

Trade Union's details

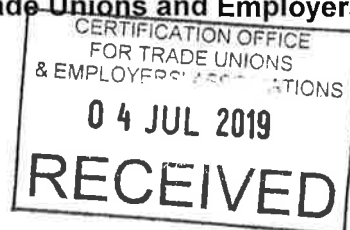
Name of Trade Union:	Affinity
Year ended:	31 December 2018
List number:	615T
Head or Main Office address:	St Johns Terrace 3-7 Amphill Street Bedford MK42 9EY
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Tick as appropriate)
Website address (if available)	www.workaffinity.co.uk
General Secretary:	Mark V Brown
Telephone Number:	01234 716005
Contact name for queries regarding the completion of this return:	Emma Stopford
Telephone Number:	01234 716005
E-mail:	Emma.stopford@workaffinity.co.uk

Please follow the guidance notes in the completion of this return. Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 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	9856	3	2	183	10044
Female	15969	5	0	315	16289
Total	25825	8	2	498	26333

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

26333 ⁴⁴
44

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

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

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
Neilson Smith	Chairman
Bryan Jackson	Deputy Chairman / Treasurer
Peter Munday	Vice Chairman
Mark Brown	General Secretary

General fund
(see notes 13 to 18)

	£	£
Income		
From Members: Contributions and Subscriptions		2,331,971
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		
Investment income (as at page 12)		3,330
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		358
Total of other income (as at page 4)		3,688
	Total income	2,335,659
Expenditure		
Benefits to members (as at page 5)		250,365
Administrative expenses (as at page 10)		2,345,791
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		660
	Total expenditure	2,596,816
		(261,157)
Amount of general fund at beginning of year		1,367,106
Amount of general fund at end of year		1,105,949

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

	£		£
Representation – Employment Related Issues Consultancy	250,365	brought forward Education and Training services	
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits			
Other Cash Payments			
carried forward	250,365	Total (should agree with figure in General Fund)	250,365

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	
	Income	Members contributions and levies	£
		Investment income (as at page 12)	£
		Other income (specify)	£
		Total other income as specified	
		Total income	
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)		£
		Total expenditure	
		Surplus (deficit) for year	
		Amount of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		Number of members at end of year contributing to the political fund	
		Number of members at end of the year not contributing to the political fund	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	
Political fund account 2		To be completed by trade unions which act as components of a central trade	
	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 (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))	£
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	£
Total Total expenditure	
(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		1,396,070
Salaries and Wages included in above	£1,191,193	
Auditors' fees		6,500
Legal and Professional fees		146,222
Occupancy costs		52,910
Stationery, printing, postage, telephone, etc.		268,984
Expenses of Executive Committee (Head Office)		139,360
Expenses of conferences		139,360
Other administrative expenses (specify)		
Bank charges and interest		23,092
General expenses		(442)
Computer costs		104,714
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Other loans (hire purchase interest)		3,333
Depreciation		63,120
Taxation		2,568
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
	Total	
Charged to:	General Fund (Page 3)	2,345,791
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	2,345,791

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			229
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			229
Other investment income (specify)			
Staff loans			2,872
			3,330
		Total investment income	3,330
		Credited to:	
		General Fund (Page 3)	3,330
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	3,330

Balance sheet as at

31 December 2018

(see notes 49 to 52)

Previous Year		£	£
946,101	Fixed Assets (at page 14)		923,515
	Investments (as per analysis on page 15)		
5,149	Quoted (Market value £5,807)		5,149
4,700	Unquoted		4,700
	Total Investments		933,364
	Other Assets		
	Loans to other trade unions		
216,705	Sundry debtors		171,906
492,636	Cash at bank and in hand		263,044
1,795	Income tax to be recovered		1,349
28,103	Stocks of goods		23,830
	Others (specify)		
739,241	Total of other assets		460,129
1,695,189	Total assets		1,393,493
1,367,106	Fund (Account)		1,105,949
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	Liabilities		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
97,921	Loans: Other		71,822
	Bank overdraft		
476	Tax payable		660
94,979	Sundry creditors		77,971
134,709	Accrued expenses		137,091
	Provisions		
	Other liabilities		
328,085	Total liabilities		287,544
1,695,191	Total assets		1,393,493

Fixed assets account

(see notes 53 to 57)

See also Note 12 to the accounts – Intangible fixed assets

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	765,000	-	294,636	367,345	-	1,426,981
Additions			20,486	17,125		37,611
Disposals				(100,279)		(100,279)
Revaluation/Transfers						
At end of year	765,000	-	315,122	284,191	-	1,364,313
Accumulated Depreciation						
At start of year	-	-	263,333	217,547	-	480,880
Charges for year			23,868	36,529		60,398
Disposals				(80,899)		(80,899)
Revaluation/Transfers						
At end of year	-	-	287,201	173,178	-	460,379
Net book value at end of year	765,000	-	27,921	111,014	-	903,934
Net book value at end of previous year	765,000	-	31,303	149,798	-	946,101

Analysis of investments

(see notes 58 and 59)

		All Funds Except Political Funds £	Political Fund £
Quoted			
	Equities (e.g. Shares)	5,149	
	Government Securities (Gilts)		
	Other quoted securities (to be specified)		
	Total quoted (as Balance Sheet)	5,149	
	Market Value of Quoted Investment	5,807	
Unquoted	Equities		
	Government Securities (Gilts)		
	Mortgages		
	Bank and Building Societies		
	Other unquoted investments (to be specified)		
	Total unquoted (as Balance Sheet)	4,700	
	Market Value of Unquoted Investments	4,700	

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 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)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
Company name	Names of shareholders		

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members	2,331,971		2,331,971
From Investments	3,330		3,330
Other Income (including increases by revaluation of assets)	358		358
Total Income	2,335,659		2,335,659
Expenditure (including decreases by revaluation of assets)	2,596,816		2,596,816
Total Expenditure	2,596,816		2,596,816
Funds at beginning of year (including reserves)	1,367,106		1,367,106
Funds at end of year (including reserves)	1,105,949		1,105,949
Assets			
Fixed Assets			923,515
Investment Assets			9,849
Other Assets			460,129
		Total Assets	1,393,493
Liabilities		Total Liabilities	(287,544)
Net assets (Total Assets less Total Liabilities)			1,105,949

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 NO

If Yes How many ballots were held:

For each ballot held please complete the information below:

Ballot 1

Number of individuals who were entitled to vote in the ballot

Number of votes cast in the ballot

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 Y / N

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

Number of votes cast in the ballot

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 Y / N

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

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question [redacted] 1

Number of Individuals answering "No" to the question [redacted] 2

Number of invalid or otherwise spoiled voting papers returned [redacted] 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 / N

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

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question [redacted] 1

Number of Individuals answering "No" to the question [redacted] 2

Number of invalid or otherwise spoiled voting papers returned [redacted] 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 / N

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

Number of votes cast in the ballot

Number of Individuals answering "Yes" to the question [redacted] 1

Number of Individuals answering "No" to the question [redacted] 2

Number of invalid or otherwise spoiled voting papers returned [redacted] 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 / N

Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)? Y / 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~~/ NO

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:

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 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:

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 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:

3. Number of days of industrial action:

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

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:
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 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:
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 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)

Industrial Action 8

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

A Check box

- 1. Dates of the industrial action taken:
- 2. Number of days of industrial action:
- 3. 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 attached.

Accounting policies

(see notes 84 and 85)

See attached.

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:		Chairman's Signature: (or other official whose position should be stated)	
	Name:	Mark V Brown	Name:	NEILSON SMITH
	Date:	28/6/2019	Date:	29-6-2019

Checklist

(see notes 88 and 89)

(please tick as appropriate)

AFFINITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

OFFICERS RESPONSIBILITIES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In respect of the preparation of financial statements, the Union's Officers are required to prepare financial statements which give a true and fair view of the state of the affairs of the Union at the year end and of the results and cashflows for the year to that date. The officers are also required to ensure that suitable accounting policies are consistently applied, applicable accounting and reporting standards are followed and that the financial statements are prepared on a going concern basis.

The officers are also responsible for maintaining proper accounting records which disclose the financial position of the Union at any time, for safe guarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

1. ACTIVITIES AND ACCOUNTING POLICIES**(a) Activities**

Affinity is the major trade union representing staff working in Lloyds Banking Group and TSB Bank. It also represents members in a wide range of other companies. Its primary function is to provide representation services to these members.

(b) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" applicable to entities subject to the small entity regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The entity's functional currency is GBP.

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 Union's accounting policies (see note 2).

The following principle accounting policies have been applied:

(c) Income

Income represents subscriptions receivable from members during the year, income receivable from investments and monies on deposit, and the surplus arising from the trading activities of the Union.

Income is recognised to the extent that it is probable that the economic benefits will flow to the Union and the income can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and other sales taxes. The following criteria must also be met before income is recognised:

Income from subscriptions is recognised in the period in which subscription is due from the member and when all of the following conditions are satisfied:

- the amount of income can be measured reliably
- it is probable that the Union will receive the consideration due under the description

Ancillary services are recognised net of costs due to other services and recognised on an accruals basis.

(d) Investments

Fixed asset investments are stated at market value (based in bid market values) as at the balance sheet date.

(e) Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated working life at the following rates:

Licences & Databases - 10% pa on cost



AFFINITY

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**

1. ACTIVITIES AND ACCOUNTING POLICIES - CONTINUED**(f) Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Freehold land and buildings are maintained and improved such that the residual values of these properties, based on prices prevailing at the time of acquisition, are at least equal to their book values. Having regard to this, it is the opinion of the Union's Officers that depreciation on any such properties as required by Accounting Standards would not be material.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated working life at the following rates:

Freehold property	-	not depreciated
Computers and equipment	-	33% pa on cost
Office equipment	-	20% pa on cost
Motor vehicles	-	25% pa on net book value
Furniture and fittings	-	10% pa on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

(g) Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of voucher less discount and VAT.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income and expenditure account.

(h) Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright and any finance costs are charged to the income and expenditure account over the purchase period.

All other leases are operating leases, and the annual rentals are charged to the income and expenditure account on a straight line basis over the lease term.

(i) Debtors

Short and long term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(j) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgments, 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. The nature of estimation means the actual outcomes could differ from those estimates.

The main areas where judgement and estimates may have a significant effect on the amounts included in the financial statements are:

- Tangible assets – the basis of calculation and assumptions used to perform revaluation and useful economic life of assets used in calculating depreciation.

	2018	2017
	£	£
3. OPERATING DEFICIT		
The operating deficit is stated after charging:		
Depreciation of tangible fixed assets	60,398	65,177
Amortisation of intangible fixed assets	1,103	-
Auditors remuneration:		
-audit services	6,500	6,500
-non audit services	17,766	19,927
	<u>17,766</u>	<u>19,927</u>
4. EMPLOYEES		
Staff costs were as follows:		
Wages & Salaries	<u>1,122,787</u>	<u>1,412,312</u>
The average monthly number of employees during the year was as follows:		
Administrative	<u>38</u>	<u>41</u>
5. CONTRIBUTIONS FROM MEMBERS		
Subscriptions	2,366,582	2,588,552
Ancillary services	(34,611)	(65,177)
	<u>2,331,971</u>	<u>2,523,375</u>
6. OTHER OPERATIONS		
Dividends and royalties	816	2,379
	<u>816</u>	<u>2,379</u>
7. INVESTMENT INCOME		
Interest received on loans	2,872	329
	<u>2,872</u>	<u>329</u>

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
8. PREMISES, EQUIPMENT AND STAFF		
Staff remuneration and severance	1,396,070	1,412,312
Rent, rates and maintenance	31,154	34,352
Light and heat	11,758	11,210
Equipment hire	-	827
	<u>1,438,982</u>	<u>1,458,701</u>
9. ADMINISTRATION		
Printing, stationery and publications	101,355	105,225
Committee and travelling expenses	278,721	265,102
Postage	67,200	81,412
Telephone	100,428	134,687
Computer costs	104,714	107,256
Bank charges and interest	23,092	23,141
Insurance	9,998	4,958
Lease and hire purchase interest	3,333	1,843
Sundry expenses	(442)	1,882
VAT on partial exemption	2,568	4,750
	<u>690,967</u>	<u>730,256</u>
10. DEPRECIATION		
Amortisation on intangible fixed assets	1,103	-
Depreciation on tangible fixed assets	60,398	65,181
(Profit)/Loss on disposal	1,619	4,229
	<u>63,120</u>	<u>69,410</u>

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

11. TAXATION

The Union is not subject to taxation on its normal activities, but is taxable in respect of any profits arising from its trading activities and on its investment income. Provision has been made in the accounts in respect of corporation tax due as follows:

Current tax	2018	2017
	£	£
UK corporation tax on surplus for the year	660	476
Adjustments in respect of prior years	-	-
Total current tax	<u>660</u>	<u>476</u>

The tax assessed for the year is lower (2017 – lower) than the standard rate of corporation tax in the UK. The differences are explained below:

Deficit on ordinary activities before tax	<u>(260,497)</u>	<u>(57,905)</u>
 (Deficit)/Surplus on ordinary at standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	<u>-</u>	<u>-</u>
Effects of :		
(Deficit)/Surplus not chargeable to corporation tax	660	476
Other tax adjustments	<u>-</u>	<u>-</u>
	660	476
Current Tax Charge for year	<u>660</u>	<u>476</u>

No deferred tax has been accounted for as it is immaterial.

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

12. INTANGIBLE FIXED ASSETS

	Licences & Databases £	Total £
COST		
1 January 2018	-	-
Additions	20,684	20,684
Disposals	-	-
31 December 2018	<u>20,684</u>	<u>20,684</u>
AMORTISATION & IMPAIRMENT		
1 January 2018	-	-
Disposals	-	-
Charge for year	1,103	1,103
31 December 2018	<u>1,103</u>	<u>1,103</u>
NET BOOK VALUE		
31 December 2018	<u>19,581</u>	<u>19,581</u>
31 December 2017	-	-

13. TANGIBLE FIXED ASSETS

	Freehold Property £	Computer Equipment £	Office Equipment £	Motor Vehicles £	Furniture & Fittings £	Total £
COST						
1 January 2018	765,000	135,849	23,818	367,345	134,969	1,426,981
Additions	-	16,409	-	17,125	4,077	37,611
Disposals	-	-	-	(100,279)	-	(100,279)
31 December 2018	<u>765,000</u>	<u>152,259</u>	<u>23,818</u>	<u>284,191</u>	<u>139,045</u>	<u>1,364,313</u>
DEPRECIATION						
1 January 2018	-	108,121	21,973	217,547	133,239	480,880
Disposals	-	-	-	(80,899)	-	(80,899)
Charge for year	-	21,585	974	36,529	1,309	60,398
31 December 2018	<u>-</u>	<u>129,706</u>	<u>22,947</u>	<u>173,178</u>	<u>134,548</u>	<u>460,379</u>
NET BOOK VALUE						
31 December 2018	<u>765,000</u>	<u>22,553</u>	<u>871</u>	<u>111,014</u>	<u>4,497</u>	<u>903,934</u>
31 December 2017	<u>765,000</u>	<u>27,729</u>	<u>1,845</u>	<u>149,798</u>	<u>1,730</u>	<u>946,101</u>

The net book value of tangible fixed assets includes £96,364 (2017- £131,287) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £32,646 (2017 - £35,586) for the year.

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
14. INVESTMENTS		
Listed investments at cost	5,149	5,149
[Market Value £5,807 (2017 - £7,606)]		
Unlisted investments at cost	4,700	4,700
	<u>9,849</u>	<u>9,849</u>
15. DEBTORS AND PREPAYMENTS		
Prepayments and accrued income	71,438	41,552
Other debtors	101,816	176,948
	<u>173,255</u>	<u>218,500</u>
Included within other debtors are amounts due after one year totalling £43,073 (2017: £48,364), all amounts are recoverable.		
16. CASH AT BANK AND IN HAND		
Bank current account	262,888	492,486
Cash in hand	156	156
	<u>263,044</u>	<u>492,642</u>
	2018	2017
	£	£
17. CREDITORS - due within one year		
Creditors and accruals	137,093	134,713
Obligations under hire purchase and finance leases	41,972	36,834
Other creditors	77,971	94,979
Corporation tax	657	476
	<u>257,693</u>	<u>267,002</u>
18. CREDITORS - due after more than one year		
Obligations under hire purchase and finance leases	29,851	61,087
	<u>29,851</u>	<u>61,087</u>
19. ACCUMULATED FUND		
Balance at 1 January 2018	1,367,106	1,425,487
Deficit for the year	(261,157)	(58,381)
	<u>1,105,949</u>	<u>1,367,106</u>
20. OPERATING LEASE COMMITMENTS		
At the reporting end date, the union had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:		
	2018	2017
	£	£
Total lease commitments	<u>54,557</u>	<u>-</u>

AFFINITY

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018**21. RELATED PARTY TRANSACTIONS****Transactions with people with significant control or influence:**

- (a) During the year the Union paid a salary of £20,000 (2017: £20,000) to Mr Neilson Smith in his capacity as Chairman of the Union.
- (b) During the year the Union paid a salary of £27,539 (2017: £26,958) to Mr Peter Munday in his capacity for advice team and administrative work.

No other members of the General Purpose Committee received remuneration during the year.

Transactions with people with key management personnel:

- (a) The Union made a loan in 2011 of £16,000 and in 2014 an additional loan was granted of £9,000 in respect of a purchase of a motor vehicle to Mr Mark Brown, the General Secretary, which bears interest at a commercial rate of 4%. The balance due from Mr Mark Brown at the year-end was £nil (2017: £754). Mr Mark Brown made repayments in the year totalling £1,836 with £320 interest, leaving a balance owed to Mr Mark Brown at the year-end of £762.
- (b) Amounts paid to Plus Insurance Limited totalling £137,704 (2017: £115,177) were made in the year, a company controlled by a key management personnel. This balance includes an accrued expense due to Plus Insurance Limited of £28,698.

22. BUSINESS REVIEW

During 2018, substantial cuts in staff numbers in banking continued as support functions were outsourced or rationalised and bank branches closed.

As in previous years this trend towards smaller branch networks and outsourcing has had a material impact on the Union's membership and has meant that the Union has had constantly to re-mould its operations to ensure its structure and systems fit the new environment in which it works.

This need to restructure both staff and systems, has required costly investments but was essential to maintain a balance between the services the Union offers and its income. At the time of writing, mid-year 2019, the Union is operating in surplus and the number of members outside Lloyds Banking Group and TSB continues to increase.

A substantial element of the Union's expenditure continues to be the cost of individual representation, an area in which the Union had some conspicuous successes in 2018. As banks and other employers with whom we deal attempt to extract even further reductions in costs from already efficient operations it is clear that the Union's individual case workload will remain high. A particular source of complex cases are larger employers whose regard for individual rights at work are significantly at variance with the policies they espouse.

Collectively, 2018 saw the Union achieve a major success in a High Court case (Lloyds Banking Group Pensions Trustee Ltd v Lloyds Bank plc and others) which was concerned specifically with gaining equality for 165,000 female Lloyds Banking Group pensioners. Mr Justice Morgan agreed with us that pension benefits - including guaranteed minimum pensions (GMPs) - are in fact "pay" under Article 157 of the Treaty of Rome and that it was not lawful to pay unequal benefits between men and women. The victory will improve the position of pension scheme members in every scheme, in every industry with a cost of up to £20bn across the UK economy.

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.

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)

See attached.

Signature(s) of auditor or auditors:		
Name(s):	Croucher Needham (Essex) LLP	
Profession(s) or Calling(s):	Chartered Certified Accountant	
Address(es):	Market House 10 Market Walk Saffron Walden Essex CB10 1JZ	
Date:	02/07/2019	
Contact name for enquiries and telephone number:	Paul Tucker 01799 521301	

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AFFINITY**Opinion**

We have audited the financial statements of Affinity for the year ended 31 December 2018, which comprise the income and expenditure account, balance sheet, cashflow 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 company's affairs as at 31 December 2018 and of its deficit 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 section 36 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 union's members, as a body, use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the union's members, as a body, has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The union's members, as a body, is responsible for the other information. The other information comprises the information included in the business review, 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF AFFINITY (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 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 financial statements are not in agreement with the accounting records and returns; or
- the revenue account to which our report relates, and the balance sheet are not in agreement with the books of account of the union; or
- we have not received all the information and explanations we require for our audit; or
- certain disclosures within the form AR21 of Officers' remuneration specified by law are not made.

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.

Respective responsibilities of the officers and auditors

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 require the union's officers to keep proper accounting records which give a true and fair view of the state of affairs of the union and explain its transactions, to establish and maintain a satisfactory system of control of the accounting records, cash holding and all the receipts and remittance and to prepare an annual return for the Certification Office giving a true and fair view of the revenue account and balance sheet and provide members of the union with a statement of income and expenditure for the year.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the union's members, as a body. 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.

Croucher Needham (Essex) LLP

**CROUCHER NEEDHAM (ESSEX) LLP
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITOR**

**Market House
10 Market Walk
Saffron Walden
Essex
CB10 1JZ**

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/NO

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21

Membership audit certificate
Section one

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union, was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/NO

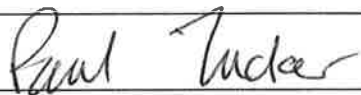
2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/NO

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.

Membership audit certificate (continued)

Signature of assurer	
Name	Paul Tucker Croucher Needham (Essex) LLP
Address	Market House 10 Market Walk Saffron Walden Essex, CB10 1JZ
Date	02/07/2019
Contact name and telephone number	Paul Tucker 01799 521301