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## FORM AR21

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

#### ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	Communication Workers Union				
Year ended:	31 December 2012				
List no:	743T				
Head or Main Office:	150 The Broadway Wimbledon London SW19 1 RX				
Website address (if available)	www.cwu.org				
Has the address changed during the year to which the return relates?	<table><tr><td>Yes</td><td><input type="checkbox"/></td><td>No</td><td><input checked="" type="checkbox"/></td></tr></table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
General Secretary:	W Hayes				
Telephone Number:	020 8971 7200				
Contact name for queries regarding	Kelly McIntyre				
Telephone Number:	020 8971 7258				
E-mail:	kmcintyre@cwu.org				

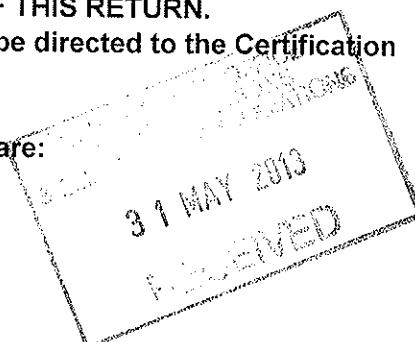
**PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.**

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

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  
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

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



(Revised February 2011)

# 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	159,347	3,879	-	360	163,587
FEMALE	37,378	852	-	59	38,288
TOTAL	196,725	4,731	-	419	A 201,875

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

1,577
201,875

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

## OFFICERS IN POST

(see note 12)

Please attach as an annexé to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

## RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	Jane Loftus	Beryl Shepherd	Apr-12
Vice President	Beryl Shepherd	Jane Loftus	Apr-12
Voting Member	Noel McClean		Jun-12
Voting Member	Kye Dudd		Sep-12

State whether the union is:

a. A branch of another trade union?

Yes       No     X

If yes, state the name of that other union:

b. A federation of trade unions?

Yes       No     X

If yes, state the number of affiliated unions:

and names:

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		28,113,895
<b>From Members:</b> Other income from members (specify)	-	
<b>Total other income from members</b>		-
<b>Total of all income from members</b>		28,113,895
<b>Investment Income</b> (as at page 12)		172,203
<b>Interfund Transfers:</b>		
National Welfare Fund (Fund 3)		65,024
Scholarship Fund (Fund 4)		54,300
Property Reserve (Fund 5)		265,135
<b>Other Income:</b>		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	361,325	
<b>Total of other income (as at page 4)</b>		361,325
	<b>TOTAL INCOME</b>	<b>29,031,882</b>
<b>EXPENDITURE</b>		
<b>Benefits to members</b> (as at page 5)		1,250,125
<b>Administration expenses</b> (as at page 10)		24,386,386
<b>Federation and other bodies:</b>		
Affiliations and associated expenses (schedule A, pg 23 )		1,066,917
<b>Interfund Transfers:</b>		
Rebates to Branches (Fund 6)		8,149,754
	<b>TOTAL EXPENDITURE</b>	<b>34,853,182</b>
Surplus (deficit) for year		(5,821,300)
Amount of general fund at beginning of year		(5,032,546)
Amount of general fund at end of year		(10,853,846)

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
n/a		-
<b>TOTAL FEDERATION AND OTHER BODIES</b>		-
<b>Other income</b>		
Bank interest		15,152
Surplus on sales of diaries and promotional goods		9,719
Political Fund Management charge		5,000
Elstead Hotel Management Charge		96,000
Corporation Tax refund		6,491
Miscellaneous		1,202
Surplus on revaluation of investments		200,961
Surplus on disposal of fixed assets		26,800
<b>TOTAL OTHER INCOME</b>		<b>361,325</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>361,325</b>

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation –		<b>brought forward</b>	665,655
Employment Related Issues			
Employment Tribunals	397,208	Education and Training services	
		Education	584,470
Representation –			
Non Employment Related Issues			
Legal and Medical Services	(1,126,825)	Negotiated Discount Services	
		n/a	-
Communications			
Publications and Publicity	925,502		
		Salary Costs	
		n/a	-
Advisory Services			
n/a	-		
		Other Benefits and Grants (specify)	
		n/a	-
Dispute Benefits			
n/a	-		
Other Cash Payments			
Members Insurance Scheme	63,213		
Death Benefits	406,557		
<b>carried forward</b>	<b>665,655</b>	<b>Total (should agree with figure in General Fund)</b>	<b>1,250,125</b>

FUND 2		Fund Account	
Name:	Defence Fund	£	£
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Interfund transfer - Rebates from Branches (Fund 6)		81,524
	Other income:		
	<b>Total other income as specified</b>		-
	<b>Total Income</b>		81,524
<b>Expenditure</b>			
	Benefits to members		-
	Administration expenses and other expenditure (as at page 10)		-
	<b>Total Expenditure</b>		-
	<b>Surplus (Deficit) for the year</b>		81,524
	<b>Amount of fund at beginning of year</b>		694,240
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		775,764
	<b>Number of members contributing at end of year</b>		n/a

FUND 3		Fund Account	
Name:	National Welfare Fund	£	£
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Other income:		
	Donations	43,991	
	Commissions	68,998	
	<b>Total other income as specified</b>		112,989
	<b>Total Income</b>		112,989
<b>Expenditure</b>			
	Benefits to members		75,805
	Administration expenses and other expenditure (as at page 10)		-
	Interfund transfer - General Fund (page 3)		65,024
	<b>Total Expenditure</b>		140,829
	<b>Surplus (Deficit) for the year</b>		(27,840)
	<b>Amount of fund at beginning of year</b>		140,829
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		112,989
	<b>Number of members contributing at end of year</b>		n/a

(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Scholarship Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Other income:		
	Commissions	55,000	
	<b>Total other income as specified</b>		55,000
	<b>Total Income</b>		55,000
<b>Expenditure</b>			
	Benefits to members		700
	Administration expenses and other expenditure (as at page 10)		-
	Interfund transfer - General Fund (page 3)		54,300
	<b>Total Expenditure</b>		55,000
	<b>Surplus (Deficit) for the year</b>		-
	<b>Amount of fund at beginning of year</b>		50,000
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		50,000
	<b>Number of members contributing at end of year</b>		n/a

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Property Reserve</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Interfund transfer - Branch Fund (Fund 6)		2,853,012
	Other income (specify)		-
	<b>Total other income as specified</b>		-
	<b>Total Income</b>		2,853,012
<b>Expenditure</b>			
	Benefits to members		-
	Administration expenses and other expenditure (as at page 10)		-
	Interfund transfer - General Fund (page 3)		265,135
	<b>Total Expenditure</b>		265,135
	<b>Surplus (Deficit) for the year</b>		2,587,877
	<b>Amount of fund at beginning of year</b>		16,949,415
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		19,537,292
	<b>Number of members contributing at end of year</b>		n/a

(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>	<b>Branch Fund</b>	<b>£</b>	<b>£</b>
<b>Income</b>			
	From members		-
	Investment income (as at page 12)		-
	Interfund transfer - General Fund (page 3)		8,149,754
	Other income:		
	<b>Total other income as specified</b>		-
	<b>Total Income</b>		8,149,754
<b>Expenditure</b>			
	Benefits to members		-
	Administration expenses and other expenditure (as at page 10)		7,396,819
	Interfund transfer - Defence Fund (Fund 2)		81,524
	Interfund transfer - Property Reserve (Fund 5)		2,853,012
	<b>Total Expenditure</b>		10,331,355
	<b>Surplus (Deficit) for the year</b>		(2,181,601)
	<b>Amount of fund at beginning of year</b>		9,549,945
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		7,368,344
	<b>Number of members contributing at end of year</b>		n/a



(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		£	£
<b>Income</b>	Members contributions and levies		1,663,041
	Investment income (as at page 12)		-
	Other income:	-	
	Total other income as specified		-
	Total Income		1,663,041
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992		-
	Administration expenses in connection with political objects:		
	Labour Party Affiliation Fees		518,600
	Regional Affiliation Fees		10,190
	Campaigns		31,565
	Delegations to National Conference		75,842
	Delegations to Regional Conference		8,092
	Net Expenditure at Branches		145,969
	Branch and Regional Expenses		3,393
	Parliamentary Panel		41,884
	Printing and Publicity		962
	Travel and Meetings Expenses		201
	Committee Expenses		1,813
	Miscellaneous Expenses		30,358
	Administration Charge		5,000
	Bank Charges		2,467
	Non-political expenditure		-
	Total Expenditure		876,336
	Surplus (Deficit) for the year		786,705
	Amount of political fund at beginning of year		(112,677)
	Amount of political fund at the end of year (as Balance Sheet)		674,028
	Number of members at end of year contributing to the political fund		167,585
	Number of members at end of the year not contributing to the political fund		34,290
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		23,910

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		8,936,226
Salaries and Wages included in above	£ 7,329,388	
Auditors' fees		120,186
Legal and Professional fees		534,003
Occupancy costs		1,320,780
Stationery, printing, postage, telephone, etc.		3,261,942
Expenses of Executive Committee (Head Office)		2,006,202
Expenses of conferences		1,134,116
Other administrative expenses:		
Branch Organisation and Recruitment		72,283
Regional and Divisional Representation		984,084
Elections and Ballots		123,403
International Activities		11,594
Branch Representation		3,812,920
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		-
Mortgages		5,876
Other loans (Bank Charges & Interest)		78,306
Depreciation		238,510
Taxation (VAT)		(72,359)
Outgoings on land and buildings		-
Other outgoings (specify)		
Collection Costs and Charges		454,237
PAYE/NIC Liability		1,805,141
Loss on revaluation of Elstead Hotel shares		26,222
FRS17 Pension Adjustment		6,510,000
Pension Scheme		220,000
Branch Honoraria		199,533
	<b>Total</b>	31,783,205
Charged to:	General Fund (Page 3)	24,386,386
	Branch Fund (Fund 6)	7,396,819
	<b>Total</b>	31,783,205

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions £	Other Benefits		
				Description	Value £	
W Hayes - General Secretary	91,972.50	10,467.86	-	-	-	102,440.36
J Loftus - President	2,898.98	65.41	-	-	-	2,964.39
<u>National Executive Council</u>						
M Baulch	871.62	-	-	-	-	871.62
P Donaghy	5,377.85	499.01	-	-	-	5,876.86
P Keenlyside	732.29	15.18	-	-	-	747.47
J Malone	2,124.90	120.89	-	-	-	2,245.79
L McNally	721.16	13.52	-	-	-	734.68
I Ward	2,099.37	48.30	-	-	-	2,147.67

Additional Notes to the above analysis:

Any amounts which may be paid from Branch Fund to any National Executive Council members for services as Branch or Regional Officials are not included in the above.

The Union operates three superannuation schemes providing benefits on final pensionable pay. Details of which are given elsewhere in the accounts.

Pension contributions have not been included for the General Secretary who is a member of UCW 2001 Pension Scheme. The most recent actuarial valuation of this scheme showed an on-going deficit and funding arrangements are in place for lump sum deficit payments to be made to the scheme on an annual basis. These cover all members of the scheme and are not determined on an individual basis.

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings	-		136,118
Dividends (gross) from:			
Equities (e.g. shares)	-		31,341
Interest (gross) from:			
Government securities (Gilts)	-		-
Mortgages	-		4,744
Local Authority Bonds	-		-
Bank and Building Societies	-		-
Other investment income (specify)	-		-
	-		172,203
		Total investment income	172,203
		Credited to:	
		General Fund	172,203
		Political Fund	-
		Total Investment Income	172,203

# BALANCE SHEET as at 31 December 2012

(see notes 47 to 50)

Previous Year		£	£
19,067,885	<b>Fixed Assets</b> (at page 14)		18,617,536
	<b>Investments</b> (as per analysis on page 15)		
2,343,502	Quoted (Market value)	2,544,463	
2,214,549	Unquoted	2,284,863	
4,558,051	<b>Total Investments</b>		4,829,326
	<b>Other Assets</b>		
-	Loans to other trade unions	-	
3,841,021	Sundry debtors	3,903,595	
7,891,057	Cash at bank and in hand	9,470,170	
11,732,078	<b>Total of other assets</b>		13,373,765
35,358,014	<b>TOTAL ASSETS</b>		36,820,627
(5,032,546)	General Fund (Fund 1)		(10,853,846)
694,240	Defence Fund (Fund 2)		775,764
140,829	National Welfare Fund (Fund 3)		112,989
50,000	Scholarship Fund (Fund 4)		50,000
16,949,415	Property Reserve Fund (Fund 5)		19,537,292
9,549,945	Branch Fund (Fund 6)		7,368,344
(112,677)	Political Fund (Account 1)		674,028
22,239,206	<b>Total Funds</b>		17,664,571
	<b>LIABILITIES</b>		
-	Amount held on behalf of central trade union political fund		-
-	Loans: From other trade unions		-
268,328	Loans: Other (Bank Loans to Branches)		194,243
104,460	Bank overdraft		-
-	Tax payable		-
1,975,730	Sundry creditors		1,449,504
264,218	Accrued expenses		665,363
1,616,072	Provisions		2,976,946
8,890,000	Other liabilities (Pensions)		13,870,000
13,118,808	<b>TOTAL LIABILITIES</b>		19,156,056
22,239,206	<b>NET ASSETS</b>		17,664,571

## FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
<b>Cost or Valuation</b>						
At start of year	19,541,670	-	1,096,943	12,203	455,000	21,105,816
Additions	7,549	-	50,812	-	-	58,361
Disposals	-	-	(721,315)	-	(280,000)	(1,001,315)
Revaluation/Transfers	7,316	-	143,378	-	-	150,694
At end of year	19,556,535	-	569,818	12,203	175,000	20,313,556
<b>Accumulated Depreciation</b>						
At start of year	959,755	-	1,056,873	12,203	9,100	2,037,931
Charges for year	202,584	-	28,226	-	7,700	238,510
Disposals	-	-	(721,315)	-	(9,800)	(731,115)
Revaluation/Transfers	7,316	-	143,378	-	-	150,694
At end of year	1,169,655	-	507,162	12,203	7,000	1,696,020
Net book value at end of year	18,386,880	-	62,656	-	168,000	18,617,536
Net book value at end of previous year	18,581,915	-	40,070	-	445,900	19,067,885

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
BT	66	-
Government Securities (Gilts)		
n/a	-	-
Other quoted securities (to be specified)		
Unit Trust Funds at market value	2,544,397	-
<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>2,544,463</b>	<b>-</b>
Market Value of Quoted Investment	2,544,463	-
<b>UNQUOTED</b> Equities		
Unity Trust Bank plc (at cost)	900,732	-
Government Securities (Gilts)		
n/a	-	-
Mortgages		
Union Mortgages	884,131	-
Bank and Building Societies		
n/a	-	-
Other unquoted investments (to be specified)		
Debenture & shares in Elstead Hotel (Bournemouth) Ltd	480,000	-
Peoples Press Printing Society	20,000	-
<b>TOTAL UNQUOTED (as Balance Sheet)</b>	<b>2,284,863</b>	<b>-</b>
Market Value of Unquoted Investments	2,284,863	-

# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">YES</td> <td style="width: 25%; text-align: center;">X</td> <td style="width: 25%; text-align: center;">NO</td> <td style="width: 25%;"></td> </tr> </table>	YES	X	NO	
YES	X	NO				
If YES name the relevant companies:						
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)					
Elstead Hotel (Bournemouth) Limited	1674002					
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">YES</td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">NO</td> <td style="width: 25%; text-align: center;">X</td> </tr> </table>	YES		NO	X
YES		NO	X			
If NO, state the names of the persons in whom the shares controlled by the union are registered.						
COMPANY NAME	NAMES OF SHAREHOLDERS					
Elstead Hotel (Bournemouth) Limited	Communication Workers Union					
	Anthony Kearns					



# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Fund £	Political Fund £	Total Funds £
<b>INCOME</b>			
From Members	28,113,895	1,663,041	29,776,936
From Investments	172,203	-	172,203
Other Income (including increases by revaluation of assets)	529,314	-	529,314
<b>Total Income</b>	28,815,412	1,663,041	30,478,453
<b>EXPENDITURE</b>			
(including decreases by valuation of assets)			
<b>Total Expenditure</b>	34,176,752	876,336	35,053,088
<b>Funds at beginning of year</b> (including reserves)	22,351,883	(112,677)	22,239,206
<b>Funds at end of year</b> (including reserves)	16,990,543	674,028	17,664,571
<b>ASSETS</b>			
	Fixed Assets		18,617,536
	Investment Assets		4,829,326
	Other Assets		13,373,765
		<b>Total Assets</b>	36,820,627
<b>LIABILITIES</b>		<b>Total Liabilities</b>	19,156,056
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			17,664,571

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

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

## 1 Tangible Fixed Assets

Land and Buildings owned at 31 December 2012 comprised of:

Description of Freehold Property	Cost or valuation details	Cost or valuation	Net book value
		31 December 2012 £	31 December 2012 £
150 The Broadway Wimbledon, London	Revaluation in 2011	13,507,549	13,291,398
Alvescot Lodge and adjacent cottages, Alvescot, Oxfordshire	Revaluation in 2010	2,207,316	2,164,800
Elstead Hotel Bournemouth, Dorset	Original cost to Union of Communication Workers	662,213	353,058
66 Tavistock Avenue, Perivale, Middlesex *	Revaluation in 2010	-	-
31 Edgecombe house, Whitlock Drive, Southfields, London *	Revaluation in 2010	175,000	168,000
75 Garstang Road, Preston, Lancashire	Original cost to CWU plus additions	132,202	122,026
Seventeen properties owned by Branches	Original cost to CWU plus additions	3,047,255	2,455,598
		<b>19,731,535</b>	<b>18,554,880</b>

\* Not used for union business

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

The Elstead hotel is subject to a leasehold interest granted to the Elstead Hotel (Bournemouth) Limited, a company wholly owned by Trustees on behalf of the Union, for a period of 20 years from 29 September 1994 (see note 4).

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

## 2 Investments and Long Term Loans

The total original cost of quoted investments was £1,604,993 (2011 - £1,604,993). Any surplus or deficit arising on sale or revaluation to market value during the year has been debited or credited to the fund holding the investments.

## 3 Bank Loans and Overdrafts

The Union has guaranteed bank loans for the purpose of purchasing properties for certain branches. At 31 December 2012 the amount guaranteed was £194,243 (2011 - £268,328).

## 4 Elstead Hotel (Bournemouth) Limited

The Union beneficially owns the entire share capital of Elstead Hotel (Bournemouth) Limited, a company which operated as a hotel conference centre and provides educational facilities for the Union. The company is a subsidiary undertaking of the Union but consolidated accounts have not been prepared as the inclusion of the Elstead Hotel (Bournemouth) Limited would not have a material impact on the accounts of the Union.

The accounts of the company as at 31 December 2012 show a loss for the 12 month period ended on that date of £65,505 and shareholders' funds at that date of £140,282. Included within other debtors in note 8 is an amount of £18,651 (2011 - £9,000) due from Elstead Hotel (Bournemouth) Limited, relating to rent and management charge.

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 4 Elstead Hotel (Bournemouth) Limited (continued)

The original cost of the Union's interest in this company is £2,025,000 advanced by the Union of Communication Workers prior to the date of merger in 1995. This was represented by a debenture and issue of shares.

During the year ended 31 December 2011 the Elstead Hotel cancelled 1,495,002 ordinary shares of nominal value £1 each as part of a share capital restructure. The Union's interest is now represented by:

- (a) A debenture of £480,000 secured by a floating charge over the assets of the company.
- (b) £50,000 ordinary shares of £1 each fully paid

The accounting policy of the Union is to value unquoted investments at original cost or estimated current value if lower. In accordance with this policy the Union has revalued the shares of the company to an amount equal to the shareholders' funds as shown in the accounts of the company as at 31 December 2012. However, following a valuation of the Elstead Hotel property in December 2003 an impairment review was carried out and the Union has reduced its carrying value of the shares held by the shortfall in the valuation compared to the carry value of fixed assets held both by the Union and the company.

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

	Shares	Debenture
	£	£
As at 1 January 2012	205,787	480,000
Revaluation in year	(26,222)	-
As at 31 December 2012	179,565	480,000
Provision for impairment	(179,565)	-
	-	480,000

### 5 Staff Superannuation Schemes

At 31 December 2012 the Union operated three superannuation schemes providing benefits for union employees based on final pensionable pay ("defined benefit schemes"). UCW Pensions 2001 and the NCU Staff Superannuation Schemes are closed to new members. CWU 2000 Pension Scheme is open to new employees of the union. All schemes are funded.

Contributions to the schemes are charged to the income and expenditure accounts so as to spread the cost of pensions over employees working lives with the Union. The contributions are paid in accordance with recommendations by independent qualified actuaries at rates of between 20.6% and 35.2% of pensionable salaries. The actuaries use the projected unit method of valuation. Under this method the current service cost for closed schemes will increase as the members of the schemes approach retirement.

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

	2012	2011
	£	£
<b>Staff Superannuation Schemes</b>		
Normal Contributions	1,779,000	1,664,500
Special Contributions	1,651,000	1,725,500
	3,430,000	3,390,000

The above amounts represent the amounts which would have been charged to the income and expenditure account in 2012 and 2011, had Financial Reporting Standard No 17 (FRS 17) not been adopted in respect of accounting for retirement benefits. The amounts actually charged to the income and expenditure account and statement of Total Recognised Gains and Losses are shown on pages 20 and 21.

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

The assets of the schemes are held in separate trustee administered funds. A summary of the assets and liabilities in accordance with FRS 17, together with the assumptions used to determine the results, is set out below.

Qualified independent actuaries have updated figures from the last formal valuations of the schemes to 31 December 2012. The deficit has been incorporated within the union's balance sheet in accordance with FRS 17.

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 5 Staff Superannuation Schemes (continued)

The major assumptions used by the actuaries where:

	31 December 2012	31 December 2011
Rate of increase in salaries	3.05-3.10%	3.15-4.10%
Rate of increase in pensions in payment	3.05-4.10%	2.10-3.15%
Discount rate	4.20-4.40%	4.70%
Inflations rate	2.40-3.40%	3.10-3.15%

Mortality assumptions are based on a standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 60 will live for a further 25 years if they are male and for a further 28 years if they are female. For a member who retires in the future at age 60 the assumptions are that they will live on average for a further 26 years after retirement if they are male and for a further 29 years after retirement if they are female.

	Value at 31 December 2012 £m	Value at 31 December 2011 £m
<b>The assets in the schemes were:</b>		
Hedge Funds	36.9	34.7
Equities	16.4	16.7
Government Bonds	23.5	21.9
Corporate Bonds	13.7	11.3
Cash	0.8	1
	91.3	85.6
Irrecoverable surplus	(1.4)	(2.0)
<b>Total assets</b>	<b>89.9</b>	<b>83.6</b>

#### Analysis of amounts in balance sheet:

##### Changes in present value of plan liabilities

Opening value of plan liabilities	88.0	79.4
Current service costs	1.7	1.3
Past service cost	-	-
Interest cost	4.0	4.3
Experience (gains)/loss	(0.7)	2.4
Impact of changes in assumptions	9.7	3.9
Employee contributions	0.3	0.3
Benefits and other	(3.7)	(3.6)
<b>Closing value of plan liabilities</b>	<b>99.3</b>	<b>88.0</b>

##### Changes in fair value of plan assets

Opening fair value of plan assets	85.6	75.4
Expected return on assets	3.8	4.3
Actual less expected return on assets	1.9	4.8
Irrecoverable surplus on plan assets	(1.4)	(1.1)
Employer contributions	3.4	3.4
Employee contributions	0.3	0.3
Benefits and other	(3.7)	(3.5)
<b>Closing fair value of plan assets</b>	<b>89.9</b>	<b>83.6</b>

Present value of funded obligations	(99.3)	(88.0)
Fair value of plan assets	89.9	83.6
Net Liability	(9.4)	(4.4)
As per balance sheet	(9.39)	(4.41)

# NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

## 5 Staff Superannuation Schemes (continued)

### Analysis of the amount charged to operating surplus:

	Value at 31 December 2012 £m	Value at 31 December 2011 £m
Current service cost	1.68	1.31
Past service cost	0.00	0.00
Total operating surplus	<u>1.68</u>	<u>1.31</u>

### Analysis of the amount (charged)/credited to other financial income

	Value at 31 December 2012 £m	Value at 31 December 2011 £m
Expected return on pension scheme assets	3.81	4.34
Interest on pension scheme liabilities	<u>(4.03)</u>	<u>(4.27)</u>
Net (charge) / credit	<u>(0.22)</u>	<u>0.07</u>

### Analysis of amount recognised in the Statement of Total Recognised Gains and Losses (STRGL)

	Value at 31 December 2012 £m	Value at 31 December 2011 £m
Actual return less expected return on Pension Schemes assets	1.90	4.84
Experience gains and losses arising on scheme liabilities	0.68	(2.39)
Changes in assumptions underlying the present value of schemes liabilities	<u>(9.68)</u>	<u>(3.85)</u>
Change in irrecoverable surplus on plan assets	<u>0.59</u>	<u>(1.12)</u>
	<u>(6.51)</u>	<u>(2.52)</u>

### Defined benefit pension plans

	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Defined benefit obligation	(99.3)	(88.0)	(79.4)	(80.1)	(64.8)
Plan assets	<u>89.9</u>	<u>83.6</u>	<u>75.4</u>	<u>69.6</u>	<u>60.7</u>
	(9.4)	(4.4)	(4.0)	(10.5)	(4.1)
Experience adjustments on plan liabilities *	-	-	-	-	0.1
Experience adjustments on plan assets	(9.4)	(4.4)	(4.0)	(10.5)	(10.6)

\* This item consists of gains/(losses) in respect of liability experience only and excludes any change.

## NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

### 6 Provision for liabilities and charges - Pensions

The Unions accounts need to show the value of the pension schemes that it sponsors. The accounting mechanism for doing this is called FRS 17 "Retirement Benefits". The assumptions used in calculating FRS 17 pension scheme valuations, as disclosed in note 5, are agreed between the employer and the schemes' actuaries each year and are generally less prudent than the triennial pension scheme valuation where the assumptions used are agreed by the schemes' trustees and the actuaries.

Using a FRS 17 valuation the unions pension schemes at 31 December 2009 showed a total deficit of £10.46m.

	Date of Triennial Valuation	Triennial Valuation £m	FRS 17 Valuation £m	True and fair Override Additional Provision £m
UCW Pension 2001 Scheme	31 March 2009	(11.39)	(11.25)	(0.14)
NCU Staff Superannuation Scheme	31 December 2008	(2.83)	1.09	(3.92)
CWU 2000 Pension Scheme	31 March 2008	(0.72)	(0.30)	(0.42)
		<u>(14.94)</u>	<u>(10.46)</u>	<u>(4.48)</u>

The latest triennial valuation reports as dated above are obviously not the same as the FRS 17 valuations at 31 December 2009. The Union were of the opinion that to include the pension schemes deficits at a FRS 17 accounting valuation of £10.46m at 31 December 2009 would have been misleading to its members, as the future funding plans/payments are based on the latest triennial valuations which total £14.94m.

As a result the union decided to include a £4.48 provision for the difference between the FRS 17 valuations and the latest triennial schemes in order to reflect its obligations to the schemes (as shown above).

by including the additional provisions in the accounts, the Union believed that they showed a true and fair view of the pension schemes deficits and that its members would be more able to understand the pension schemes funding obligations that the Union faced.

	Original Additional Provision £m	FRS 17 Valuation (note 5) £m	Difference £m
UCW Pensions 2001 Scheme	(0.14)	(10.13)	(10.27)
NCU Staff Superannuation Scheme	(3.92)	2.78	(1.14)
CWU 2000 Pension Scheme	(0.42)	(2.04)	(2.46)
	<u>(4.48)</u>	<u>(9.39)</u>	<u>(13.87)</u>

An FRS 17 valuation is prepared each year in order to give a guide as to the union's pensions liabilities at the year end date. The Union believes that it is prudent to keep the additional provision until at least the more accurate valuations become available in 2013.

### 7 Branch Funds

The Branch Fund is ascertained from returns made by the branches of the union. At 31 December 2012, there were 137 branches (2011 - 143). Branch Funds include Welfare Funds established under the Rules of the Union. Branch Political Funds are incorporated into the Political Fund.

# SUPPORTING SCHEDULES

## A Federation and other bodies

Breakdown of affiliations and associated expenses:

	31 December 2012 £
Trade Union Congress Affiliation	543,755
Scottish Trades Union Congress	22,855
Irish Congress of Trade Unions	12,811
Union Network International	263,428
Miscellaneous Affiliations	37,259
Delegations	157,691
Sundry donations	29,118
<b>TOTAL AS PER GENERAL FUND (page 3)</b>	<b>1,066,917</b>

## B List of Officials as at 31 December 2012

### National Executive Council Members

General Secretary - W Hayes

President - J Loftus *(position held until April 2012)*  
 President - B Shepherd *(position held from April 2012)*

Vice President - B Shepherd *(position held until April 2012)*  
 Vice President - J Loftus *(position held from April 2012)*

### Voting Members

M Baulch  
 N Darbyshire  
 P Browne  
 P Donaghy  
 K Dudd *(position held from September 2012)*  
 A Eldred  
 D Jukes  
 M Kavanagh  
 P Keenlyside  
 J Loftus  
 C McGlynn  
 C Maden  
 J Malone  
 N McClean *(position held until June 2012)*  
 B O'Brien  
 K Quirke  
 D Robertson  
 K Rose  
 B shepherd  
 J Upton

## SUPPORTING SCHEDULES (continued)

### C Cash Flow Statement

	31 December 2012 £	31 December 2011 £
<b>Net cash inflow from operating activities</b>		
Total fund surplus (schedule D page 25)	1,935,365	1,267,502
Revaluation - (surplus)/deficit	(174,739)	241,929
Disposal of quoted investments - surplus	-	(3,199)
Disposal of fixed asset - surplus	(26,800)	-
Depreciation charges	238,510	230,944
Notional pension charge	121,000	(424,500)
Pension deficit reduction payments	(1,651,000)	(1,725,500)
Change in debtors	(62,138)	249,136
Change in creditors	1,235,247	413,264
Change in Political Fund assets	(786,705)	(58,599)
<b>Net cash inflow from operating activities</b>	<b>828,740</b>	<b>190,977</b>
 <b>Capital expenditure</b>		
Payments to acquire fixed assets	(58,361)	(905,059)
<b>Net capital expenditure</b>	<b>(58,361)</b>	<b>(905,059)</b>
 <b>Management of liquid resources</b>		
Proceeds from sale of assets	297,000	-
Proceeds from sale of investments	-	850,000
Purchase of unquoted shares	(20,000)	-
Long term loans advanced	(132,500)	-
Repayment of bank loans to branches	(74,085)	(126,678)
<b>Net cash inflow from management of liquid resources</b>	<b>70,415</b>	<b>723,322</b>
 <b>Financing</b>		
Repayment of long term loans	55,964	120,806
 <b>Increase in cash in the year</b>	<b>896,758</b>	<b>130,046</b>

#### Analysis of changes in net liquid funds:

	At 1 January 2012 £	Cash Flows £	At 31 December 2012 £
Cash in hand and Imprests	144,735	(3,365)	141,370
Cash at bank	2,696,648	636,294	3,332,942
Cash at Branches	5,049,674	263,829	5,313,503
Net cash position	7,891,057	896,758	8,787,815
Bank loans to branches	(268,328)	74,085	(194,243)
Net liquid funds	7,622,729	970,843	8,593,572



## SUPPORTING SCHEDULES (continued)

### D Statement of total recognised gains and losses and reconciliation of movement in members' funds

	Fund Balances		FRS 17 Pension Adjustment directly to reserves		Reclassifications /transfers		Surplus		Fund Balances	
	31 December	2012	2012	£	2012	£	2012	£	31 December	2011
		£		£		£		£		£
General Fund (excluding Pension Fund)	3,016,154		-		(1,266,541)		425,241		3,857,454	
Pension Fund	(13,870,000)		(6,510,000)		1,651,000		(121,000)		(8,890,000)	
Total General Fund	(10,853,846)		(6,510,000)		384,459		304,241		(5,032,546)	
	page 3									
Defence Fund	775,764		-		-		81,524		694,240	
National Welfare Fund	112,989		-		(65,024)		37,184		140,829	
Scholarship Fund	50,000		-		(54,300)		54,300		50,000	
Property Reserve	19,537,292		-		2,587,877		-		16,949,415	
Branch Fund	7,368,344		-		(2,853,012)		671,411		9,549,945	
	16,990,543		(6,510,000)		-		1,148,660		22,351,883	
	Account 1, page 9						786,705		(112,677)	
Political Fund	674,028		-		-		-		-	
Total members' funds and recognised gains and losses	17,664,571		(6,510,000)		-		1,935,365		22,239,206	

Fund surpluses and deficits are after allocations and transfers to other funds in accordance with the Union's accounting policies. Assets representing fund balances are summarised in the balance sheet on page 13.

# ACCOUNTING POLICIES

(see notes 74 and 75)

a) These accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards, modified by the revaluation of certain freehold property and investments and the inclusion of an additional liability in respect of the pension scheme deficit as a true and fair override (see note 6).  
Income and expenditure is dealt with in the various fund accounts of the union. The Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds summaries all fund surpluses and deficits of the union.

b) Depreciation is provided on all tangible fixed assets, except for freehold land, on a straight line basis, at rates estimated to write off the cost or valuation of each asset over its expected useful life.

The rates used are:

Buildings	2%	Motor Vehicles	25%
Furniture and Equipment	25%	Computers	33 $\frac{1}{3}$ %

No depreciation is provided on freehold land. Where no information is available as to the allocation of the original cost or valuation of property between land and buildings, best estimates of that allocation are used. Some of the buildings were revalued in 2010 and there is now a revaluation policy in place.

Original cost in the case of 150 The Broadway, Wimbledon, acquired as head office of the Union in 1997, includes capitalised interest, all acquisition and refurbishments costs and all costs incidental to the acquisition and removal of the head office of the Union to the location.

c) Expenditure on leases other than finance leases ("operating leases") is charged to the General Fund Income and Expenditure Account in the period in which it is incurred.

d) Investments are stated in the balance sheet on the following basis; Quoted investments at market value; Unquoted investments at original cost or estimated current value if lower.

e) The carried policy for union mortgages is contained within NEC document 86/10 (FOS 66/10) and circulated to branches on LTB 972/2010.

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

g) Member's legal expenses are charged in these accounts net of reimbursements obtained in respect of certain cases, on an invoiced basis. No provision is made for outstanding legal costs not invoiced, or for reimbursements not received at the balance sheet date. All other income and expenditure is accounted for on an accruals basis.

h) Provisions for future expenditure are included in the accounts only where the Union has a present obligation to meet such expenditure.

i) Provision is made for corporation tax on investment income and capital gains arising in the year after relief given for provident benefits paid. No provision is made for any potential corporation tax liabilities arising as a result of revaluations of the unions properties or investments.

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

k) Income from Conditional Fee Agreements is recognised in the accounts when the amount to be received is known with certainty.

l) The union's pension schemes are defined benefit scheme. The amounts charged to Income and Expenditure Account are the current service costs. Actuarial gains and losses are recognised immediately in the Statement of Total Recognised Gains and Losses.

The assets of the schemes are held separately from those of the Union in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected method and a discounted rate equivalent to the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities.

# SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

<p>General Secretary</p> <p>Signature: <u>W Hayes</u></p> <p>Name: <u>W Hayes</u></p> <p>Date: <u>28/5/13</u></p>	<p>Senior Deputy General Secretary</p> <p>Signature: <u>A P Kearns</u></p> <p>Name: <u>A Kearns</u></p> <p>Date: <u>29/5/13</u></p>
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## CHECK LIST

(see notes 78 and 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE RETURN BEEN SIGNED? (see Page 19 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	
HAS THE AUDITORS 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 78)	YES	<input checked="" type="checkbox"/>	NO	
A MEMBERS STATEMENT IS: (see Note 80)	ENCLOSED	<input checked="" type="checkbox"/>	TO FOLLOW	
HAS THE SUMMARY SHEET BEEN COMPLETED? (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	

# AUDITORS REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade union and Labour Relations  
(Consolidation) Act 1992.

- 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 83 and 84)

YES

- 2 Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- a) whether the trade union had kept proper accounting records in accordance with section 28 of the 1992 Act;
  - b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
  - c) where the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES

- 3 Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- kept proper accounting records with respect to its transactions and its assets and
  - a) liabilities; and
  - established and maintained a satisfactory system of control of its accounting
  - b) records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

YES

- 4 Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.  
(See note 85)

# AUDITORS REPORT (continued)

(see notes 81 to 86)

## **Independent Auditors Report**

(as contained within the 2012 CWU Accounts)

We have audited the accounts of the Communication Workers Union for the year ended 31 December 2012 which comprise the Income and expenditure Account, Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds, Balance Sheet, Cash Flow Statement and the related notes. These accounts have been prepared under accounting policies set out therein.

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 (Amended). 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 Union and the auditor**

As described in the Statement of Responsibilities of the Union, the Union is responsible for the preparation of accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). We also report to you if, in our opinion, the Report of the Senior Deputy General Secretary is not consistent with the accounts, if the Union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Senior Deputy General Secretary and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of Audit opinion**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give a reasonable assurance that the accounts are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates; and the overall presentation in the accounts. In addition, we read all the financial and non-financial information in the accounts to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.


### **Opinion**

In our opinion the accounts:

- a) Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Union's affairs as at 31 December 2012 and of its income and expenditure for the year ended; and
- b) have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

## AUDITORS REPORT (continued)

(see notes 81 to 86)

Signature of auditor:	
Name:	Chantrey Vellacott DFK LLP
Profession:	Registered Auditor Chartered Accountants
Address	Russel Square House 10-12 Russell Square London WC1B 5LF
Date:	29/05/13
Contact name and telephone number:	Gareth Jones 020 7509 9214

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