwise spoiled voting papers returned 4 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 Y / N

Use a continuation sheet if necessary

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

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: 20 Jan to 14 Mar 2018

3. Number of days of industrial action: 9

4. Nature of industrial action. Strike Action

Industrial Action 2

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: 20 Jan to 3 Jun 2018

3. Number of days of industrial action: 12

4. Nature of industrial action. Strike Action

Industrial Action 3

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: 29 Nov to 31 Dec 2018

3. Number of days of industrial action: 32

4. Nature of industrial action. Action Short of a Strike

Use a continuation page if necessary

Industrial Action 4

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: 7 Dec 2018

3. Number of days of industrial action: 2 Hours

4. Nature of industrial action. Strike Action

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 ☐

2. Dates of the industrial action taken: 1 Jan 25 May 2018

3. Number of days of industrial action: 3

4. Nature of industrial action. Strike Action

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: 16 to 19 Mar 2018

3. Number of days of industrial action: 2

4. Nature of industrial action. Strike Action

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: 16 Mar to 4 Apr 2018

3. Number of days of industrial action: 10

4. Nature of industrial action. Action Short of a Strike

Industrial Action 8

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.

PROSPECT

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

Critical Judgements

Under HMRC rules affecting taxation of trade unions, a corporation tax liability does not arise on chargeable gains arising from the disposal of properties and investments where such gains are reinvested into other chargeable assets in the same accounting period. The Union has adopted a policy whereby such chargeable gains are all reinvested, thereby eliminating any corporation tax liability. Where the proceeds are not fully reinvested, no corporation tax liability is considered likely to arise due to the availability of sufficient excess expenditure on provident benefits. Accordingly in the opinion of the management, the revaluation of properties and investments does not give rise to a timing difference and to deferred tax liabilities.

Key Sources of estimation uncertainty

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 19.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

3 OTHER INCOME FROM MEMBERS

This comprises mainly of income from settlement agreements and was previously netted off against the costs of benefits to members in previous years.

	2018 £'000	2017 £'000
4 COMMITTEES AND CONFERENCES		
National Committees	132	137
National and Sector Conferences	563	284
	<u>695</u>	<u>421</u>
5 LOCAL DEMOCRATIC ORGANISATION AND EDUCATION		
Professional, Departmental and Other Groups	152	122
Branches and Sections	953	855
Education and Training	199	195
	<u>1,304</u>	<u>1,171</u>
6 EMPLOYMENT COSTS		
Staff Salary Costs	13,296	12,518
Additional Pension Contributions	1,538	1,807
Travel, Subsistence and Mobile Phones	711	729
Other Staffing Costs	398	468
	<u>15,943</u>	<u>15,522</u>
7 PROPERTY COSTS		
Rent, Rates and Service Charges	788	697
Light and Heat	132	121
Decoration, Repairs and Maintenance	136	228
Cleaning and Security	245	221
Property Depreciation	234	236
Insurance and Health and Safety	102	100
	<u>1,637</u>	<u>1,602</u>

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

	2018 £'000	2017 £'000
8 ADMINISTRATION & OTHER SUPPLIES		
Equipment Maintenance and Repairs	153	124
Printing, Stationery and Postage	221	261
Telephone	166	185
IT Costs	595	504
Other Office Services	115	119
Bank Charges and Collection of Subscriptions	14	13
Research, Publications and Subscriptions	42	41
Editorial Publishing and Publicity	65	104
Legal, Professional and Audit Fees	434	333
	<u>1,805</u>	<u>1,684</u>
9 BENEFIT TO MEMBERS		
Affiliations and Donations	658	642
Members Benefits	600	744
Recruitment and Organisation	211	241
	<u>1,469</u>	<u>1,626</u>
10 OTHER INCOME		
Membership Services/net VAT recovered	54	114
Net Journal Income	(2)	8
	<u>52</u>	<u>122</u>

11 NET PENSION SCHEME EXPENDITURE

	PPS		CPS		BECTU	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Current service cost	(2,753)	(2,655)	(356)	(377)	(431)	(380)
Admin Costs	(198)	(179)	(40)	-	(96)	(67)
Contributions	2,170	2,256	590	578	868	919
	<u>(781)</u>	<u>(578)</u>	<u>194</u>	<u>201</u>	<u>341</u>	<u>472</u>
Interest on scheme assets	2,355	2,372	325	328	525	540
Interest on scheme liabilities	(2,463)	(2,681)	(704)	(700)	(738)	(802)
Net interest on defined benefit liability	<u>(108)</u>	<u>(309)</u>	<u>(379)</u>	<u>(372)</u>	<u>(213)</u>	<u>(262)</u>
Net pension scheme (expenditure)/Income	<u>(889)</u>	<u>(887)</u>	<u>(185)</u>	<u>(171)</u>	<u>128</u>	<u>210</u>

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

12 EXCEPTIONAL ITEMS**Exceptional Income**

Exceptional income relates to the sale of the Chertsey Office. The income is calculated as the proceeds received less the carrying value.

Exceptional Costs

	2018	2017
	£'000	£'000
Restructuring Costs	456	734
	<u>456</u>	<u>734</u>

This relates to staffing costs following the transfer of engagements of BECTU.

13 TANGIBLE FIXED ASSETS

	Land & Buildings £'000	Office Equipment £'000	Motor Vehicles £'000	Total £'000
COST				
At 1 January 2018	18,043	1,488	914	20,445
Additions	-	395	87	482
Disposals	(2,285)	-	(107)	(2,392)
At 31 December 2018	<u>15,758</u>	<u>1,883</u>	<u>894</u>	<u>18,535</u>
Depreciation				
At 1 January 2018	2,475	930	491	3,896
Charge for the Year	234	376	85	695
Disposals	(273)	-	(68)	(341)
At 31 December 2018	<u>2,436</u>	<u>1,306</u>	<u>508</u>	<u>4,250</u>
Net book value				
At 31 December 2018	<u>13,322</u>	<u>577</u>	<u>386</u>	<u>14,285</u>
At 31 December 2017	<u>15,568</u>	<u>558</u>	<u>423</u>	<u>16,549</u>

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2018

14 INVESTMENTS

	2018 £'000
Market Value	
At 1 January 2018	32,214
Additions	3,031
Disposals	(1,326)
Net movement in cash deposits	1,536
Surplus on sale of investments	(72)
Change in Investment Values	(2,549)

At 31 December 2018	32,834
----------------------------	---------------

	<u>Cost</u> £'000	<u>Market Value</u> £'000
Quoted Equities and Gilts	5,518	6,366
Unit Trusts	18,637	24,019
Bank deposits	1,988	1,988
Unquoted Shares	336	461
	<u>26,479</u>	<u>32,834</u>

As set out in the accounting policies, no provision has been made for deferred tax due to the reinvestment policy adopted by the Union.

15 DEBTORS

	2018 £'000	2017 £'000
Trade Debtors	1,335	1,410
Other Debtors	308	88
Prepayments and accrued income	437	488
	<u>2,080</u>	<u>1,986</u>

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

16 CREDITORS

	2018	2017
	£'000	£'000
Trade Creditors	446	309
Other Creditors	290	203
Other Taxes and Social Security	349	367
Accruals and Deferred Income	284	237
	<u>1,369</u>	<u>1,116</u>

17 TRANSFER OF ENGAGEMENTS BECTU

On 1 January 2017 the transfer of engagements of the Broadcasting, Entertainment, Cinematograph and Theatre Union (BECTU) to Prospect took place.

In accordance with FRS102, the transfer of engagements of BECTU to Prospect has been recognised as an acquisition in Prospect's accounts at the fair value of BECTU's net assets/liabilities as at 1 January 2017.

18 CONTINGENT LIABILITIES

The Union is involved in numerous on going legal cases on behalf of its members, the outcome of which is inevitably uncertain. Provision has been made for the estimated unbilled costs where the Union considers that they may not be totally recovered.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

19 STAFF PENSION SCHEMES

The Union currently operates three defined benefit pension schemes for its employees; Prospect, BECTU and Connect. The assets for all of the schemes are held in trustee administered funds separate from the Union's finances. This note sets out the pension cost information required for Prospect to meet its pension obligations as specified under FRS 102. The accounting date to which these disclosures relate is 31 December 2018.

The Prospect Pension Scheme (PPS) employs a building block approach in determining the long-term rate of return on pension plan 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.

The Connect Pension Scheme (CPS) assets are all invested in unit-linked policies. The expected return on assets is obtained by considering the expected return on risk free investments (primarily government bonds), the historic level of the risk premium associated with other asset classes and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the underlying distribution of assets at 31 December 2018.

The last full actuarial valuation of the pension schemes was carried out using the projected unit method on 1 July 2017 for the Connect Scheme, which showed an actuarial deficit of £7.7M, at 31 December 2017 for the Prospect Scheme, which showed an actuarial deficit of £4.8M and 31 October 2016 for the BECTU Scheme with an actuarial deficit of £5.6M. The next full valuation is scheduled for 1 July 2020 for the Connect Scheme, 31 December 2020 for the Prospect Scheme and 31 October 2019 for the BECTU Scheme.

Included within current service costs are the following amounts relating to GMP equalisation: PPS £96K, CPS £54K and BECTU £38K, totalling £233K (2017:£nil).

Regular employer contributions to the Prospect Scheme in 2019 are estimated to be £1.4M; £0.4M to Prospect, £0.5M to the Connect Scheme and £0.5M to the BECTU Scheme.

The union's contributions for the year were as follows:

PPS		CPS		BECTU	
2018	2017	2018	2017	2018	2017
£'000	£'000	£'000	£'000	0	£'000
2,170	2,256	590	578	868	919

There were no contributions outstanding at the year end.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

19 STAFF PENSION SCHEMES (continued)

The main financial assumptions used were:

	PPS		CPS		BECTU	
	2018	2017	2018	2017	2018	2017
	%	%	%	%	%	%
Rate of increase in pensionable salaries	2.9	2.9	2.9	2.9	2.9	2.9
Rate of increase in pensions in payments	3.3	3.3	3.3	3.3	4.2	4.2
Discount rate for scheme liabilities	2.9	2.5	2.9	2.5	2.9	2.5
Rate of inflation	3.4	3.4	3.4	3.4	3.4	3.4

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 65 will live on average for a further 22.2 years (PPS) and (CPS) and 22.1 years (BECTU) if they are male; and for a further 24.5 years (PPS), 24.3 years (CPS) and 24.1 if they are female.

Net Liabilities of the scheme

The net pension liabilities recognised in the Union's balance sheet as at 31 December 2018 is as follows:

	PPS		CPS		BECTU		Totals	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Diversified Growth Funds	15,838	17,008	5,486	5,350	-	-	21,324	22,358
Equities	26,664	29,923	4,318	4,126	5,881	11,875	36,863	45,924
Bonds & Gilts	37,421	38,103	1,957	2,025	11,463	5,804	50,841	45,932
Property	10,155	9,279	160	773	3,289	3,115	13,604	13,167
Cash/Other	234	347	607	532	224	160	1,065	1,039
Total Market Value of Assets	90,312	94,660	12,528	12,806	20,857	20,954	123,697	128,420
Present value of liabilities	(96,449)	(99,951)	(27,126)	(28,235)	(27,723)	(29,661)	(151,298)	(157,847)
Scheme Surplus/(Deficit)	(6,137)	(5,291)	(14,598)	(15,429)	(6,866)	(8,707)	(27,601)	(29,427)

The return on scheme assets for the year was a loss of £3.4m (2017 gain of £7.4m) for PPS a loss of £691,000 (2017 gain of £600,000) for CPS and loss of £161,000 (2017 gain of £2m) for BECTU.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

19 STAFF PENSION SCHEMES (continued)

Analysis of FRS102 pension movement:

	PPS		CPS		BECTU		TOTALS	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Pension Scheme expenditure (Note 9)	(889)	(887)	(185)	(171)	128	210	(946)	(848)
Remeasurement of defined benefit pensions	43	8,096	1,016	(1,199)	1,713	437	2,772	7,334
	(846)	7,209	831	(1,370)	1,841	647	1,826	6,486
Pension (liability) brought forward	(5,291)	(12,500)	(15,429)	(14,059)	(8,707)	(9,354)	(29,427)	(35,913)
Pension (liability) carried forward	(6,137)	(5,291)	(14,598)	(15,429)	(6,866)	(8,707)	(27,601)	(29,427)

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

	PPS		CPS		BECTU		TOTALS	
	Year ended		Year ended		Year ended		Year ended	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening defined benefit obligation	99,951	100,900	28,235	26,152	29,661	28,330	157,847	155,382
Current service cost	2,753	2,655	356	377	431	380	3,540	3,412
Interest cost	2,463	2,681	704	700	738	802	3,905	4,183
Contributions by Scheme participants	10	9	-	-	-	-	10	9
Actuarial (gains)/losses on Scheme liabilities & changes to demo & fin assumptions	(5,807)	(3,088)	(2,032)	1,471	(2,399)	1,305	(10,238)	(312)
Net benefits paid out	(2,921)	(3,206)	(137)	(465)	(708)	(1,157)	(3,766)	(4,828)
Closing defined benefit obligation	96,449	99,951	27,126	28,235	27,723	29,660	151,298	157,846

Changes to the fair value of Scheme assets during the year

	PPS		CPS		BECTU		TOTALS	
	Year ended		Year ended		Year ended		Year ended	
	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening fair value of Scheme Assets	94,660	88,400	12,806	12,093	20,954	18,976	128,420	119,469
Expected return on Scheme assets	2,355	2,372	325	328	525	540	3,205	3,240
Return on plan assets excluding interest income	(5,764)	5,008	(1,016)	272	(686)	1,743	(7,466)	7,023
Contributions by the employer	2,170	2,256	590	578	868	919	3,628	3,753
Contributions by Scheme participants	10	9	-	-	-	-	10	9
Net benefits paid out	(2,921)	(3,206)	(137)	(465)	(708)	(1,157)	(3,766)	(4,828)
Administration Costs	(198)	(179)	(40)	0	(96)	(67)	(334)	(246)
Closing fair value of Scheme assets	90,312	94,660	12,528	12,806	20,857	20,954	123,697	128,420
Actual return on assets	(3,409)	7,380	(691)	600	(161)	2,283	(4,261)	10,263

NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2018

20 COMMITMENTS UNDER OPERATING LEASES

LESSEE

At 31 December 2018, Prospect had obligations of total future minimum lease payments under non-cancellable operating leases for the following periods:

	Land & Buildings		Other	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Expiry date:				
No later than 1 year	156	113	25	26
Later than 1, no later than 5 years	338	102	9	32
	<u>494</u>	<u>215</u>	<u>34</u>	<u>58</u>

The lease payments recognised as an expense during the year was £163,040 (2017: £120,000).

LESSOR

At 31 December 2018, Prospect had contractual future minimum lease receipts under non-cancellable operating leases for the following periods:

	Land & Buildings	
	2018	2017
	£'000	£'000
Expiry date:		
No later than 1 year	130	-
Later than 1, no later than 5 years	401	36
	<u>531</u>	<u>36</u>

The lease receipts recognised as rental income during the year was £105,346 (2017: £151,000)

Accounting policies (see notes 84 and 85)

PROSPECT

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

The financial statements have been prepared in accordance with applicable accounting standards. The specific accounting policies adopted are set out below:

1. 1 Accounting Convention

The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"). The accounts have been prepared under historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to the financial statements.

Trade Unions are governed by the Trade Union and Labour Relations (Consolidation Act) 1992 Amended. Under that Act the accounts of Trade Unions are required to give a true and fair view. Therefore, the accounts of Trade Unions are prepared under FRS102. However, as a Trade Union is not a company the Regulations that form the basis of disclosures under FRS102 have been adapted as considered necessary to ensure the accounts give a true and fair view to the members of the Trade Union.

The Union is a public benefit entity.

The financial statements have been prepared in sterling, which is the functional currency of the Union. The monetary amounts of these financial statements are rounded to the nearest thousand.

1.2 Going concern

The National Executive Committee considers that there are no material uncertainties about the Union's ability to continue as a going concern.

1.3 Subscriptions

Subscriptions are accounted for on an accruals basis.

1.4 Rental income

Rental income is accounted for on an accruals basis and derived from properties classified within land and buildings.

1.5 Expenditure

All expenditure in the accounts is inclusive of VAT where applicable.

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

1.6 Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. At each reporting date, the Union reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

A small proportion of the land and buildings within tangible fixed assets are let to tenants. The Union generates income from letting agreements and hence a proportion of these properties are investment properties. However, due to the quantum of the amounts involved and the disproportionate cost and effort involved, the Union has taken the decision to not separately disclose the proportion of properties owned and let to tenants.

1.7 Depreciation

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Freehold buildings	-	50 years
Furniture and fittings	-	10 years
Office equipment	-	4 years

Motor vehicles are depreciated to reduce the book value of the vehicles to their realisable value at the balance sheet date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Income and Expenditure account.

1.8 Pension Costs

The Union operates three defined benefit pension schemes, all of which require contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of the defined benefit obligations) and is based on actuarial advice.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, at the start of the period taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in the income and expenditure accounts as pension movement.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in the net interest) are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to income and expenditure in subsequent periods.

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.9 Corporation Tax

Corporation tax is payable on the excess of interest income, rental income and chargeable gains arising on the disposal of properties and investments over expenditure on the provident benefits and reinvested chargeable gains for the year.

Provident benefits comprise of payments as set out in the rules of the Union, which relate to death benefit and legal assistance, and a proportion of the costs of administering the Union in relation to those benefits.

1.10 Deferred Tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable income.

Deferred tax is calculated at the tax rates that are expected to apply in the period where the liability is settled or the asset is realised. Deferred tax is charged or credited in the income and expenditure account.

The Union has adopted a reinvestment policy whereby all realised proceeds on the disposal of investments are reinvested into other chargeable assets, thereby eliminating any current tax liability and thereby the need for the recognition of a deferred tax liability. Where the proceeds are not fully invested no current tax liability is considered likely to arise due to expenditure on provident benefits exceeding any chargeable gains that might arise

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term investments with original maturities of three months or less, and bank overdrafts.

1.12 Financial instruments

Financial assets are recognised in the Union's balance sheet when the Union becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

1.13 Basic financial assets

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

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

1.14 Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value recognised in the income and expenditure account, except that investments in equity instruments that are not publically traded, and whose fair value cannot be measured reliably, are measured at cost less impairment.

1.15 Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure account, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment is recognised in the income and expenditure accounts.

1.16 Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the activity of the Union from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are initially recognised at transaction price and derecognised when, and only when, the Union's obligations are discharged, cancelled or they expire.

1.17 Branches

The transactions of the branches during the period are included in these accounts as are the net assets held directly by them at the balance sheet date.

1.18 Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price (where applicable). The income and expenditure account includes the net gains and losses arising on the revaluation and disposals throughout the year. The Union does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Union is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2018

1.19 Realised gains and losses

All gains and losses are recognised to the income and expenditure account as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are separated between surplus on investments and change in market value in the income and expenditure account.

1.20 Leases

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over the period of the lease or the estimated useful economic lives of the assets whichever is shorter. The finance charges are allocated over the period of the lease in proportion to the capital outstanding and are charged to the income and expenditure account. Rentals payable under operating leases, including any lease incentives received, are charged to the income and expenditure account on a straight line basis over the term of the relevant lease.

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: <div style="font-size: 1.5em; margin-top: 10px;">Mike Clancy</div>	Chairman's Signature: (or other official whose position should be stated) <div style="font-size: 1.5em; margin-top: 10px;">ELEANOR WADE (VICE-PRESIDENT)</div>
Name: MIKE CLANCY	Name: ELEANOR WADE (VICE-PRESIDENT)
Date: 22 MAY 2019	Date: 22/05/2019

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	<input checked="" type="checkbox"/>	No	
Has the list of officers in post been completed? (see Page 2a and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 40 and 44 and Notes 86 and 95)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Pages 42 and 43 and Notes 2 and 92)	Yes	<input checked="" type="checkbox"/>	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes	<input checked="" type="checkbox"/>	No	
A member's statement is: (see Note 104)	Enclosed	<input checked="" type="checkbox"/>	To follow	
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	No	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 to 103)	Yes	<input checked="" type="checkbox"/>	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.

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.

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 section 28 to 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

AUDITOR'S REPORT (continued)

Signature(s):

HW Request

Name(s):

H W Fisher & Company

Profession(s) or Calling(s):

**Chartered Accountants
Statutory Auditor**

Address(es):

<i>Acre House</i>
<i>11 - 15 William Road</i>
<i>London NW1 3ER</i>
<i>United Kingdom</i>

Date:

23 May 2019

Contact name and telephone number:

Sailesh P Mehta
020 7388 7000

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

PROSPECT

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PROSPECT (continued)

Matters on which we are required to report by exception

The Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) requires us to report to you if, in our opinion:

- A satisfactory system of control over transactions has not been maintained; or
- The Union has not kept proper accounting records; or
- The financial statements are not in agreement with the books of account; or
- We have not received all the information and explanations we need for our audit.

We have nothing to report in this regard.

Responsibilities of the National Executive Committee

As explained more fully in the Statement of Responsibilities of the National Executive Committee, the National Executive Committee is responsible for the preparation of financial statements and being satisfied that they give a true and fair view, and for such internal control as the National Executive Committee 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 National Executive Committee is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Executive Committee either intends 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 issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report to the members of Prospect

This report is made solely to the Union's members, as a body. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to 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.

HW FISHER & COMPANY
Chartered Accountants
Statutory Auditor
Dated: 15 April 2019

Acre House
11/15 William Road
London NW1 3ER
United Kingdom

Auditor's report (continued)

PROSPECT

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PROSPECT

Opinion

We have audited the financial statements shown on pages 4-22 of Prospect ["The Union"] for the year ended 31 December 2018 which comprise the Income and Expenditure Account General Fund, the Income and Expenditure Account Political Fund, the Balance Sheet, the Combined Income and Expenditure Account, the Statement of Cash Flows and Notes to the Financial Statements, including a summary of the 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 income and expenditure for the year then ended; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to the 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 ISA's (UK) require us to report to you where:

- The National Executive Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The National Executive Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt a 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 National Executive Committee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. Our opinion of 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 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.

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	Ian Robinson
Address	Electoral Reform Services The Election Centre 33 Clarendon Road London, N8 0NW
Date	03/04/2019
Contact name and telephone number	Ian Robinson, Director and Head of Quality Control 020 8365 8909

Prospect

Membership audit certificate

Section two

For a trade union with no **more than 10,000 members** at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

YES

If "NO" Please explain below:

Signature	
Name	
Office held	
Date	