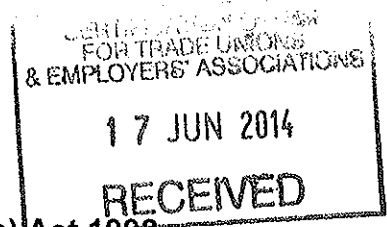


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FORM AR21



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 2013				
List no:	743T				
Head or Main Office:	150 The Broadway Wimbledon London SW19 1RX				
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	159,719	3,930	-	352	164,001
FEMALE	36,801	866	-	61	37,728
TOTAL	196,520	4,796	-	413	A 201,729

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

1,777

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

201,729

OFFICERS IN POST

(see note 12)

Please attach as an annexe 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	Beryl Shepherd	Jane Loftus	Apr-13
Vice President	Jane Loftus	Beryl Shepherd	Apr-13
Voting Member	A Eldred		Aug-13
Voting Member		M Ali	Aug-13
Voting Member		G Ryan	Aug-13
Voting Member		I Ward	Aug-13

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:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		29,073,580
From Members: Other Income from Members (specify)	-	
Total Other Income from Members		-
Total of all Income from Members		29,073,580
Investment Income (as at page 12)		162,848
Interfund Transfers:		
National Welfare Fund (Fund 3)		39,686
Scholarship Fund (Fund 4)		43,944
Property Reserve (Fund 5)		242,251
Other Income:		
Income from Federations and Other Bodies (as at page 4)	-	
Income from Any Other Sources (as at page 4)	1,151,620	
Total of Other Income (as at page 4)		1,151,620
	TOTAL INCOME	30,713,929
EXPENDITURE		
Benefits to Members (as at page 5)		(366,019)
Administration Expenses (as at page 10)		21,830,081
Federation and Other Bodies:		
Affiliations and Associated Expenses (schedule A, pg 23)		993,254
Other Expenditure:		
Deficit on Disposal of Quoted Investments		66
Interfund Transfers:		
Rebates to Branches (Fund 6)		8,264,872
	TOTAL EXPENDITURE	30,722,254
	Surplus / (Deficit) for year	(8,325)
	Amount of General Fund at beginning of year	(10,853,846)
	Amount of General Fund at end of year	(10,862,171)

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and Other Bodies		
n/a		-
TOTAL FEDERATION AND OTHER BODIES		-
Other Income		
Bank Interest		3,271
Surplus on Sales of Diaries and Promotional Goods		13,717
Political Fund Management Charge		5,000
Elstead Hotel Management Charge		48,000
Corporation Tax Refund		2,530
Miscellaneous		4,055
Surplus on Revaluation of Investments		625,238
Surplus on Disposal of Fixed Assets		159,809
Surplus on Financial Income - Pension Scheme		290,000
TOTAL OTHER INCOME		1,151,620
TOTAL OF ALL OTHER INCOME		1,151,620

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation –		brought forward	(876,228)
Employment Related Issues:			
Employment Tribunals	416,610	Education and Training Services:	
		Education	510,209
Representation –			
Non Employment Related Issues:			
Legal and Medical Services	(2,719,358)	Negotiated Discount Services:	
		n/a	-
Communications:			
Publications and Publicity	878,379	Salary Costs:	
		n/a	-
Advisory Services:			
n/a	-	Other Benefits and Grants:	
		n/a	-
Dispute Benefits:			
n/a	-		
Other Cash Payments:			
Members Insurance Scheme	57,444		
Death Benefits	490,697		
carried forward	(876,228)	Total (should agree with figure in General Fund)	(366,019)

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Defence Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - Rebates from Branches (Fund 6)		82,668
	Other Income:		
	Total Other Income as Specified		-
	Total Income		82,668
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		-
	Total Expenditure		-
	Surplus / (Deficit) for the year		82,668
	Amount of Fund at Beginning of year		775,764
	Amount of Fund at the end of year (as Balance Sheet)		858,432
	Number of members contributing at end of year		n/a

FUND 3		Fund Account	
Name:	National Welfare Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Other Income:		
	Donations	35,168	
	Commissions	25,780	
	Total Other Income as Specified		60,948
	Total Income		60,948
Expenditure			
	Benefits to members		73,303
	Administration Expenses and Other Expenditure (as at page 10)		-
	Interfund Transfer - General Fund (page 3)		39,686
	Total Expenditure		112,989
	Surplus / (Deficit) for the year		(52,041)
	Amount of fund at beginning of year		112,989
	Amount of Fund at the end of year (as Balance Sheet)		60,948
	Number of members contributing at end of year		n/a

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Scholarship Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Other Income:		
	Commissions	55,094	
	Total other income as Specified		55,094
	Total Income		55,094
Expenditure			
	Benefits to Members		11,150
	Administration Expenses and Other Expenditure (as at page 10)		-
	Interfund Transfer - General Fund (page 3)		43,944
	Total Expenditure		55,094
	Surplus / (Deficit) for the year		-
	Amount of Fund at beginning of year		50,000
	Amount of Fund at the end of year (as Balance Sheet)		50,000
	Number of members contributing at end of year		n/a

FUND 5		Fund Account	
Name:	Property Reserve	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - Branch Fund (Fund 6)		47,753
	Other Income (specify)		-
	Total other income as specified		-
	Total Income		47,753
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		-
	Interfund Transfer - General Fund (page 3)		242,251
	Total Expenditure		242,251
	Surplus / (Deficit) for the year		(194,498)
	Amount of Fund at beginning of year		19,537,292
	Amount of Fund at the end of year (as Balance Sheet)		19,342,794
	Number of members contributing at end of year		n/a

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	Branch Fund	£	£
Income			
	From Members		-
	Investment Income (as at page 12)		-
	Interfund Transfer - General Fund (page 3)		8,264,872
	Other Income:		
	Total other Income as Specified		-
	Total Income		8,264,872
Expenditure			
	Benefits to Members		-
	Administration Expenses and Other Expenditure (as at page 10)		7,771,794
	Interfund Transfer - Defence Fund (Fund 2)		82,668
	Interfund Transfer - Property Reserve (Fund 5)		47,753
	Total Expenditure		7,902,215
	Surplus / (Deficit) for the year		362,657
	Amount of Fund at beginning of year		7,537,800
	Amount of Fund at the end of year (as Balance Sheet)		7,900,457
	Number of members contributing at end of year		n/a

Note: The brought forward balances have been amended to reflect Regional Funds not previously accounted for.

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		
	£	£
Income		
Members Contributions and Levies		1,728,523
Investment Income (as at page 12)		-
Other Income:	-	
	Total Other Income as specified	-
	Total Income	1,728,523
Expenditure		
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		514,335
Regional Affiliation Fees		18,370
Campaigns		28,927
Delegations to National Conference		65,613
Delegations to Regional Conference		5,109
Net Expenditure at Branches		165,793
Branch and Regional Expenses		2,719
Parliamentary Panel		58,626
Printing and Publicity		9,244
Travel and Meetings Expenses		871
Committee Expenses		1,692
Miscellaneous Expenses		31,191
Administration Charge		5,000
Bank Charges		389
Non-Political Expenditure		-
	Total Expenditure	907,879
	Surplus (Deficit) for the year	820,644
	Amount of political fund at beginning of year	707,247
	Amount of political fund at the end of year (as balance sheet)	1,527,891
	Number of members at end of year contributing to the political fund	168,186
	Number of members at end of the year not contributing to the political fund	33,543
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	23,288

Note: The brought forward balances have been amended to reflect Regional Funds not previously accounted for.

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and Expenses of Staff		9,059,646
Salaries and Wages included in above	£ 7,186,896	
Auditors' Fees		76,000
Legal and Professional Fees		390,731
Occupancy Costs		1,365,679
Stationery, Printing, Postage, Telephone, etc.		3,525,131
Expenses of Executive Committee (Head Office)		3,541,282
Expenses of Conferences		1,064,749
Other Administrative Expenses:		
Branch Organisation and Recruitment		91,724
Regional and Divisional Representation		970,003
Elections and Ballots		331,896
International Activities		60,333
Branch Representation		4,196,673
Other Outgoings		
Interest Payable:		
Bank Loans (including Overdrafts)		-
Mortgages		4,211
Other Loans (Bank Charges & Interest)		79,533
Depreciation		436,789
Taxation (VAT)		(23,209)
Outgoings on Land and Buildings		-
Other Outgoings (specify)		
Collection Costs and Charges		498,103
PAYE/NIC Liability		158,380
FRS17 Pension Adjustment		3,750,000
Branch Honoraria		24,221
	Total	29,601,875
Charged to:	General Fund (Page 3)	21,830,081
	Branch Fund (Fund 6)	7,771,794
	Total	29,601,875

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	92,481.36	10,831.46	-	-	-	103,312.82
J Loftus - President	2,818.73	123.92	-	-	-	2,942.65
<u>National Executive Council</u>						
M Baulch	1,796.66	23.46	-	-	-	1,820.12
P Donaghy	12,205.16	1,006.84	-	-	-	13,212.00
P Keenlyside	744.10	14.08	-	-	-	758.18
C Maden	559.85	-	-	-	-	559.85
J Malone	2,221.69	129.72	-	-	-	2,351.41
I Ward	1,619.17	51.61	-	-	-	1,670.78

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)	-	19,475
Interest (gross) from:		
Government securities (Gilts)	-	-
Mortgages	-	7,255
Local Authority Bonds	-	-
Bank and Building Societies	-	-
Other investment income (specify)	-	-
	-	162,848
		Total investment income
		162,848
Credited to:		
		General Fund (Page 3)
		162,848
		Political Fund (Account 1)
		-
		Total Investment Income
		162,848

BALANCE SHEET as at 31 December 2013

(see notes 47 to 50)

Previous Year		£	£
18,617,536	Fixed Assets (at page 14)		18,152,719
	Investments (as per analysis on page 15)		
2,544,463	Quoted (Market value)	2,986,384	
2,284,863	Unquoted	2,316,348	
4,829,326	Total Investments		5,302,732
	Other Assets		
-	Loans to other trade unions	-	
3,903,595	Sundry debtors	3,353,882	
9,672,845	Cash at bank and in hand	12,018,569	
13,576,440	Total of Other Assets		15,372,451
37,023,302	TOTAL ASSETS		38,827,902
(10,853,846)	General Fund (Fund 1)		(10,862,171)
775,764	Defence Fund (Fund 2)		858,432
112,989	National Welfare Fund (Fund 3)		60,948
50,000	Scholarship Fund (Fund 4)		50,000
19,537,292	Property Reserve Fund (Fund 5)		19,342,794
7,537,800	Branch Fund (Fund 6)		7,900,457
707,247	Political Fund (Account 1)		1,527,891
17,867,246	Total Funds		18,878,351
	LIABILITIES		
-	Amount held on behalf of central trade union political fund		-
-	Loans: From other trade unions		-
194,243	Loans: Other (bank loans to branches)		146,490
-	Bank overdraft		-
-	Tax payable		-
1,449,504	Sundry creditors		1,380,609
665,363	Accrued expenses		882,512
2,976,946	Provisions		2,919,940
13,870,000	Other liabilities (Pensions)		14,620,000
19,156,056	TOTAL LIABILITIES		19,949,551
17,867,246	NET ASSETS		18,878,351

Note: The brought forward balances have been amended to reflect Regional Funds not previously accounted for.

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	19,556,535	-	569,818	12,203	175,000	20,313,556
Additions	5,980	-	209,670	-	-	215,650
Disposals	(248,231)	-	(2,532)	-	-	(250,763)
Revaluation / Transfers	-	-	11,503	-	-	11,503
At end of year	19,314,284	-	788,459	12,203	175,000	20,289,946
Accumulated Depreciation						
At start of year	1,169,655	-	507,162	12,203	7,000	1,696,020
Charges for year	204,670	-	49,054	-	3,500	257,224
Disposals	(5,792)	-	(1,293)	-	-	(7,085)
Revaluation/Transfers	179,565	-	11,503	-	-	191,068
At end of year	1,548,098	-	566,426	12,203	10,500	2,137,227
Net book value at end of year	17,766,186	-	222,033	-	164,500	18,152,719
Net book value at end of previous year	18,386,880	-	62,656	-	168,000	18,617,536

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

	All Funds Except Political Funds £	Political Fund £
QUOTED		
Equities (e.g. Shares):		
n/a	-	-
Government Securities (Gilts):		
n/a	-	-
Other Quoted Securities:		
Unit Trust Funds (at market value)	2,986,384	-
TOTAL QUOTED (as Balance Sheet)	2,986,384	-
Market Value of Quoted Investment	2,986,384	-
UNQUOTED		
Equities:		
Unity Trust Bank plc (at cost)	900,732	-
Government Securities (Gilts):		
n/a	-	-
Mortgages:		
Union Mortgages	732,365	-
Bank and Building Societies:		
n/a	-	-
Other Unquoted Investments:		
Debenture & shares in Elstead Hotel (Bournemouth) Ltd	663,251	-
People's Press Printing Society Ltd	20,000	-
TOTAL UNQUOTED (as Balance Sheet)	2,316,348	-
Market Value of Unquoted Investments	2,316,348	-

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES	<input checked="" type="checkbox"/>	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				
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES		NO	<input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.					
COMPANY NAME	NAMES OF SHAREHOLDERS				
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 £
INCOME			
From Members	29,073,580	1,728,523	30,802,103
From Investments	162,848	-	162,848
Other Income (including increases by revaluation of assets)	1,267,662	-	1,267,662
Total Income	30,504,090	1,728,523	32,232,613
EXPENDITURE			
(including decreases by valuation of assets)			
Total Expenditure	30,313,629	907,879	31,221,508
Funds at beginning of year (including reserves)	17,159,999	707,247	17,867,246
Funds at end of year (including reserves)	17,350,460	1,527,891	18,878,351
ASSETS			
	Fixed Assets		18,152,719
	Investment Assets		5,302,732
	Other Assets		15,372,451
	Total Assets		38,827,902
LIABILITIES		Total Liabilities	19,949,551
NET ASSETS (Total Assets less Total Liabilities)			18,878,351

Note: The brought forward balances have been amended to reflect Regional Funds not previously accounted for.

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 2013 comprised of:

Description of Freehold Property	Cost or valuation details	Cost or valuation	Net book value
		31 December 2013	31 December 2013
		£	£
150 The Broadway Wimbledon, London	Revaluation in 2011	13,507,549	13,183,247
Alvescot Lodge, Alvescot, Oxfordshire	Revaluation in 2010	1,965,065	1,910,787
Elstead Hotel Bournemouth, Dorset	Original cost to UCW	662,213	160,249
31 Edgecombe house, Southfields*	Revaluation in 2010	175,000	164,500
75 Garstang Road, Preston, Lancashire	Original cost to CWU plus additions	132,202	119,382
Seventeen properties owned by Branches	Original cost to CWU plus additions	3,047,255	2,392,521
		19,489,284	17,930,686

* Not used for Union business

The cost or valuation of fixed assets includes the original cost of assets purchased by the National Communications Union (NCU) and the Union of Communication Workers (UCW) 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 (2012 - £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.

The total unquoted shares held by the Union as at 31 December 2013 is broken down by 885,367 shares in Unity Trust Bank and 20,000 shares in Peoples Press Printing Society Ltd.

3 Bank Loans and Overdrafts

The Union has guaranteed bank loans for the purpose of purchasing properties for certain branches. At 31 December 2013 the amount guaranteed was £146,490 (2012 - £194,243).

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.

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

4 Elstead Hotel (Bournemouth) Limited (continued)

The accounts of the company as at 31 December 2013 show a loss for the 12 month period ended on that date of £37,107 and shareholders' funds at that date of £183,251. Included within sundry debtors (page 13) is an amount of £37,483 (2012 - £18,651) due from Elstead Hotel (Bournemouth) Limited, relating to rent and management charge. Also included within sundry creditors (page 13) is an amount of £7,616 (2012 - £3,679) due to Elstead Hotel (Bournemouth) Limited relating to accommodation.

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 debenture of £480,000 secured by a floating charge over the assets of the company.
- £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 2013. In December 2003, an impairment review was carried out and the Union reduced the carrying value of the shares by the shortfall in the valuation compared to the carrying value of the fixed assets held by the company. During 2013, a decision was made to reclassify this impairment against the value of the property rather than the value of the shares. As such, the impairment against the shares has been reversed and instead, the impairment can now be seen against land and buildings (page 14).

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 2013	-	480,000
Reclassification of Impairment to Depreciation	179,565	-
Revaluation in year	3,686	-
As at 31 December 2013	183,251	480,000

5 Staff Superannuation Schemes

At 31 December 2013 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 Account 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:

	2013	2012
	£	£
Staff Superannuation Schemes		
Normal Contributions	1,953,400	1,779,000
Special Contributions	2,666,600	1,651,000
	4,620,000	3,430,000

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

5 Staff Superannuation Schemes (continued)

The above amounts represent the amounts which would have been charged to the income and expenditure account in 2013 and 2012, 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 administrated 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.

The major assumptions used by the actuaries where:

	31 December 2013	31 December 2012
Rate of Increase in Salaries	3.50 - 4.50%	3.05 - 3.10%
Rate of Increase in Pensions in Payment	2.50 - 3.50%	3.05 - 4.10%
Discount Rate	4.50%	4.20 - 4.40%
Inflations Rate	3.50%	2.40 - 3.40%

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.

The Assets in the Schemes were:

	31 December 2013 £m	31 December 2012 £m
Diversified Growth Funds	47.2	36.9
Equities	14.0	16.4
Government Bonds	22.5	23.5
Corporate Bonds	12.9	13.7
Cash	0.6	0.8
	97.2	91.3
Irrecoverable Surplus	(3.0)	(1.4)
Total Assets	94.2	89.9

Analysis of amounts in Balance Sheet:

	31 December 2013 £m	31 December 2012 £m
<u>Changes in Present Value of Plan Liabilities</u>	£m	£m
Opening Value of Plan Liabilities	99.3	88.0
Current Service Costs	1.9	1.7
Interest Cost	4.2	4.0
Experience (gains)/loss	0.0	(0.7)
Impact of Changes in Assumptions	2.9	9.7
Employee Contributions	0.3	0.3
Benefits and Other	(4.2)	(3.7)
Closing value of Plan Liabilities	104.4	99.3

NOTES TO THE ACCOUNTS (continued)

(see notes 72 and 73)

5 Staff Superannuation Schemes (continued)

	31 December 2013	31 December 2012
	£m	£m
<u>Changes in Fair Value of Plan Assets</u>		
Opening Fair Value of Plan Assets	91.3	85.6
Expected Return on Assets	4.5	3.8
Actual Less Expected Return on Assets	0.7	1.9
Employer Contributions	4.6	3.4
Employee Contributions	0.3	0.3
Benefits and Other	<u>(4.2)</u>	<u>(3.7)</u>
	97.2	91.3
Irrecoverable Surplus on Plan Assets	<u>(3.0)</u>	<u>(1.4)</u>
Closing fair Value of Plan Assets	<u>94.2</u>	<u>89.9</u>
Present Value of Funded Obligations	(104.4)	(99.3)
Fair value of Plan Assets	94.2	89.9
Net Liability (as per balance sheet)	<u>(10.2)</u>	<u>(9.4)</u>

Analysis of the Amount Charged to Operating Surplus:

	31 December 2013	31 December 2012
	£m	£m
Current Service Cost	1.91	1.68
Past Service Cost	-	-
Total Operating Surplus	<u>1.91</u>	<u>1.68</u>

Analysis of the Amount (charged)/credited to Other Financial Income:

	31 December 2013	31 December 2012
	£m	£m
Expected Return on Pension Scheme Assets	4.48	3.81
Interest on Pension Scheme Liabilities	<u>(4.19)</u>	<u>(4.03)</u>
Net (charge) / credit	<u>0.29</u>	<u>(0.22)</u>

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

	31 December 2013	31 December 2012
	£m	£m
Actual Return Less Expected Return on Pension Schemes Assets	0.64	1.90
Experience Gains and Losses Arising on Scheme Liabilities	-	0.68
Changes in Assumptions Underlying the Present Value of Schemes Liabilities	(2.95)	(9.68)
Change in Irrecoverable Surplus on Plan Assets	<u>(1.54)</u>	<u>0.59</u>
	<u>(3.85)</u>	<u>(6.51)</u>

Defined Benefit Pension Plans:

	2013	2012	2011	2010	2009
	£m	£m	£m	£m	£m
Defined Benefit Obligation	(104.4)	(99.3)	(88.0)	(79.4)	(80.1)
Plan Assets	<u>94.2</u>	<u>89.9</u>	<u>83.6</u>	<u>75.4</u>	<u>69.6</u>
Deficit	<u>(10.2)</u>	<u>(9.4)</u>	<u>(4.4)</u>	<u>(4.0)</u>	<u>(10.5)</u>
Experience Adjustments on Plan Liabilities *	-	-	-	-	-
Experience Adjustments on Plan Assets	(10.2)	(9.4)	(4.4)	(4.0)	(10.5)

* 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 Union's 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 2013 showed a total deficit of £10.24m.

	Date of Triennial Valuation	Triennial Valuation £m	FRS 17 Valuation £m	True and fair Override Additional Provision £m
UCW Pension 2001 Scheme	31/03/2012	(12.10)	(9.99)	(2.11)
NCU Staff Superannuation Scheme	31/12/2011	(1.75)	2.82	(4.57)
CWU 2000 Pension Scheme	31/03/2011	(0.77)	(3.07)	2.30
		(14.62)	(10.24)	(4.38)

The latest triennial valuation reports as dated above are obviously not the same as the FRS 17 valuations at 31 December 2013. The Union were of the opinion that to include the pension schemes deficits at a FRS 17 accounting valuation of £10.24m at 31 December 2013 would have been misleading to its members, as the future funding plans/payments are based on the latest triennial valuations which total £14.62m.

As a result the Union decided to include a £4.48m (2012 - £4.48m) 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). The movement in the true and fair provision has been recognised in the Statement of Total Gains and Losses and Reconciliation of Movement in Members' Funds (page 25)

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.

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 that the true and fair override be included so as to accurately reflect the true pension liability of the Union at 31 December 2013.

7 Branch Funds

The Branch Fund is ascertained from returns made by the branches of the Union. At 31 December 2013, there were 137 branches (2012 - 137). 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 2013 £	31 December 2012 £
Trade Union Congress Affiliation	528,913	543,755
Scottish Trades Union Congress	22,521	22,855
Irish Congress of Trade Unions	11,326	12,811
Union Network International	308,581	263,428
Miscellaneous Affiliations	30,811	37,259
Delegations	78,624	157,691
Sundry Donations	12,478	29,118
Total as per General Fund Expenditure (page 3)	993,254	1,066,917

B List of Officials as at 31 December 2013

National Executive Council Members

General Secretary - W Hayes

President - B Shepherd

(Position held until April 2013)

President - J Loftus

(Position held from May 2013)

Vice President - J Loftus

(Position held until April 2013)

Vice President - B Shepherd

(Position held from May 2013)

Voting Members

M Ali

(Position held from August 2013)

P Browne

M Baulch

N Darbyshire

P Donaghy

A Eldred

(Position held until August 2013)

D Jukes

M Kavanagh

J Loftus

C Maden

J Malone

C McGlynn

B O'Brien

K Quirke

D Robertson

K Rose

G Ryan

(Position held from August 2013)

B Shepherd

J Upton

I Ward

(Position held from August 2013)

SUPPORTING SCHEDULES (continued)

C Cash Flow Statement

	31 December 2013 £	31 December 2012 £	
Net Cash Inflow from Operating Activities			
Total Fund Surplus (schedule D page 25)	4,761,105	1,935,365	
Surplus on Revaluation of Investments	(445,673)	(174,739)	
Deficit on Disposal of Quoted Investments	66	-	
Surplus on Disposal of Fixed Assets	(159,809)	(26,800)	
Depreciation Charges	436,789	238,510	
Reclassification of Impairment against Elstead	(179,565)	-	
Notional Pension Charge	(333,400)	121,000	
Pension Deficit Reduction Payments	(2,666,600)	(1,651,000)	
Decrease / (Increase) in Debtors	549,734	(62,138)	
Increase in Creditors	96,479	1,235,247	
Increase in Political Fund Assets	(820,644)	(819,924)	
Net Cash Inflow from Operating Activities	<u>1,238,482</u>	<u>795,521</u>	
Capital Expenditure			
Payments to Acquire Fixed Assets	(215,650)	(58,361)	
Net Capital Expenditure	<u>(215,650)</u>	<u>(58,361)</u>	
Management of Liquid Resources			
Proceeds from Sale of Assets	403,487	297,000	
Purchase of Unquoted Shares	-	(20,000)	
Long Term Loans Advanced	-	(132,500)	
Repayment of Branch Bank Loans	(47,753)	(74,085)	
Net cash inflow from management of liquid resources	<u>355,734</u>	<u>70,415</u>	
Financing			
Repayment of Long Term Loans	151,766	55,964	
Increase in Cash in the Year	<u>1,530,332</u>	<u>863,539</u>	
Analysis of Changes in Net Liquid Funds:			
	At 1 Jan 2013 £	Cash Flows £	At 31 Dec 2013 £
Cash in Hand and Imprests	141,370	7,277	148,647
Cash at Bank	3,332,942	1,391,922	4,724,864
Cash at Branches	5,482,959	131,133	5,614,092
Net Cash Position	<u>8,957,271</u>	<u>1,530,332</u>	<u>10,487,603</u>
Bank Loans to Branches	(194,243)	47,753	(146,490)
Net Liquid Funds	<u>8,763,028</u>		<u>10,341,113</u>

SUPPORTING SCHEDULES (continued)

D Statement of Total Recognised Gains and Losses and Reconciliation of Movement in Members' Funds

	Fund Balances 31/12/13 £	FRS 17 Pension Adjustment directly to reserves 2013 £	Transfer Between Funds 2013 £	Surplus 2013 £	Fund Balances 31/12/12 £
General Fund (excluding Pension Fund)	3,757,829	-	(2,340,719)	3,082,394	3,016,154
Pension Fund (including Provision)	<u>(14,620,000)</u>	<u>(3,750,000)</u>	<u>2,666,600</u>	<u>333,400</u>	<u>(13,870,000)</u>
Total General Fund	page 3 <u>(10,862,171)</u>	<u>(3,750,000)</u>	<u>325,881</u>	<u>3,415,794</u>	<u>(10,853,846)</u>
Defence Fund	858,432	-	-	82,668	775,764
National Welfare Fund	60,948	-	(39,686)	(12,355)	112,989
Scholarship Fund	50,000	-	(43,944)	43,944	50,000
Property Reserve	19,342,794	-	(194,498)	-	19,537,292
Branch Fund	<u>7,900,457</u>	<u>-</u>	<u>(47,753)</u>	<u>410,410</u>	<u>7,537,800</u>
Political Fund	1,527,891	-	-	820,644	707,247
Total Members' Funds and Recognised Gains and Losses	<u>18,878,351</u>	<u>(3,750,000)</u>	<u>-</u>	<u>4,761,105</u>	<u>17,867,246</u>

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%
Furniture and Equipment	25%
Motor Vehicles	25%
Computers	33⅓%

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 as determined by either an independent 3rd party or board of the bank (Unity Trust Bank). |
- 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) Members' 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) Contributions include those amounts receivable from members in respect of the year under review.

ACCOUNTING POLICIES

(see notes 74 and 75)

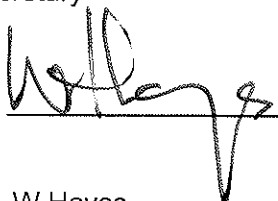
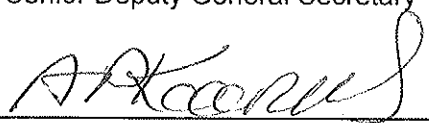
- l) Income from Conditional Fee Agreements is recognised in the accounts when the amount to be received is known with certainty.
- m) The Union's pension schemes are defined benefit schemes. The amounts charged to Income and Expenditure Account are the current service costs. Actuarial gains and losses 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></u></p> <p>Name: <u>W Hayes</u></p> <p>Date: <u>12/06/14</u></p>	<p>Senior Deputy General Secretary</p> <p>Signature: <u></u></p> <p>Name: <u>A Kearns</u></p> <p>Date: <u>12/06/14</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
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES
HAS THE RETURN BEEN SIGNED? (see Page 19 and 21 and Notes 2 and 77)	YES
HAS THE AUDITORS REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES
A MEMBERS STATEMENT IS: (see Note 80)	ENCLOSED
HAS THE SUMMARY SHEET BEEN COMPLETED? (see Page 17 and Notes 7 and 59)	YES

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 Auditor's Report

(As contained within the 2013 CWU Accounts)

We have audited the accounts of the Communication Workers Union for the year ended 31 December 2013 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the Union 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 members of the Union those matters we are required to state to them in an independent 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 members of the Union as a body, for our work, for this report, or for the opinion we have formed.

Respective Responsibilities of the Union's Executive Council and Auditor

As explained more fully in the Statement of Responsibilities of the Union, the Executive Council is responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and accounting standards.

We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

Scope of the Audit of the Accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, 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 made by the Executive Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Senior Deputy General Secretary to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2013, 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 (Amended).

AUDITORS REPORT (continued)

(see notes 81 to 86)

Independent Auditor's Report (continued)

Matters on Which We Are Required to Report by Exception

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

- The Union has not kept proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- A satisfactory system of control over transactions has not been maintained;
- The accounts are not in agreement with accounting records;
- We have not received all the information and expenditure we require for our audit.

Signature of Auditor:

Chantrey Vellacott DFK LLP

Name:

Chantrey Vellacott DFK LLP

Profession:

Registered Auditor Chartered Accountants

Address:

Russel Square House
10-12 Russell Square
London
WC1B 5LF

Date:

12/06/2014

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.