

Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for a Trade Union

Name of Trade Union:	Public and Commercial Services Union		
Year ended:	31 December 2019		
List no:	753		
Head or Main Office address:	160 Falcon Road		
	London		
Postcode	SW11 2LN		
Website address (if available)	www.pcs.org.uk		
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Mark Serwotka		
Telephone Number:	0207 801 2600		
Contact name for queries regarding the completion of this return	Jes Sciortino		
Telephone Number:	0207 801 2676		
E-mail:	jes@pcs.org.uk		

Please follow the guidance notes in the completion of this return

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

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: returns@certoffice.org

For Unions based in Scotland: ymw@tcyoung.co.uk

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Return of Members

(see notes 10 and 11)

	Number of members at the end of the year				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	Totals
Male	72,141	578		68	72,787
Female	103,025	614		49	103,688
Other	1,055	9		1	1,065
Total	176,221	1,201		118	A 177,540

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

177,540

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

461

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
AGS	Chris Baugh	John Moloney	01 July 2019
Vice President	John McNally	Martin Cavanagh	01 January 2019
NEC	Martin Cavanagh	Jimmy Gill	01 January 2019

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

Officers in post

(see note 12)

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

Name of Officer	Position held
Serwotka, Mark	General Secretary
Heathcote, Fran	President
Cavanagh, Martin	Deputy President
Green, Jacqueline	Vice President
Holbourne, Zita	Vice President
McHugh Kevin	Vice President
Brittle, Fiona	NEC
Brown, Paula	NEC
Bryant, Clive	NEC
Crane, Harvey	NEC
Dennis, Alan	NEC
Dickens, Phil	NEC
Flynn, Felicity	NEC
Grant, Angela	NEC
Hall, Sam	NEC
Hendry, Kris	NEC
Jamieson, John	NEC
Laidlaw, Beverley	NEC
Latif, Tahir	NEC
License, Neil	NEC
Lloyd, Marion	NEC
McKay, Kenny	NEC
Maguire, John	NEC
Marks, Chris	NEC
Merry, Lorna	NEC
Owens, Marianne	NEC
Roder, Alison	NEC
Rochester, Annette	NEC
TO BE CONTINUED ON APPENDIX 1	

General Fund

(see notes 13 to 18)

	£	£
Income		
From Members: Contributions and Subscriptions		21,130,146
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		21,130,146
Investment income (as at page 12)		5,009,907
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	5,957,615	
Total of other income (as at page 4)		5,957,615
Total income		32,097,669
Interfund Transfers IN		404,579
Expenditure		
Benefits to members (as at page 5)		2,979,897
Administrative expenses (as at page 10)		16,159,350
Federation and other bodies (specify)		
Affiliation fees		714,065
Donations		3,350
Total expenditure Federation and other bodies		717,415
Taxation		594,300
Total expenditure		20,450,962
Interfund Transfers OUT		9,984,990
Surplus (deficit) for year		11,646,706
Amount of general fund at beginning of year		11,430,043
Amount of general fund at end of year		13,496,339

Analysis of income from federation and other bodies and other income

(see notes 19 and 20)

Description	£
Federation and other bodies	
Total federation and other bodies	
Any Other Sources	
Advertising (prior year adjustment)	-14,298
Commission	19,406
Miscellaneous	821
VAT reclaimed	51,686
Actuarial gain on DB pension scheme	5,900,000
Total other sources	5,957,615
Total of all other income	5,957,615

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation – Employment Related Issues		brought forward	506,753
Legal	395,195	Advisory Services	
		Helplines	47,040
Representation – Non Employment Related Issues		Other Cash Payments	
Members legal assistance	11,120	Benevolent services	99,500
Professional indemnity insurance	462	Death & personal accident	363,871
		Ex IR G Sickness Benefit	443
		Employment costs	1,725,069
		Education and Training services	
		National courses	1,501
		Seminars	57,523
		Organising Learning & Publicity	60,678
		Regional Courses	114,579
Communications			
PCS View	99,976		
		Negotiated Discount Services	
Dispute Benefits			
		Other Benefits and Grants (specify)	
		Gold badges for members	2,940
carried forward	506,753	Total (should agree with figure in General Fund)	2,979,897

(See notes 21 and 23)

Fund 2		Fund Account	
Name:	Property	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
		Interfund Transfers IN	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	
		Interfund Transfers OUT	404,579
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	12,303,475
		Amount of fund at the end of year (as Balance Sheet)	11,898,895
		Number of members contributing at end of year	NIL

Fund 3		Fund Account	
Name:	Pension reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
		Interfund Transfers IN	9,400,000
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	
		Interfund Transfers OUT	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	6,700,000
		Amount of fund at the end of year (as Balance Sheet)	16,100,000
		Number of members contributing at end of year	NIL

(See notes 21 and 23)

Fund 4		Fund Account	
Name:	Campaign & Disputes	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Donations		1,050
		Total other income as specified	1,050
		Total Income	1,050
		Interfund Transfers IN	584,990
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		618,347
		Total Expenditure	618,347
		Interfund Transfers OUT	
		Surplus (Deficit) for the year	-617,297
		Amount of fund at beginning of year	144,061
		Amount of fund at the end of year (as Balance Sheet)	111,754
		Number of members contributing at end of year	NIL

Fund 5		Fund Account	
Name:	VSER	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
		Interfund Transfers IN	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		145,296
		Total Expenditure	145,296
		Interfund Transfers OUT	
		Surplus (Deficit) for the year	-145,296
		Amount of fund at beginning of year	145,296
		Amount of fund at the end of year (as Balance Sheet)	
		Number of members contributing at end of year	NIL

(See notes 21 and 23)

Fund 6		Fund Account	
Name:	Fighting	£	£
Income			
	From members		607,249
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		607,249
	Interfund Transfers IN		
Expenditure			
	Benefits to members		410,963
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		410,963
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		196,286
	Amount of fund at beginning of year		1,074,297
	Amount of fund at the end of year (as Balance Sheet)		1,270,583
	Number of members contributing at end of year		159,537

Fund 7		Fund Account	
Name:		£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	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 and 23)

Fund 8		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	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 9		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	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	196,184
		Investment income (as at page 12)	
Other income (specify)			
		Total other income as specified	
		Total income	196,184
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)		74,718
		Total expenditure	74,718
		Surplus (deficit) for year	121,466
		Amount of political fund at beginning of year	652,054
		Amount of political fund at the end of year (as <u>Balance Sheet</u>)	773,520
		Number of members at end of year contributing to the political fund	159,474
		Number of members at end of the year not contributing to the political fund	18,066
		Number of members at end of year who have completed an exemption notice and do not contribute to the political fund	665
Political fund account 2		To be completed by trade unions which act as components of a central trade union	
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)		
		Total expenditure	
		Surplus (deficit) for year	
		Amount held on behalf of trade union political fund at beginning of year	
		Amount remitted to central political	
		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 (e)

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

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

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

Name of political party	£
Total	

Political fund account expenditure (f)

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

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

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

Name of organisation or political party	£
Total	

Expenditure from the political fund not falling within section 72 (1) of the trade union & labour relations (consolidation) act 1992

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

(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one	£
Parliamentary work	57,320
Anti- fascism campaigns	3,407
Greening the workplace	11,851
Scottish campaigns	2,140

Total expenditure 74,718

(b) the name of each organisation to which money was paid (otherwise than for a particular cause of campaign), and the total amount paid to each one	£

Total expenditure

(c) the total amount of all other money expended	£

Total expenditure

Total of all expenditures 74,718

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

(see notes 34 and 35)

	£
Administrative Expenses	
Remuneration and expenses of staff	11,815,162
Salaries and Wages included in above	11,815,162
Auditors' fees	44,671
Legal and Professional fees	178,458
Occupancy costs	1,123,814
Stationery, printing, postage, telephone, etc.	286,525
Expenses of Executive Committee (Head Office)	120,240
Expenses of conferences	504,535
Other administrative expenses (specify)	
See appendix 2	4,331,112
Other Outgoings	
VSER Costs	145,296
Campaigns & disputes costs	618,347
Depreciation	1,054,834
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Current service costs of defined benefit pension schemes	900,000
Pension contributions paid in the year	-4,200,000
Total	16,922,994
Charged to:	
General Fund (Page 3)	16,159,350
Property	
Pension reserve	
Campaign & Disputes	618,347
VSER	145,296
Fighting	
Total	16,922,994

Analysis of officials' salaries and benefits

(see notes 36 to 46 below)

Office held	Gross Salary	Employers N.I. contributions	Benefits		Total					
			£	£		Pension Contributions	Other Benefits		£	
							£	Description		
								£		Value
Chris Baugh (AGS)	61,203	8,106	8,106		77,415					
John Moloney (AGS)	34,733	4,198			38,931					
Mark Serwotka (GS)	95,327	12,110	15,187		122,624					

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			1,077,776
Dividends (gross) from:			
Equities (e.g. shares)			27,066
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			850
Other investment income (specify)			
Capital Gains			54,257
Expected return on pension scheme assets			5,900,000
Interest on pension scheme liabilities			-5,700,000
Unrealised gain on revaluation of investment property			3,649,959
			5,009,907
		Total investment income	5,009,907
		Credited to:	
		General Fund (Page 3)	5,009,907
		Property	
		Pension reserve	
		Campaign & Disputes	
		VSER	
		Fighting	
		Political Fund	
		Total Investment Funds	5,009,907

Balance sheet as at

31 December 2019

(see notes 49 to 52)

Previous Year		£	£
21,222,200	Fixed Assets (at page 14)		25,316,662
	Investments (as per analysis on page 15)		
	Quoted (Market value £ (709,988))		700,863
	Unquoted		791,096
1,411,911	Total Investments		1,491,959
	Other Assets		
	Loans to other trade unions		
2,644,858	Sundry debtors		2,842,366
2,405,709	Cash at bank and in hand		1,021,482
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
6,700,000	Pension asset		16,100,000
	Total of other assets		19,963,848
	Total assets		46,772,469
11,430,043	General fund (page 3)		13,496,339
12,303,475	Property		11,898,895
6,700,000	Pension reserve		16,100,000
144,061	Campaign & Disputes		111,754
145,296	VSER		
1,074,297	Fighting		1,270,583
652,054	Political Fund Account		773,520
	Liabilities		
	Amount held on behalf of central trade union political fund		
1,935,452	Current liabilities		2,204,280
	Deferred tax		917,097
	Total liabilities		3,121,377
	Total assets		46,772,469

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	4,151,485	846,060	6,004,079	10,000	12,879,000	23,890,624
Additions			1,492,295		7,041	1,499,336
Disposals			-693,095			-693,095
Revaluation/Transfers					3,649,959	3,649,959
At end of year	4,151,485	846,060	6,803,279	10,000	16,536,000	28,346,824
Accumulated Depreciation						
At start of year	558,651	233,938	1,865,835	10,000		2,668,423
Charges for year	63,025	29,710	962,099			1,054,834
Disposals			-693,095			-693,095
Revaluation/Transfers						
At end of year	621,676	263,648	2,134,838	10,000		3,030,162
Net book value at end of year	3,529,809	582,412	4,668,441		16,536,000	25,316,662
Net book value at end of previous year	3,592,834	612,122	4,138,244		12,879,000	21,222,201

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
International Public Partnership Ltd	10,020	
US Solar Fund Plc	19,783	
Gresham House Energy Storage Fund	19,829	
Sarasin Responsible Corporate Bond - I Inc	53,331	
BH Macro Ltd Ordinary	11,655	
Source Physical Gold	10,817	
Sarasin CI Real Estate Equity Income	16,858	
Sarasin Equisar - Global Thematic	122,802	
Sarasin Sterling Bond	313,933	
Sarasin Global Dividend-I Inc	74,339	
Jupiter Absolute Return - IA	5,829	
ICS - INC Sterling Heritage Account (Blackrock)	28,373	
Various holdings members portfolio < £1,500	13,294	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Total quoted (as Balance Sheet)	700,863	
Market Value of Quoted Investment	709,988	
Unquoted		
Equities		
Unity Trust Bank:		
: 'A' ordinary shares of £1	172,093	
: 'C' ordinary shares of £1	105,128	
: 'A' ordinary shares of £1	100,000	
Energy Prospects Co-operative Ltd £1 shares	1,000	
Wortley Hall Ltd £5 shares	1,000	
Trades Union British Trust	311,619	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Sarasin & Partners LLP Money Market	100,256	
Other unquoted investments (to be specified)		
Total unquoted (as Balance Sheet)	791,096	
Market Value of Unquoted Investments	944,151	

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 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 type="checkbox"/>
------------------------------	-----------------------------

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

Company name	Names of shareholders

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds	Political Funds £	Total Funds £
Income			
From Members	21,737,395	196,184	21,933,579
From Investments	5,009,907		5,009,907
Other Income (including increases by revaluation of assets)	5,958,665		5,958,665
Total Income	32,705,968	196,184	32,902,152
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	21,625,569	74,718	21,700,287
Funds at beginning of year (including reserves)	31,797,172	652,054	32,449,226
Funds at end of year (including reserves)	42,877,571	773,520	43,651,091
Assets			
	Fixed Assets		25,316,662
	Investment Assets		1,491,959
	Other Assets		19,963,848
	Total Assets		46,772,469
Liabilities		Total Liabilities	3,121,377
Net Assets (Total Assets less Total Liabilities)			43,651,092

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see notes 74 to 80)

Did the union hold any ballots in respect of industrial action during the return period?	<input type="button" value="Yes"/>
If Yes How many ballots were held: <input style="width: 50px;" type="text" value="33"/>	
For each ballot held please complete the information below:	
Ballot 1	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
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	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="button" value="Yes"/>
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	<input type="button" value="Yes"/>
Ballot 2	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
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	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="button" value="Yes"/>
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	<input type="button" value="Yes"/>
Ballot 3	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
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	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input type="button" value="Yes"/>
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	<input type="button" value="Yes"/>

Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Information on Industrial Action Ballots

Name of Organisation:					Reporting Period				
Did the union hold any ballots in respect of industrial action during the return period?				<u>Yes</u>	For each ballot held please complete the information below				
If yes, how many ballots were held?									
Ballot	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	Number of Individuals answering "No" to the question	Number of invalid or otherwise spoiled voting papers returned	Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot?	Does 226(2B) of the 1992 Act apply to this ballot?	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?	
1	169	100	86	14	0	Yes	Yes	Yes	
2	169	100	93	5	2	Yes	Yes	Yes	
3	161	92	74	14	4	Yes	Yes	Yes	
4	161	92	87	5	0	Yes	Yes	Yes	
5	166	79	67	12	0	No	Yes	Yes	
6	166	79	68	7	4	No	Yes	Yes	
7	303	125	101	24	0	No	Yes	Yes	
8	274	153	138	15	0	Yes	Yes	Yes	
9	248	156	134	21	1	Yes	Yes	Yes	
10	248	156	145	8	3	Yes	Yes	Yes	
11	25	19	19	0	0	Yes	Yes	Yes	
12	25	19	19	0	0	Yes	Yes	Yes	
13	185	141	134	7	0	Yes	Yes	Yes	
14	32	17	16	1	0	Yes	Yes	Yes	
15	32	17	17	0	0	Yes	Yes	Yes	
16	88	32	31	1	0	No	Yes	Yes	

17	119	46	45	1	0	No	Yes	Yes
18	789	332	273	59	0	No	Yes	Yes
19	49	18	18	0	0	No	Yes	No
20	227	100	75	25	0	No	Yes	Yes
21	227	100	92	7	1	No	Yes	Yes
22	274	153	138	15	0	Yes	Yes	Yes
23	319	150	105	45	0	No	Yes	Yes
24	50	45	38	7	0	Yes	Yes	Yes
25	25	19	19	0	0	Yes	Yes	Yes
26	25	19	19	0	0	Yes	Yes	Yes
27	61	38	26	10	2	Yes	Yes	Yes
28	61	38	35	3	0	Yes	Yes	Yes
29	10	5	5	0	0	Yes	Yes	Yes
30	10	8	8	0	0	Yes	Yes	Yes
31	28	25	25	0	0	Yes	Yes	Yes
32	14	13	12	0	1	Yes	Yes	Yes
33	11	10	10	0	0	Yes	Yes	Yes

(see note 81)

***Categories of Nature of Trade Dispute**

- A: terms and conditions of employment, or the physical conditions in which any workers require 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: to

3. Number of days of industrial action:

4. Nature of industrial 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: to

3. Number of days of industrial action:

4. Nature of industrial 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: to

3. Number of days of industrial action:

4. Nature of industrial action.

use a continuation page if necessary

Information on Industrial Action

Name of Organisation:		PUBLIC & COMMERCIAL SERVICES UNION		Reporting Period	Y/E 31/12/2019
Did Union members take industrial action during the return period in response to any inducement on the part of the union?			<u>Yes</u>	If YES, for each industrial action taken please complete the information below	
Industrial Action	Nature of the trade dispute for which action was taken	Dates of the industrial action taken	Number of days of industrial action	Nature of industrial action	Categories of nature of Trade Dispute
1	A	20/03/2019	0.5	Strike Action	<p>A: Terms and conditions of employment, or the physical conditions in which any workers are required to work</p> <p>B: Engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers</p> <p>C: Allocation of work or the duties of employment between workers or groups of workers</p> <p>D: Matters of discipline</p> <p>E: A worker's membership or non-membership of a trade union</p> <p>F: Facilities for officials of trade unions</p> <p>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</p>
2	A	26/03/2019	0.5	Strike Action	
3	A	03/04/2019	1	Strike Action	
4	A	10/04/2019-11/04/2019	3	Strike Action	
5	A	20/03/2019	287	Action Short of a Strike	
6	A	05/12/2019	0.5	Strike Action	
7	A	12/12/2019	0.5	Strike Action	
8	A	15/07/2019-16/07/2019	2	Strike Action	
9	A	12/08/2019-14/08/2019	3	Strike Action	
10	A	16/09/2019-20/09/2019	5	Strike Action	
11	A	25/11/2019-27/11/2019	3	Strike Action	
12	A	02/12/2019-04/12/2019	3	Strike Action	
13	A	27/12/2019	1	Strike Action	
14	A	17/07/2019	168	Action Short of a Strike	
15	A	11/03/2019-12/03/2019	2	Strike Action	
16	A	28/03/2019-29/03/2019	2	Strike Action	

17	A	01/05/2019-02/05/2019	2	Strike Action
18	A	21/05/2019-22/05/2019	2	Strike Action
19	A	10/06/2019-14/06/2019	5	Strike Action
20	A	09/07/2019-10/07/2019	2	Strike Action
21	A	07/11/2019-08/11/2019	2	Strike Action
22	A	11/11/2019-12/11/2019	2	Strike Action
23	A	09/04/2019	24	Action Short of a Strike
24	A	04/11/2019	5	Action Short of a Strike
25	A	27/08/2019-28/08/2019	2	Strike Action

trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Notes to the accounts

(see notes 82 and 83)

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

SEE APPENDIX 3

Accounting policies

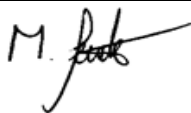
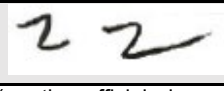
(see notes 84 and 85)

SEE APPENDIX 3

Signatures to the annual return

(see notes 86 & 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: 
Name: Mark Serwokta	Name: John Moloney <small>(or other official whose position should be stated)</small>
Date: 20 August 2020	Date: 20 August 2020

Checklist

(see notes 88 to 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 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes	<input checked="" type="checkbox"/>	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes		No	<input checked="" type="checkbox"/>
A member statement is: (see Note 80)	Enclosed	<input checked="" type="checkbox"/>	To follow	<input checked="" type="checkbox"/>
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes	<input checked="" type="checkbox"/>	No	

Checklist for auditor's report

(see notes 90 and 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 related? (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 sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.**

Auditor's report (continued)

See Appendix 4 for the report

Signature(s) of auditor or auditors:

BDO LLP

Name(s):

Philip Clifflands
On behalf of BDO LLP

Profession(s) or Calling(s):

Auditor

Address(es):

2 City Place

Beehive Ring Road

Gatwick

West Sussex

Postcode

RH6 0PA

Date

03-Sep-20

Contact name for inquiries and
telephone number:

Philip Clifflands
01293 591 000

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

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 reportign period proceding 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 inforamation and explanations necessary for the performance of his/her functions?

YES

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

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

Membership audit certificate (continued)

Signature of assurer	
Name	Simon Hearn
Address	Civica Election Services Ltd., 33 Clarendon Road, London N8 0NW
Date	17/08/2020
Contact name and telephone number	Simon Hearn, Managing Director 020 8365 8909

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 / No

If "No" Please explain below:

Signature	
Name	
Office held	
Date	

Appendix 1
NATIONAL EXECUTIVE COMMITTEE MEMBERS 2019
ATTENDANCE LIST

17 September 2019

Senior National Officers	
Fran Heathcote President	
Cavanagh, Martin Deputy President	
Green, Jacqueline Vice President	
Holbourne, Zita Vice President	
McHugh Kevin Vice President	
NEC Members	
Brittle, Fiona	
Brown, Paula	
Bryant, Clive	
Crane, Harvey	
Dennis, Alan	
Dickens, Phil	
Flynn, Felicity	
Grant, Angela	
Hall, Sam	
Hendry, Kris	
Jamieson, John	
Laidlaw, Beverley	
Latif, Tahir	
License, Neil	
Lloyd, Marion	

McKay, Kenny	Apologies
Maguire, John	
Marks, Chris	
Merry, Lorna	
Owens, Marianne	
Pope, Ian	
Roder, Alison	
Rochester, Annette	
Semple, Dave	
Thorley, Steve	
Udwin, Candy	
Watts, Karen	
Wesley, Hector	
Williams, Paul	
Secretariat	
Serwotka, Mark General Secretary	
Moloney, John Assistant General Secretary	
Watson, Dave	
McCarthy, Nick	Apologies
Lewtas, Geoff	
Evans, Jeff	
Dennis, Stella	
O'Connor, Paul	
Battlemuch, Steve	
Millington, John	
Colclough, Seamus	

Appendix 2

Description	Amount
CANTEEN TAKINGS	(1,097)
NATIONAL ORGANISING FORUMS	128
HAZARDS CONFERENCE	4,031
VEHICLE RUNNING COSTS	4,038
STAFF RECRUITMENT COSTS	7,408
BRANCH IT SUPPORT	7,773
INTERNATIONAL MEETINGS	8,840
RESEARCH	14,895
YOUNG MEMBERS WORK	18,036
MISCELLANEOUS OFFICE EXPENSES	21,221
ASSOCIATE MEMBERS SECTION	22,099
STAFF DEVELOPMENT	29,601
MEDIA	31,204
BANK CHARGES	33,858
GRANTS TO OTHER GROUPINGS	37,814
TRADES UNION CONGRESS	71,043
PENSION PROTECTION FUND LEVY	88,911
ELECTIONS GROUPS INC OCCP ASSOCIATIONS	98,823
SUBSISTENCE	154,186
SUBSCRIPTION COLLECTION COSTS	197,063
TRAVEL	246,660
BRANCH GRANTS	247,462
OFFICE RUNNING COSTS	267,643
NEC ELECTION	338,260
GROUP GRANTS	695,331
COMPUTER RUNNING COSTS	749,033
PENSION SCHEME ADMINISTRATIVE COSTS	936,848
	<hr/>
	4,331,112

APPENDIX 3 ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019

1 Accounting policies

Basis of accounts

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

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

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

Going concern

The officers of the union have considered their obligations to prepare these financial statements on an appropriate basis, having regard to the union's net asset position at 31 December 2019.

The officers have assessed the impact of the financial budgets in place for 2020 and beyond against the working capital available, notably its cash and investments. An additional review has been carried out in March 2020 to consider the impact of the Coronavirus outbreak on union finances.

In the short term, we do not believe the outbreak will have a negative consequence on union finances. Union membership is often boosted when employees feel threatened. There was an increase in membership rates in the first quarter of 2020 and this has accelerated further at the start of the outbreak. This should result in annual income being higher than budgeted for – we have prudently budgeted for a 3,000 membership loss in 2020.

There is the potential of membership loss through the loss of 'face to face' recruitment engagement with non-members and the union is developing new digital

communication methods to get around this problem. At the same time, we expect the government to shelve job loss and office closure programmes during the period of the crisis, so mitigating the possibility of further membership loss.

In addition, we expect spending to decrease as government social distancing requirements are enforced. All union meetings, conferences and events have been postponed resulting in savings on travel, subsistence and venue hiring. The union's annual conference and national and group elections have been postponed. If these major spending commitments are not rescheduled later in the year, it will have a substantially positive effect on cash reserves. Overall, we would expect to be in a broadly cash neutral position in 2020 as a minimum, with a strong chance that we our cash position will improve.

Longer term, a deep seated recession could have negative consequences for the union as with all other organisations, particularly if public spending is reduced. There are ongoing financial measures in place to ensure we remain on a path towards stronger union finances. Last year, a staff recruitment ban was put in place and that will remain until the union achieves a sustained period of membership growth. We have invested substantially in our infrastructure and are now reaping the rewards with rental income increasing. We are reviewing all aspects of our spending including our contracts with external suppliers.

As a result, in the opinion of the officers the union will have sufficient resources to meet its obligations as and when they fall due and accordingly the accounts have been prepared on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

a Subscriptions

Subscription income received includes amounts remitted by, and due to be remitted from, the following sources:

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

- i) Pay centres who operate a payroll deduction scheme on behalf of PCS.
- ii) Members who have a direct debit facility with their bank.
- iii) Branch and office secretaries.
- iv) Members directly to headquarters. Amounts deducted by pay centres at 31 December 2019 but not received and members paying by direct debit one month in arrears have been brought into the income and expenditure account and included in current assets within debtors.

b Investment and commercial income

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

c Taxation

As an unincorporated association the PCS is liable to corporation tax on its investment income, and realised gains on investments sold. As a trade union relief is available in respect of provident benefits expenditure as statutorily defined. Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable surpluses.

d Depreciation

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

- i) Depreciation on freehold property is charged, on a straight line basis, at 2% per annum.
- ii) Depreciation on leasehold property is being charged over the length of the lease.
- iii) The following are depreciated on a straight line basis at 20% per annum.
 - a) Office furniture, machinery and equipment.
 - b) Computer equipment and software.
 - c) Company cars.
- iv) Depreciation on freehold improvements is charged, on a straight line basis at 10% per annum.

e Property – investment property

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

f Property – other

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

g Investments

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

h Operating leases

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

i Pension costs

The difference between the fair value of the assets held in the group's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

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

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

Useful lives of property, plant and equipment

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

3 Purpose of the funds and reserves

a General fund

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

b Campaign and disputes fund

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

c Political fund

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

d Property fund

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

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

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

f Fighting fund

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

g Pension reserve

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

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

4 Investment income

	2019		2018	
	£	£	£	£
Dividends and credits		27,066		24,827
Net capital (losses) / gains		(712)		6,967
Unrealised gain / (loss) on investments		54,968		(34,673)
Interest from investment managers		850		461
		<u>82,172</u>		<u>(2,418)</u>
Pension adjustment				
Expected return on pension scheme assets	5,900,000		5,300,000	
Interest on pension scheme liabilities	(5,700,000)		(5,200,000)	
		<u>200,000</u>		<u>100,000</u>
		<u>282,172</u>		<u>97,582</u>

5 Commercial activities

Advertising income		(14,298)		32,811
Rent		1,077,776		480,823
Commission received:				
Liverpool Victoria		(1,800)		23,411
Lighthouse Financial Advice		11,248		15,257
BHSF		9,958		8,701
Union Income Benefit		-		(246)
Boundless		-		124
The People's Operator		-		784
		<u>1,082,884</u>		<u>561,665</u>

6 Miscellaneous income

Other		821		166
		<u>821</u>		<u>166</u>

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

7 Income received from legal settlements

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

8 Network administration (summary)	2019		2018	
	£	£	£	£
<i>(See appendix C)</i>				
Superannuation fund running costs		936,848		744,699
Pension Protection Fund Levy		88,911		75,421
Legal & professional fees		178,458		76,853
Credit Union Loan written off		–		4,145
Audit fees		44,671		40,582
Bank charges and interest		33,858		36,459
Staff development costs		29,601		17,822
Staff recruitment costs		7,408		16,532
Computer running costs		749,033		622,441
Vehicle running costs		4,038		6,423
Pension adjustment				
Current service costs of defined benefit schemes	900,000		1,000,000	
Past service costs of defined benefit schemes	–		300,000	
Pension contributions paid in year	<u>(4,200,000)</u>		<u>(4,200,000)</u>	
		<u>(3,300,000)</u>		<u>(2,900,000)</u>
Employment costs		11,773,426		11,687,319
Severance costs paid		41,736		–
Accommodation running costs*		1,123,814		1,108,536
Printing, stationery and photocopying		130,326		110,224
Postage		32,744		66,664
Research & media		46,100		47,163
Telephone		123,455		120,712
Office costs		266,546		168,077
Subsistence		154,186		123,351
Travel		246,660		266,212
Miscellaneous		21,221		38,974
		<u>12,733,040</u>		<u>12,478,607</u>

* Includes rent paid £370,475 (2018: £385,066)

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

9 Members representative costs	Appendix	2019 £	£	2018 £	£
Organising and learning					
Recruitment publicity		-		79	
National organising forums		128		-	
Youth work		18,036		14,583	
National courses		-		5,898	
Group and associations courses		-		53	
Branch courses		114,579		116,162	
Organising and learning publicity		60,678		47,726	
			193,420		184,502
Other meetings					
International meetings		8,840		6,111	
Seminars		59,024		49,642	
National meetings		75,074		86,990	
			142,938		142,743
National representatives					
Annual delegate conference		504,535		519,617	
Subsistence		62,151		61,939	
Travel		58,089		69,822	
			624,775		651,378
Elections					
National		338,260		143,848	
Groups, associations and branches		98,823		70,032	
			437,083		213,879
Local representatives					
Group and occupational associations	D	695,331		768,710	
Branch grants		247,462		262,775	
Branch IT support		7,773		9,716	
Geographical and other structures	E	59,914		50,949	
			1,010,479		1,092,150
			<u>2,408,694</u>		<u>2,284,652</u>

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

10 Members benefits	Appendix	2019 £	2018 £
Death and personal accident		363,871	317,536
Benevolence service		99,500	81,121
Legal Services		406,777	287,698
Ex lit group sickness benefit		443	3,953
Helplines		47,040	59,580
Gold badges		2,940	-
Employment costs		336,148	328,193
		1,256,720	1,078,082
11 Members communications			
PCS View/PCS People		99,976	222,215
Employment costs		1,388,921	1,313,076
		1,488,897	1,535,291
12 Affiliations and donations			
Affiliation fees	G	714,065	751,423
PCS in the community fund		-	2,000
Donations	F	3,350	5,800
		717,415	759,223

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

	Investment Property £	Freshhold Property £	Long Leasehold Properties £	Short Leasehold Properties £	Total Property £
13 Tangible fixed assets					
Property					
Valuation/cost					
Brought forward at 1 January 2019	12,879,000	4,151,485	563,500	282,560	17,876,545
Additions	7,041	-	-	-	7,041
Revaluation in year	3,649,959	-	-	-	3,649,959
Carried forward at 31 December 2019	16,536,000	4,151,485	563,500	282,560	21,533,545
Depreciation					
Brought forward at 1 January 2019	-	(558,651)	(33,810)	(200,128)	(792,589)
Depreciation for year	-	(63,025)	(5,635)	(24,075)	(92,735)
Carried forward at 31 December 2019	-	(621,676)	(39,445)	(224,203)	(885,324)
Net book value at 31 December 2019	16,536,000	3,529,809	524,055	58,357	20,648,221
Net book value at 31 December 2018	12,879,000	3,592,834	529,690	82,432	17,083,957

The Unions, freshhold property 160 Falcon Road is held under existing use and as investment property. The property was revalued by SHW, an external valuer, on the basis of existing use and rental property using standard RICS terms, as at the 31 December 2019. The valuation reflects a 6% yield and a rental value of £50 per square foot.

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

EQUIPMENT	Freehold improvements	Office equipment £	Computer equipment £	Company cars £	Total £
Cost					
Brought forward at 1 January 2019	2,334,750	642,661	3,026,668	10,000	6,014,079
Elimination of fully depreciated assets	-	(130,544)	(562,551)	-	(693,095)
Additions in year	783,681	134,885	573,729	-	1,492,295
Carried forward at 31 December 2019	3,118,431	647,002	3,037,846	10,000	6,813,279
Depreciation					
Brought forward at 1 January 2019	-	(352,817)	(1,513,018)	(10,000)	(1,875,835)
Elimination of fully depreciated assets	-	130,544	562,551	-	693,095
Depreciation for year	(311,843)	(112,839)	(537,417)	-	(962,099)
Carried forward at 31 December 2019	(311,843)	(335,112)	(1,487,883)	(10,000)	(2,144,838)
Net book value at 31 December 2019	2,806,588	311,890	1,549,962	-	4,668,440
Net book value at 31 December 2018	2,334,750	289,844	1,513,650	-	4,138,243

Freehold improvements represent assets that are under construction.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

14 Taxation on surpluses on ordinary activities	2019 £	2018 £
UK Corporation tax		
Current tax on income for the year	7,272	
Adjustment in respect of prior year	(50,068)	(200,000)
Movement in deferred tax	637,097	200,000
Tax on results on ordinary activities	594,301	-
Surplus on ordinary activities before tax	5,896,164	7,755,686
Surplus on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 19% (2018: 19%)	1,120,271	1,473,580
Non taxable income	(1,120,271)	(1,473,580)
Tax on results on ordinary activities	-	-

	Equity £	Bonds and interest bearing stock £	Unit Trusts and funds £	Money market £	Miscellaneous holdings at cost £	Total investment movement £
15 Investments						
Market value:						
Cost brought forward 1 January 2019	6,681	54,000	500,832	107,280	704,236	1,373,029
Unrealised gains	2,523	(3,268)	39,625	-	-	38,882
Market value carried forward 1 January 2019	9,204	50,734	540,457	107,280	704,236	1,411,911
Movement in year cost						
Purchases-cost	38,527	-	-	-	-	38,527
Disposals-cost	-	-	(6,322)	-	(102)	(6,424)
Cash drawdown	-	-	-	(7,024)	-	(7,024)
Cost carried forward 31 December 2019	45,208	54,000	494,510	100,256	704,134	1,398,108
Unrealised gains in year	4,424	(669)	90,096	-	-	93,851
Market value carried forward 31 December 2019	49,632	53,331	584,606	100,256	704,134	1,491,958

	Appendix	2019 £	2018 £
Equities	H	49,632	9,204
Bonds and interest bearing stock	I	53,331	50,734
Unit trusts and funds	J	584,606	540,457
Money market	K	100,256	107,280
Miscellaneous holdings at cost	L	704,134	704,236
		1,491,958	1,411,911

16 Debtors		2019 £	2018 £
Recoverable in less than one year:			
Membership subscription debtor		1,642,550	1,623,846
Other debtors		622,590	589,121
Prepayments		577,226	431,890
		2,842,366	2,644,858

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

17 Cash at bank and in hand	2019	2018
	£	£
Cash	2,341	2,148
Bank	755,567	2,157,386
Balances in hands of groups and branches	263,574	246,174
	1,021,482	2,405,709
18 Creditors: amounts falling due within less than one year		
Trade creditors	628,181	581,186
Accruals	1,201,568	823,726
Deferred income	276,522	219,394
Value added tax payable	90,737	-
Deferred tax payable	-	280,000
Corporation tax payable	7,272	31,146
	2,204,280	1,935,452
19 Creditors: amount falling due over one year		
Deferred tax payable	917,097	-
	917,097	-

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

20 Commitments**Lessee**

The PCS has the following rental agreements net of VAT:

Property leased	Date of Expiry	Total Commitment £
1 Blington Liverpool, L3	30 June 2025	280,276
6 Holt Court North, Birmingham, B7	31 March 2020	32,000
Lease to be ceased on completion of new premises John Dobson St, Newcastle, NE1	24 March 2025	182,489
145 West Regent, St Glasgow G2	1 December 2027	448,000
Towncentre House, Wood house lane, Leeds	24 May 2020	48,194
1 Cathedral Street, Cardiff, CF1	9 Dec 2025	231,906
Part 2nd Floor Tony Benn House, Victoria Street, Bristol, BS1 6AY	30 June 2030	149,360
Peterborough, 15 Church Walk, Peterborough, PE1 2TP	21 August 2031	137,480

Leasehold

5 Falcon Mews	2113	200,719
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Lessor

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

	2019	2018
Not later than 1 year	824,734	968,835
Later than 1 year and not later than 5 years	3,332,410	4,364,496
Later than 5 years	6,469,382	7,893,128
	<u>10,626,526</u>	<u>13,226,459</u>

21 Contingent liabilities

On 16 December 2004 the union gave its commitment to a charge over the freehold property (Note 13) of £4.5 million to the PTC pension scheme.

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

22 Related party transactions

At 31 December 2019 the PTC pension scheme had a charge over the Unions freehold property (Note 13).

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

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

	2019		2018	
	£	£	£	£
Surplus for the year- general fund		5,566,295		6,716,650
Appropriation to campaign and disputes fund	584,990		525,000	
Campaign and disputes fund expenditure	(818,347)		(455,507)	
Donations	1,050		-	
		(32,307)		69,493
Appropriation to political fund	196,184		194,844	
Release of reserves from the political fund	-		-	
Political fund expenditure	(74,718)		(95,576)	
		121,466		139,268
Appropriation to fighting fund	607,249		1,022,089	
Fighting fund expenditure	(410,963)		-	
		196,286		1,022,089
Allocation to designated reserves				
Transfer from property fund	(404,579)		(92,736)	
VSER expenditure	(145,298)		(99,079)	
		(549,876)		(191,815)
Depreciation		1,054,834		752,267
Pension contributions paid in year	(3,300,000)		(2,900,000)	
		(3,300,000)		(2,900,000)
		3,056,698		5,607,952
Interest receivable	(850)		(461)	
Dividends	(27,068)		(24,827)	
Pension scheme income	(200,000)		(100,000)	
(Gain) on sale of investments	712		(8,967)	
Loss/(gain) on revaluation of investments	(54,968)		34,673	
(Gain) on revaluation of investment property	(3,649,959)		(2,510,259)	
Increase/(decrease) in creditors	1,185,925		126,247	
(Increase)/(decrease) in debtors	(197,509)		(185,450)	
		(2,943,715)		(2,667,043)
Net cash inflow from operating activities		112,983		2,940,909

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2018 (continued)

24 Pension

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

The pension charge to the general fund for all schemes for the period was £4,221,144 (2018: £4,191,532).

The PTC Pension Scheme

PCS operates this as a defined benefit scheme. The assets of the scheme are held, almost entirely, by Aon PLC in the form of individual holdings of equities, unit trusts, government securities, hedge funds and cash. An actuarial valuation of the scheme was carried out at 31 December 2018.

Employer contributions to the scheme charged to the general fund amounted to £2,780,827. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

The main actuarial assumptions were:

Rate of pay increases 1.0% pa
Rate of pension increases – RPI 3.0% pa

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

An interim valuation has been performed as at 31 December 2019 for FRS 102 accounting purposes and the assumptions used and the deficit within the scheme are disclosed as follows:

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

Main financial assumptions

	at 31 December 2019 (% p.a.)	at 31 December 2018 (% p.a.)	at 31 December 2017 (% p.a.)
Inflation assumption-RPI	3.0	3.2	3.2
Rate of general long-term increase in salaries	1.0	1.5	1.5
Rate of increases to pensions in payment	3.0	3.2	3.2
Discount rate for scheme liabilities	2.0	2.9	2.5

The scheme rules link to RPI not CPI.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

24 Pension (continued)**The PTC Pension Scheme (continued)****Mortality assumption**

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26.3 years if they are male and 28.5 years if they are female. A member currently aged 45 will live an additional 27.3 years from the age of 60 if they are male and 29.6 years if they are female.

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

	Value at 31 December 2019	Value at 31 December 2018	Value at 31 December 2017
	£m	£m	£m
Equities	11.2	16.7	42.7
Hedge fund	18.9	15.2	0.0
Opportunities portfolio	3.3	2.9	0.0
Other liquid assets	3.3	4.9	0.0
Property	3.5	2.6	7.6
Government bonds	17.1	6.7	28.6
Hedging components**	40.8	40.5	8.9
Corporate bonds	18.7	17.7	7.5
Alternative investments	0.0	0.0	13.3
Cash & other	1.1	0.4	3.8
Combined	<u>117.9</u>	<u>107.6</u>	<u>112.4</u>

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

** This includes an annuity policy held with Sun Life

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2019.

Reconciliation of funded status to balance sheet

	Value at 31 December 2019	Value at 31 December 2018	Value at 31 December 2017
	£m	£m	£m
Fair value of scheme assets	117.9	107.6	112.4
Present value of funded defined benefit obligations	(126.4)	(125.2)	(133.6)
(Liability) recognised on balance sheet	<u>(8.5)</u>	<u>(17.6)</u>	<u>(21.2)</u>

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

24 Pension (continued)**The PTC Pension Scheme (continued)****Analysis of income and expenditure charge**

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Current service cost	0.3	0.3
Past service cost	0.0	0.3
Interest cost	3.6	3.3
Expected return on scheme assets	(3.1)	(2.8)
Expenses recognised in income and expenditure	0.8	1.1

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

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Opening defined benefit obligation	125.2	133.6
Current service cost	0.3	0.3
Interest cost	3.6	3.3
Contributions by scheme participants	0.2	0.2
Actuarial gain / (loss) on scheme liabilities*	0.5	(9.2)
Net benefits paid out	(3.4)	(3.3)
Past service cost	0.0	0.3
Closing defined benefit obligation	126.4	125.2

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Opening fair value of scheme assets	107.6	112.4
Expected return on scheme assets	3.1	2.8
Actuarial gain/(loss) on scheme assets	7.8	(7.3)
Contributions by the employer from all funds	2.8	2.8
Contributions by scheme participants	0.2	0.2
Net benefits paid out	(3.4)	(3.3)
Closing fair value of scheme assets	117.9	107.6

Actual return on scheme assets

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Expected return on scheme assets	3.1	2.8
Actuarial gain/(loss) on scheme assets	8.0	(7.3)
Actual return on scheme assets	11.1	(4.5)

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

24 Pension (continued)

The PTC Pension Scheme (continued)

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

	Year ended 31 December 2019 £m	Year ended 31 December 2018 £m
Total actuarial gains/(losses)	(7.1)	(1.9)
Total gain/(loss) in SOCl	(7.1)	(1.9)
Cumulative amount of (losses) recognised in SOCl	(42.8)	(35.7)

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

	Year ended 31 December 2019 £m	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Fair value of scheme assets	117.9	107.6	112.4	104.1	90.2
Defined benefit obligation	(126.4)	(125.2)	(133.6)	(132.3)	(107.4)
Deficit in scheme	(8.5)	(17.6)	(21.2)	(28.2)	(17.2)

History of experience gains and losses

	Year ended 31 December 2019 £m	Year ended 31 December 2018 £m	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m	Year ended 31 December 2015 £m
Experience gains/(losses) on scheme assets	(7.6)	7.3	5.6	11.8	(0.6)
Experience gains/(losses) on scheme liabilities*	0.5	(9.2)	(0.4)	(23.5)	5.2

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

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

24 Pension (continued)

The CPSA Pension Scheme

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

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

The main actuarial assumptions are:

Rate of pay increases	1.0% pa
Rate of pension increases – CPI	2.1% pa

The pension fund meets expenses incurred in operating the scheme.

Employer contributions to the scheme amounted to £1,415,083. Additional employer contributions will be required if there are any redundancies or augmentations during the year.

An interim valuation has been performed as at 31 December 2019 for FRS 102 accounting purposes and the assumptions used and the surplus within the scheme are disclosed as follows:

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

Main financial assumptions

	31 December 2019	31 December 2018	31 December 2017
	(% p.a.)	(% p.a.)	(% p.a.)
Inflation assumption – CPI	2.1	2.1	2.1
Rate of general long-term increase in salaries	1.0	1.5	1.5
Rate of increases to pensions in payment	2.1	2.1	2.1
Discount rate for scheme liabilities	2.0	2.9	2.5

The scheme rules link inflation assumptions to CPI.

Mortality assumption

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live on average for a further 26.3 years if they are male and 27.9 years if they are female. A member currently aged 45 will live an additional 27.3 years from the age of 60 if they are male and 29.0 years if they are female.

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2018 (continued)

24 Pension (continued)

The CPSA pension scheme (continued)

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

	Value at 31 December 2019	Value at 31 December 2018	Value at 31 December 2017
	£m	£m	£m
Equities	4.1	8.7	41.2
Property	5.8	3.9	1.5
Opportunities portfolio	2.3	2.0	–
Other liquid assets	2.8	4.5	–
Government bonds	25.6	18.0	24.3
Corporate bonds	15.5	13.1	14.1
Diversified Growth Fund	16.8	14.3	7.9
Hedge fund component	30.9	31.7	–
Other	0.6	0.2	9.7
Combined	<u>104.4</u>	<u>96.4</u>	<u>98.7</u>

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

Narrative description of the basis used to determine expected return

PCS employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme at 31 December 2019.

Reconciliation of funded status to balance sheet

	Value at 31 December 2019	Value at 31 December 2018	Value at 31 December 2017
	£m	£m	£m
Fair value of scheme assets	104.4	96.4	98.7
Present value of funded defined benefit obligations	(79.8)	(72.1)	(76.1)
Asset recognised on balance sheet	<u>24.6</u>	<u>24.3</u>	<u>22.6</u>

Analysis of income and expenditure charge

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Current service cost	0.6	0.7
Interest cost	(0.7)	(0.6)
Expenses recognised in income and expenditure	<u>(0.1)</u>	<u>0.1</u>

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2018 (continued)

24 Pension (continued)

The CPSA pension scheme (continued)

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

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Opening defined benefit obligation	72.1	76.1
Current service cost	0.6	0.7
Interest cost	2.1	1.9
Contributions by scheme participants	0.5	0.4
Actuarial losses/(gains) on scheme liabilities*	7.5	(4.9)
Net benefits paid out	(3.0)	(2.1)
Closing defined benefit obligation	79.8	72.1

*Includes changes to the actuarial assumptions

Changes to the fair values of scheme assets during the year

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Opening fair value of scheme assets	96.4	98.7
Expected return on scheme assets	2.8	2.5
Actuarial gains/(losses) on scheme assets	6.3	(4.5)
Contributions by the employer from all funds	1.4	1.4
Contributions by scheme participants	0.5	0.4
Net benefits paid out	(3.0)	(2.1)
Closing fair value of scheme assets	104.4	96.4

Actual return on scheme assets

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Expected return on scheme assets	2.8	2.5
Actuarial gain/(loss) on scheme assets	6.3	(4.5)
Actual return on scheme assets	9.1	(2.0)

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

	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Total gain/(loss) in SOC	1.2	(0.4)
Total actuarial gain/(loss) in SOC	1.2	(0.4)
Cumulative amount of (losses) recognised in SOC	4.1	2.9

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

24 Pension (continued)

The CPSA pension scheme (continued)

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

	Year ended 31 December 2019	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016	Year ended 31 December 2015
	£m	£m	£m	£m	£m
Fair value of scheme assets	104.4	96.4	98.7	92.4	79
Defined benefit obligation	(79.8)	(72.1)	(76.1)	(76.7)	(63.1)
Surplus in scheme	24.6	24.3	22.6	15.7	15.9

History of experience gains and losses

	Year ended 31 December 2018	Year ended 31 December 2018	Year ended 31 December 2017	Year ended 31 December 2016	Year ended 31 December 2015
	£m	£m	£m	£m	£m
Experience gains/(losses) on scheme assets	(6.3)	4.4	6.1	11.2	(0.3)
Experience (losses)/gains on scheme liabilities*	7.5	(4.8)	(0.3)	(12.5)	2.9

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

The General Federation of Trade Unions Pension Scheme (GFTU)

The union participates in the GFTU defined benefit pension scheme, a multi-employer scheme. Previously it was not possible to identify the union's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and as a result contributions were charged to the income and expenditure account as they were paid. Following discussions with the scheme actuary it has now been established that it is possible to identify the assets and liabilities attributable to the union. However, the officers of the union are of the opinion that the cost of obtaining the precise value of their share of the scheme deficit as at 31 December 2019 along with disclosures required to fully comply with FRS 102 Section 28 "Employees Benefits" outweighs the benefits given the known immaterial value of the union's share of assets and liabilities. Therefore these financial statements have continued to treat this scheme as if it were a defined contribution scheme.

The charge to PCS general fund for the year was £25,234 (2018: £24,932).

Reserves	Year ended 31 December 2019	Year ended 31 December 2018
	£m	£m
Funds as stated excluding pension assets/(liabilities)	27.6	25.8
Pension liability	(8.5)	(17.6)
Pension asset	24.6	24.2
Adjusted funds figure including pension assets/(liabilities)	43.7	32.4

Public and Commercial Services Union

Notes to the accounts

For the year ended 31 December 2019 (continued)

25 Contingent assets

In November 2018, PCS received £3m compensation from the DWP as a result of a High Court judgement relating to the unlawful withdrawal of 'check off' collection of union subscriptions. We believe we have a reasonable case to win further cases against the other government departments that also withdrew check off.

Our solicitors served notice on the Home Office on Monday 25 November 2019. It is not possible to quantify the claim at this stage, however the sum is likely to be significant, and as with any legal matter is inherently unpredictable. Other claims will follow.

Public and Commercial Services Union

Independent auditors' report

For the year ended 31 December 2019

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

Opinion

We have audited the financial statements of the Public and Commercial Services Union ("the Union") for the year ended 31 December 2019 which comprise the total funds income and expenditure account, the general fund income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in funds and reserves, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical

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

Conclusions relating to going concern

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

- the Officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Officers are responsible for the other information. The other information comprises the information included in the Financial report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Union has not maintained a satisfactory system of controls over transactions; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Officers

As explained more fully in the Statement of Officers' responsibilities, the Officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Officers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Officers are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Officers either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Philip Cliftlands (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London

6 April 2020

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