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- PRINT ON ONE SIDE ONLY

# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

Year ended:

List no:

Head or Main Office:

Website address (if available)

Has the address changed during the year to which the return relates? 

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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 (Click the appropriate box)

General Secretary:

Telephone Number:

Contact name for queries regarding

Telephone Number:

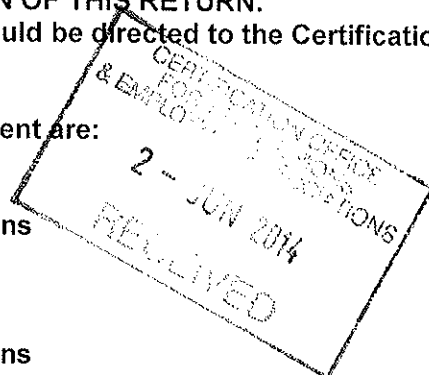
E-mail:

**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  
22<sup>nd</sup> 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)



## **GENERAL FEDERATION OF TRADE UNIONS**

### **Executive Committee Members as at 31 December 2013**

J Fray – President (elected May 2013)

B Marshall – Vice President (elected May 2013)

D Nicholls – General Secretary (elected 1 January 2012)

P Davies

G Morrissey

O Williams

J Smith

L Ambler

R Draper

L Robinson

L O'Connor (elected May 2013)

R Rickhuss (elected May 2013)

T Burke (elected May 2013)

R Mooney (elected September 2013)

B Paul (elected September 2013)

L Woodward (elected September 2013)

S Woolley (elected September 2013)

# 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					
FEMALE					
TOTAL	20				A <b>20</b>

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

20

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

## 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

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:

20

and names:

See list attached



## **General Federation of Trade Unions**

### **Affiliated Unions as at 31 December 2013**

Association of Educational Psychologists

National Union of Journalists

NAPO

Musicians' Union

National Association of Colliery Overmen, Deputies & Shotfirers

BECTU

COMMUNITY

UNITY

Bakers, Food and Allied Workers' Union

Professional Cricketers Association

Professional Footballers Association

Institute of Football Management & Administration

League Managers Association

GMB (Manufacturing)

Society of Union Employees

National Association of Stable Staff

PCS MOJ Group

CCISUA

PROSPECT (Connect Section)

UNITE (GFTU Sections)

# GENERAL FUND

(see notes 13 to 18)

	£	£
<b>INCOME</b>		
From Members: Contributions and Subscriptions		168,458
From Members: Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		168,458
<b>Investment income (as at page 12)</b>		348,243
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)	98,803	
Income from any other sources (as at page 4)	564,028	
<b>Total of other income (as at page 4)</b>		662,831
	<b>TOTAL INCOME</b>	<b>1,179,532</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		
<b>Administrative expenses (as at page 10)</b>		291,868
<b>Federation and other bodies (specify)</b>		
Gift Aid Donation – GFTU Educational Trust	515,000	
Pension Scheme –current service cost	59,000	
Pension Scheme- other finance costs	32,000	
Pension Scheme –assumptions and experience	389,000	
<b>Total expenditure Federation and other bodies</b>		995,000
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	<b>1,286,868</b>
Surplus (deficit) for year		(107,336)
Amount of general fund at beginning of year		6,563,864
Amount of general fund at end of year		6,456,528



# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

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

(See notes 24 and 25)

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

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



(See notes 24 and 25)

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

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



(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
	Total income		
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

# 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		73,759
Salaries and Wages included in above	£71,232	
Auditors' fees		7,000
Legal and Professional fees		105,979
Occupancy costs		12,850
Stationery, printing, postage, telephone, etc.		5,263
Expenses of Executive Committee (Head Office)		16,784
Expenses of conferences		8,123
Other administrative expenses (specify)		
Pension Scheme Contributions – recharged to GFTU Educational Trust		(37,371)
Insurance		6,796
Bank Charges		1,645
Sundries		5,404
Donations		3,150
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		4,968
Taxation		
Other outgoings (specify)		
Investment management fees		60,649
Exchange rate movements on investments		16,869
	<b>Total</b>	291,868
Charged to:	General Fund (Page 3)	291,868
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	291,868





# BALANCE SHEET as at 31 December 2013

(see notes 47 to 50)

Previous Year		£	£
17,479	<b>Fixed Assets</b> (at page 14)		14,304
6,250,330	<b>Investments</b> (as per analysis on page 15)	6,322,207	
564,231	Managed investments (see next page)		
55,058	Quoted (Market value £ 675,768)	675,768	
6,869,619	Unquoted	55,058	
	<b>Total Investments</b>		7,053,033
	<b>Other Assets</b>		
	Loans to other trade unions		
384,339	Sundry debtors	389,646	
20,014	Cash at bank and in hand	47,175	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
404,413	<b>Total of other assets</b>		436,821
7,291,511	<b>TOTAL ASSETS</b>		7,504,158
5,668,304	General Fund (Account )		5,082,371
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
895,560	Investment Revaluation Reserve		1,374,157
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Bank overdraft		
26,545	Trade creditors		20,962
8,852	Sundry creditors		7,216
24,250	Accrued expenses		82,452
	Provisions		
668,000	Other liabilities-pension liability		937,000
7,291,511	<b>TOTAL LIABILITIES</b>		7,504,158
7,291,511	<b>TOTAL ASSETS</b>		7,504,158

# 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			25,432	21,512		46,944
Additions			1,793			1,793
Disposals						
Revaluation/Transfer s						
At end of year			27,225	21,512		48,737
<b>Accumulated Depreciation</b>						
At start of year			25,432	4,033		29,465
Charges for year			598	4,370		4,968
Disposals						
Revaluation/Transfer s						
At end of year			26,030	8,403		34,433
<b>Net book value at end of year</b>			1,195	13,109		14,304
<b>Net book value at end of previous year</b>			-	17,479		17,479



# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)		
Zeneca Group plc (2000 25p ordinary shares)	71,490	
Royal Bank of Scotland plc (17,385 £1 ordinary shares)	5,878	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Trade Union Unit Trusts (100,000 units)	598,400	
<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>675,768</b>	
Market Value of Quoted Investment	675,768	
<b>UNQUOTED</b>		
Equities		
Unity Trust plc (40,058 A shares)	40,058	
Unity Trust plc (15,000 C shares)	15,000	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
<b>TOTAL UNQUOTED (as Balance Sheet)</b>	<b>55,058</b>	
Market Value of Unquoted Investments	55,058	

# 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>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
<b>INCOME</b>			
From Members	168,458		168,458
From Investments	348,243		348,243
Other Income (including increases by revaluation of assets)	662,831		662,831
<b>Total Income</b>	1,179,532		1,179,532
<b>EXPENDITURE</b> (including decreases by revaluation of <b>Total Expenditure</b> )			
	1,286,868		1,286,868
<b>Funds at beginning of year</b> (including reserves)	6,563,864		6,563,864
<b>Funds at end of year</b> (including reserves)	6,456,528		6,456,528
<b>ASSETS</b>			
Fixed Assets			14,304
Investment Assets			7,053,033
Other Assets			436,821
		<b>Total Assets</b>	7,504,158
<b>LIABILITIES</b>		<b>Total Liabilities</b>	1,047,630
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			6,456,528

# 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.

SEE ATTACHED NOTES TO THE ACCOUNTS

# ACCOUNTING POLICIES



(see notes 74 and 75)

SEE ATTACHED ACCOUNTING POLICIES

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>DOUG NICHOLLS</u> Date: <u>22/5/2014</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>JOHN FRAY</u> Date: <u>23/5/2014</u>
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## CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

IS THE RETURN OF OFFICERS ATTACHED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

# AUDITOR'S 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

If "No" please explain below.

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 has 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) whether 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

If "No" please explain below.

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

YES

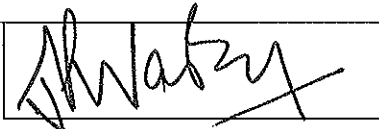
If "No" please explain below.

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)

# AUDITOR'S REPORT (continued)

SEE ATTACHED AUDIT REPORT

Signature(s) of auditor or auditors:



Name(s):

J P Warsop

Profession(s) or Calling(s):

ACA FCCA

Address(es):

UHY Hacker Young LLP  
22 The Ropewalk  
Nottingham  
NG1 5DT

Date:

28/5/2014

Contact name and telephone number:

0115 959 0900

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

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the principal accounting policies as set out below, all of which have been applied consistently throughout the year and the previous year except where noted below.

#### 1.1 Fixed assets

Items of office equipment are capitalised in the balance sheet at cost and depreciated at a rate of 33% per annum to write off the cost by equal instalments over their useful life. Motor vehicles are capitalised at cost and are depreciated at 25% reducing balance.

#### 1.2 Investments

Quoted investments and managed investments are carried at market value in the balance sheet. Unrealised increases in the value of quoted investments and managed investments are taken to the revaluation reserve. Any diminution in value is shown in the statement of total recognised gains and losses and deducted from the revaluation reserve or general fund as applicable.

Unquoted investments are stated at cost subject to any permanent diminution in value.

#### 1.3 Investment income

Investment income is accounted for on a receivable basis advised where necessary by the fund managers

#### 1.4 Stocks

No account is taken of consumable stores in hand at the year end. These are written off on acquisition.

#### 1.5 Taxation

Corporation tax is liable on investment income only. Full provision is made to the extent that a liability arises.

#### 1.6 Pensions

The Federation operates a Defined Benefit Pension Scheme for the staff who all have joint contracts of employment with this entity and the GTFU Educational Trust. The impact of the Pension Scheme, including the net pension liability, is reflected solely in the accounts of the Federation.

Regular valuations of the defined benefit scheme are carried out by professionally qualified actuaries. These determine the level of contributions required to fund the benefits set out in the rules of the scheme and allow for the periodic increase of pensions payable. In accordance with Financial Reporting Standard 17, the regular service cost of providing retirement benefits to employees during the period, together with the cost of any benefits relating to past service is charged to the income and expenditure account.



# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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A credit representing the expected return on the assets of the scheme during the period is included within the income and expenditure account. This is based on the market value of the assets of the scheme at the start of the financial period.

The expected increase in the liabilities of the scheme during the period is charged to the income and expenditure account. This arises from the liabilities of the scheme being one year closer to payment.

The difference between the market value of assets and the present value of accrued pension liabilities is shown as an asset or liability in the balance sheet.

Differences between actual and expected returns on assets during the period are recognised in the statement of total recognised gains and losses in the period, together with the differences arising from changes in assumptions.

Deferred tax is not reflected in the pension liability or asset due to the corporation tax status of the Federation.

### 2 Taxation

No provision for corporation tax or deferred tax is made on the basis of these accounts.

Tax credits on dividends received were deducted at source. Income tax recoverable on investment income is included within other debtors where applicable.

### 3 Investment income

	2013 £	2012 £
Dividends received	92,879	105,484
Gain on disposal of investments	255,364	53,379
	<hr/>	<hr/>
	348,243	158,863
	<hr/> <hr/>	<hr/> <hr/>

As stated in the Executive Committee Report, investment decision making has been delegated by the Executive Committee to Credit Suisse in respect of the main investment funds. The profit on disposal of investments included above was realised as a result of disposals made by Credit Suisse.

### 4 Investment management costs

	2013 £	2012 £
Investment management fees	60,649	58,591
Exchange rate movements on investments	16,869	1,030
Interest paid	-	65
	<hr/>	<hr/>
	77,518	59,686
	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 5 Administrative expenses

	2013 £	2012 £
Employment costs	71,232	89,789
Occupancy costs	12,850	10,833
Printing, postage, stationery and publications	4,172	11,769
Telephone	1,091	816
Executive Committee expenses	16,784	19,064
Staff and officials' expenses	2,527	1,683
Conference expenses	8,123	150
Pension scheme costs	86,377	61,939
Pension scheme contributions recharged to General Federation of Trade Unions Educational Trust (note 16)	(37,371)	(50,803)
Legal and professional fees	16,358	22,327
Audit fees	7,000	5,000
Accountancy charges	3,244	2,636
Insurance	6,796	6,197
Bank charges	1,645	1,647
Depreciation	4,968	4,040
Sundries	5,404	6,446
Donations	3,150	2,290
	<hr/>	<hr/>
	214,350	195,823
	<hr/> <hr/>	<hr/> <hr/>

Pension scheme costs include fees of £23,630 which is regarded as exceptional expenditure, resulting from the winding up of the International Tailor Leather & Garment Workers Federation. An equivalent provision is included within other debtors as the costs will be reimbursed in full by the Pension Protection Levy.

### 6 Gift Aid

The General Federation of Trade Unions Educational Trust ("GFTU Educational Trust") was established by the General Federation of Trade Unions, which continues to support it financially by way of Gift Aid donations. The total donated during the year was as follows:-

	2013 £	2012 £
General Federation of Trade Unions Educational Trust	515,000	630,000
	<hr/>	<hr/>
	515,000	630,000
	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 7 Exceptional income

During the year the Federation received £85,431 of reimbursed costs from Paul Talbot as ordered by the High Court following the outcome of the action taken against the Federation in respect of the General Secretary Election process in 2011.

### 8 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2013	25,432	21,512	46,944
Additions	1,793	-	1,793
	<hr/>	<hr/>	<hr/>
At 31 December 2013	27,225	21,512	48,737
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>			
At 1 January 2013	25,432	4,033	29,465
Charge for year	598	4,370	4,968
	<hr/>	<hr/>	<hr/>
At 31 December 2013	26,030	8,403	34,433
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 31 December 2013	1,195	13,109	14,304
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2012	-	17,479	17,479
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 9 Quoted investments

	Book Cost 2012 & 2013 £	Market value as at 1 Jan 2013 £	Revaluation to market value 2013 £	Disposals during 2013	Market value as at 31 Dec 2013 £
Trade Union Unit Trusts 100,000 units	38,042	500,400	98,000	-	598,400
Zeneca Group Plc 2,000 25p Ordinary Shares	3,316	58,190	13,300	-	71,490
Royal Bank of Scotland Plc 17,385 £1 Ordinary Shares	4,349	5,641	237	-	5,878
	<u>45,707</u>	<u>564,231</u>	<u>111,537</u>	<u>-</u>	<u>675,768</u>

	Dividends received 2013 £	Tax credit 2013 £
Trade Union Unit Trusts 100,000 units	9,336	1,038
Zeneca Group Plc 2,000 25p Ordinary Shares	3,594	400
Royal Bank of Scotland Plc 17,385 £1 Ordinary Shares	-	-
	<u>12,930</u>	<u>1,438</u>

### 10 Unquoted investments

	Cost/value 2013 £	Cost /value 2012 £	Dividends received £	Tax credit £
Unity Trust Plc 40,058 "A" Shares	40,058	40,058	441	49
15,000 "C" Shares	15,000	15,000	165	18
	<u>55,058</u>	<u>55,058</u>	<u>606</u>	<u>67</u>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 11 Managed investments

	<b>Total</b>	
	<b>£</b>	
Market value as at 01.01.13	6,140,265	
Book cost of acquisitions	1,094,419	
Book cost of disposals	(2,200,466)	
	<u>5,034,218</u>	
Increase in market value	367,060	
Market value as at 31.12.13	5,401,278	
Cash balances as at 31.12.13	920,929	
Managed investments as at 31.12.13	<u>6,322,207</u>	
	<u>6,322,207</u>	
Market value as at 31.12.12	6,140,265	
Cash balance as at 31.12.12	110,065	
Managed investments as at 31.12.12	<u>6,250,330</u>	
	<u>6,250,330</u>	
<b>Analysis of investments at market value</b>		
	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bonds	1,617,633	1,745,413
Property	-	-
Equities	2,333,465	2,830,563
Cash deposits	920,929	110,065
Alternative assets	1,450,180	1,564,289
	<u>6,322,207</u>	<u>6,250,330</u>
	<u>6,322,207</u>	<u>6,250,330</u>
<b>Analysis of book cost</b>		
		<b>£</b>
Book cost as at 01.01.13		5,763,229
Book cost of acquisitions		1,094,419
Book cost of disposals		(2,200,466)
		<u>4,657,182</u>
Book cost as at 31.12.13		<u>4,657,182</u>

During the year the Federation drew down £550,175 (2012: £729,427) from Credit Suisse, £60,025 (2012: £77,000) from the income account and £490,150 (2012: £652,427) from the capital account. The investments managed by Credit Suisse were responsible for a revaluation surplus of £367,060 in the year, (2012: £574,519) and the investments disposed of by Credit Suisse resulted in a profit of £255,364 (2012: £53,379). Dividends were received from the Credit Suisse investments of £79,343 (2012: £91,759).

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 12 Debtors

	2013 £	2012 £
Trade debtors	-	390
Other debtors	32,779	10,226
Due from GFTU Educational Trust – see note 17	356,867	373,783
	<u>389,646</u>	<u>384,399</u>

### 13 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	20,962	26,545
Other creditors	82,452	24,250
Social security and other taxes	7,216	8,852
	<u>110,630</u>	<u>59,647</u>

### 14 Investment revaluation reserve

	Quoted £	Managed £	Total £
At 1 January 2013	518,524	377,036	895,560
Revaluation to market value in the year	111,537	367,060	478,597
	<u>630,061</u>	<u>744,096</u>	<u>1,374,157</u>

The investment revaluation reserve in respect of managed investments represents the unrealised increase in the value of the investment portfolio.

As such the net revaluation in relation to the managed investments is £744,096 (2012: £377,036) on book cost of £4,657,182 (2012: £5,763,229) as disclosed in note 11 to the accounts.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 15 General fund

	2013 £	2012 £
As at 1 January 2013	5,668,304	4,100,131
Deficit for the year	(196,933)	(670,528)
Pension scheme assumptions and Experience (see note 18)	(389,000)	(195,000)
Transfer from investment revaluation reserve	-	2,433,701
	<hr/>	<hr/>
As at 31 December 2013	5,082,371	5,668,304
	<hr/> <hr/>	<hr/> <hr/>
The general fund represents:-		
Net assets	6,019,371	6,336,304
Pension deficit (see note 18)	(937,000)	(668,000)
	<hr/>	<hr/>
	5,082,371	5,668,304
	<hr/> <hr/>	<hr/> <hr/>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 16 Employment costs

Staff have joint contracts of employment with the Federation and the GFTU Educational Trust. The staff costs are administered by the Federation and a recharge is made to the Trust based on the time spent on the Trusts' activities.

	<b>2013</b>	<b>2012</b>
Average number of employees	8	10
	<u>          </u>	<u>          </u>
	<b>2013</b>	<b>2012</b>
	£	£
Gross, including employer's NI and pension contribution	440,777	490,385
Recharged to Educational Trust	(294,719)	(325,399)
	<u>          </u>	<u>          </u>
	146,058	164,986
	<u>          </u>	<u>          </u>
These are shown in the financial statements as follows: -		
	£	£
Employment costs (as above)	146,058	164,986
Less: Federation pension scheme contributions	(74,826)	(75,197)
	<u>          </u>	<u>          </u>
Administrative expenses – Employment costs (note 5)	71,232	89,789
	<u>          </u>	<u>          </u>

The proportion of pension scheme contributions recharged to the GFTU Educational Trust is reflected within note 5 to the accounts for FRS 17 disclosure purposes and the recharge for the year is as follows: -

	£	£
Administrative expenses – Pension scheme contributions recharged	(37,371)	(50,803)
	<u>          </u>	<u>          </u>

The charges arising in the pension scheme comprise the following:

	<b>Actual</b>	<b>Actual</b>
	<b>2013</b>	<b>2012</b>
	£'000	£,000
Expected return on scheme assets	224	217
Interest cost	(256)	(256)
	<u>          </u>	<u>          </u>
Other finance costs	(32)	(39)
	<u>          </u>	<u>          </u>
	<b>Actual</b>	<b>Actual</b>
	<b>2013</b>	<b>2012</b>
	£'000	£,000
Current service costs	(59)	(76)
	<u>          </u>	<u>          </u>

The employer contributions for the year to 31 December 2014 are estimated to be £116,000.



# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 17 Related parties

The General Federation of Trade Unions Educational Trust (“GFTU Educational Trust”) was established by the General Federation of Trade Unions, which continues to support it financially. At 31 December 2013, the GFTU Educational Trust had net assets of £1,972,253 (2012: £2,194,526). Transactions during the year ended 31 December 2013 included:-

	2013	2012
	£	£
Gift Aid donated to the GFTU Educational Trust	(515,000)	(630,000)
Employment costs recharged to the GFTU Educational Trust	294,719	325,399
Occupancy costs recharged to the GFTU Educational Trust	51,400	43,333
Publications purchased from the GFTU Educational Trust	-	(9,920)
General council meeting costs recharged from the GFTU Educational Trust	7,926	-

The balance due from the GFTU Educational Trust at the year end was £356,867 (2012: £373,783) which is included in Debtors – see note 12 above.

### 18 Pensions

The Federation is a member of the General Federation of Trade Unions Pension Scheme, a defined benefit scheme in the UK which covers various organisations on a combined basis. The Federation’s share of the scheme equates to approximately 69% (2012: 69%) of net assets and future liabilities.

A full actuarial valuation was carried out as at 31 December 2006 by a qualified independent actuary during the previous year when the separate assets and liabilities of the Pension Scheme were allocated to member organisations. The resulting £445,000 pension liability as at 31 December 2006 was reflected in the financial statements for the year ended 31 December 2007.

The full actuarial valuation was updated by a qualified independent actuary as at 31 December 2008 which identified a £185,000 reduction in pension liabilities at that date.

The results of a full actuarial valuation carried out as at 31 December 2009 by a qualified independent actuary were reflected in the financial statements for the year ended 31 December 2010. This was updated by a qualified independent actuary as at 31 December 2011 and further updated by a qualified independent actuary as at 31 December 2012.

A full actuarial valuation for statutory funding purposes has been carried out by a qualified independent actuary at 31 December 2012. The preliminary results of this valuation have been projected forward approximately to 31 December 2013 as outlined overleaf.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 18 Pensions continued

The major assumptions used by the actuary were:

	At 31 Dec 2013 (Updated)	At 31 Dec 2012 (Updated)	At 31 Dec 2011 (Updated)	At 31 Dec 2009 (Full)
Investment return	4.19%	4.35%	4.70%	5.70%
RPI price inflation increases	2.90%	2.90%	2.90%	3.45%
Salary increases	3.90%	3.90%	3.90%	4.45%
Pension increases in payment	2.90%	2.90%	2.90%	3.45%
Life expectancy for a male pensioner aged 65 (in years)	22.7	21.8	20.9	20.8
Life expectancy for a male non-pensioner currently aged 45 from age 65 (in years)	24.9	23.6	22.7	22.6

To develop the expected long-term rate of return on assets assumption, the pension scheme trustees under actuarial advice considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio. This resulted in the selection of a 5.70% p.a. assumption for the 2009 financial year. For the 2011 financial year, the updated actuarial valuation assumes a rate of return of 4.70% per annum; for the 2012 financial year 4.35% per annum; and for the 2013 financial year 4.19% per annum.

The assets in the scheme were as follows:

	Value at 31 Dec 2013 £'000 (Updated)	Value at 31 Dec 2012 £'000 (Updated)	Value at 31 Dec 2011 £'000 (Updated)	Value at 31 Dec 2009 £'000 (Full)
Bonds	4,972	5,153	4,938	2,991
Equities	3,006	2,601	2,367	3,384
Other	7	10	22	42
<b>Total market value of assets</b>	<b>7,985</b>	<b>7,764</b>	<b>7,327</b>	<b>6,417</b>
<b>Present value of scheme liabilities</b>	<b>(9,343)</b>	<b>(8,732)</b>	<b>(8,027)</b>	<b>(7,167)</b>
<b>Deficit in the scheme</b>	<b>(1,358)</b>	<b>(968)</b>	<b>(700)</b>	<b>(750)</b>
Proportion of deficit relating to other unions	421	300	216	233
<b>Net pension liability relating to the Federation</b>	<b>(937)</b>	<b>(668)</b>	<b>(484)</b>	<b>(517)</b>
<b>Federation net pension liability as a percentage of the present value of scheme liabilities</b>	<b>10%</b>	<b>8%</b>	<b>6%</b>	<b>7%</b>

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 18 Pensions continued

The movements in the net pension deficit during the period were as follows:-

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Opening deficit	(668)	(484)
Scheme introduction	-	-
Contribution paid	211	126
Current service cost	(59)	(76)
Past service cost	-	-
Net financial cost	(32)	(39)
Actuarial losses	(389)	(195)
	<hr/>	<hr/>
Net pension deficit	(937)	(668)
	<hr/> <hr/>	<hr/> <hr/>

The net actuarial losses reflected in the STRGL (page 7) were as follows:

	<b>2013</b>	<b>2012</b>
	<b>£'000</b>	<b>£'000</b>
Changes in assumptions underlying the present value of the pension scheme liabilities – Current	(123)	(429)
Actual return less expected return on pension scheme	(72)	236
Experience gains and losses arising on pension scheme	(194)	(2)
	<hr/>	<hr/>
	(389)	(195)
	<hr/> <hr/>	<hr/> <hr/>

The GFTU expect to contribute an average 24.7% per annum of Pensionable Salaries for active scheme members.

# GENERAL FEDERATION OF TRADE UNIONS

## NOTES TO ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

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### 18 Pensions continued

In addition, the Participating Employers agreed to contribute a total of £97,700 per annum additional contributions for a ten year period with the first payment made for the year to 31 December 2011, and the final payment falling due for the year to 31 December 2020. The Federation will contribute £67,300 per annum (of the £97,700 total additional contributions) throughout the ten year period stated. During 2013 a payment of £67,300 (2012 and 2011: £67,300) was made by the Federation to the pension scheme under the current commitment to making annual contributions. During 2011 a further payment of £95,000 was made by the Federation to the pension scheme as pension enhancement for M Bradley.

If the assumptions made for assessing the recovery plan are borne out in practice, these contributions will eliminate the overall deficit in the scheme by 2020.

Historic service costs of £98,803 were received under a Deed of Discharge, from UNITE, representing the Federation's share of pension increases paid on behalf of UNITE. These costs have been reflected in current service costs charged to the income and expenditure account up to and including the year ended 31 December 2013. This represents the final payment by UNITE to terminate any liability it may have to contribute to pay for increases that have already been granted.

### 19 Contingent liabilities

As stated in note 17, the Federation has a commitment to continue supporting the GFTU Educational Trust, which had net assets at the year end of £1,972,253 (2012: £2,194,526).

### 20 Financial commitments

At 31 December 2012 the Federation and GFTU Educational Trust had annual commitments under non-cancellable operating leases for the premises they occupy under a joint lease as follows:-

	2013 £	2012 £
Expiry date:		
In less than 1 year	-	12,600
	-----	-----
	-	12,600
	=====	=====

As stated in note 18, the Federation are committed to making the annual contributions to the General Federation of Trade Unions Pension Scheme as follows:

	2013 £	2012 £
Expiry date:		
In more than 5 years	67,300	67,300
	=====	=====

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**INDEPENDENT AUDITORS' REPORT  
TO MEMBERS OF THE GENERAL FEDERATION OF TRADE UNIONS**

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We have audited the financial statements of The General Federation of Trade Unions for the year ended 31 December 2013 set out on pages 6 to 21. 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).

The report is made solely to the Federation's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Federation's members those matters we are required to state to them in an auditors' 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 Federation and the Federation's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of members of the Executive Committee and auditors**

As explained more fully in the statement of Executive Committee's responsibilities set out on page 2, the Executive Committee (acting on behalf of the Governing Body) are responsible for the preparation of the financial statements and for being satisfied they give a true and fair view. 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 Federation's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Committee (acting on behalf of the Governing Body); and the overall presentation of the financial statements.

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Federation's affairs as at 31 December 2013 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

**Opinion on other matter prescribed by the Trade Union and Labour Relations (Consolidation) Act 1992**

In our opinion the information given in the Executive Committee Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO MEMBERS OF THE GENERAL FEDERATION OF TRADE UNIONS**

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**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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Executive Committee members remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Jonathan Warsop ACA FCCA (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

Chartered Accountants  
Statutory Auditor

27 May 2014