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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	UNION OF CONSTRUCTION ALLIED TRADES AND TECHNICIANS
Year ended:	December 31, 2012
List no:	378T
Head or Main Office:	177 Abbeville Road London SW4 9RL
Website address (if available)	ucatt.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>(Click the appropriate box)</i>
General Secretary:	Mr Steve Murphy
Telephone Number:	020 7622 2442
Contact name for queries regarding	Louanne Muhammad
Telephone Number:	020 7622 2442
E-mail:	lmhammad@ucatt.org.uk

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

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

# 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	74,891	921	6,646		<b>82,458</b>
FEMALE	1,902	10	7		<b>1,919</b>
TOTAL	76,793	931	6,653		<b>A 84,377</b>

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

	8,289
Number of members at end of year contributing to the General Fund	84,377

## 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
EC Member		Alan Stansfield	28/08/2012

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:

UCATT LIST OF OFFICERS IN POST AS AT DECEMBER 31, 2012

Mr John Thompson - President

Mr Denis Doody

Mr Neil Andrews

Mr Neil Vernon

Mr Alan Stansfield

Mr Chris Murphy

Mr James Gamble

Mr Jim McDonald

Mr Michael Farrell

# GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		5,315
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		5,315
<b>Total of all income from members</b>		5,315
<b>Investment income (as at page 12)</b>		234
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	612	
<b>Total of other income (as at page 4)</b>		612
	<b>TOTAL INCOME</b>	6,161
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		123
<b>Administrative expenses (as at page 10)</b>		6,199
<b>Federation and other bodies (specify)</b>		
Affiliation fees	400	
<b>Total expenditure Federation and other bodies</b>		400
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	6,722
Surplus (deficit) for year		(561)
Amount of general fund at beginning of year		4,857
Amount of general fund at end of year		4,296

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

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Miscellaneous	229	
Vat Recovered	10	
Profit on Sale of Fixed Assets	3	
Gain on Revaluation of Investments	370	
<b>TOTAL OTHER INCOME</b>		612
<b>TOTAL OF ALL OTHER INCOME</b>		612

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues		<b>brought forward</b>	98
Legal Aid	2	Education and Training services	
		Education & Benevolent Grants	7
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications			
UCATT Publications	96	Salary Costs	
Advisory Services		Other Benefits and Grants (specify)	
Dispute Benefits		Funeral Benefit	18
Other Cash Payments			
<b>carried forward</b>	98	<b>Total (should agree with figure in General Fund)</b>	123

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	TRADE PRIVILEGE	£'000	£'000
<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	1	1
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		1
	<b>Surplus (Deficit) for the year</b>		(1)
	<b>Amount of fund at beginning of year</b>		91
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		90
	<b>Number of members contributing at end of year</b>		N/A

FUND 3		Fund Account	
Name:	REVALUATION	£'000	£'000
<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>		4,546
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		4,546
	<b>Number of members contributing at end of year</b>		N/A

(See notes 24 and 25)

<b>FUND 4</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<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>		

<b>FUND 5</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<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)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<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>		

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<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>£'000</b>	<b>£'000</b>	
<b>Income</b>	Members contributions and levies	219	219	
	Investment income (as at page 12)			
	Other income (specify)			
		Total other income as specified		
		Total income	219	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) Affiliation Fees & Donations	183	183	
	Administration expenses in connection with political objects (specify) Personnel	28	28	
	Non-political expenditure: Attendance at meetings	22	22	
			Total expenditure	233
			Surplus (deficit) for year	(14)
			Amount of political fund at beginning of year	183
			Amount of political fund at the end of year (as Balance Sheet)	169
		Number of members at end of year contributing to the political fund	63,977	
		Number of members at end of the year not contributing to the political fund	20,400	
		Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund	12,821	

<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		4,404
Salaries and Wages included in above	£ 3,320,000	
Auditors' fees		35
Legal and Professional fees		137
Occupancy costs		397
Stationery, printing, postage, telephone, etc.		404
Expenses of Executive Committee (Head Office)		
Expenses of conferences    National Delegates Conference 2012		172
Other administrative expenses (specify)		
Travelling & Motor Equipment Maintenance		208
Computer Costs		35
Bank Charges		72
General Expenses		28
Delegations & Meetings		37
Exchange Loss		284
Less: Sundry Costs Recovered		9
		(225)
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		229
Taxation		
Outgoings on land and buildings (specify)		
Reduction in dilapidations provision		(30)
Other outgoings (specify)		
Ballot Costs		3
	<b>Total</b>	6,199
Charged to:	General Fund (Page 3)	6,199
	Fund (Account )	
	<b>Total</b>	6,199



# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £'000		Other Fund(s) £'000
Rent from land and buildings			44
Dividends (gross) from:			
Equities (e.g. shares)			
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
UNIT TRUST			190
			234
		Total investment income	234
		Credited to:	
		General Fund (Page 3)	234
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	234

# BALANCE SHEET as at December 31, 2012

(see notes 47 to 50)

Previous Year		£'000	£'000
5,839	<b>Fixed Assets</b> (at page 14)		6,314
	<b>Investments</b> (as per analysis on page 15)		
4,778	Quoted (Market value £ 5,623)	5,624	5,624
23	Unquoted	22	22
4,801	<b>Total Investments</b>	5,646	5,646
	<b>Other Assets</b>		
	Loans to other trade unions		
1,200	Sundry debtors		435
2,431	Cash at bank and in hand		1,028
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
3,631	<b>Total of other assets</b>		1,463
14,271	<b>TOTAL ASSETS</b>		13,423
4,857	General Fund (Account 1)		4,296
91	Trade Privilege Fund (Account 2)		90
	Fund (Account )		
	Superannuation Fund (Account )		
183	Political Fund (Account 1)		169
4,546	Revaluation Reserve		4,546
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
625	Sundry creditors		520
232	Accrued expenses		130
95	Provisions		65
3,642	Other liabilities		3,607
4,594	<b>TOTAL LIABILITIES</b>		4,322
14,271	<b>TOTAL ASSETS</b>		13,423

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £'000	Website Costs £'000	Total £'000
	Freehold £'000	Leasehold £'000				
<b>Cost or Valuation</b>						
At start of year	4,942	1,239	799	566		7,546
Additions		376	37	272	36	721
Disposals				(170)		(170)
Revaluation/Transfers						
At end of year	4,942	1,615	836	668	36	8,097
<b>Accumulated Depreciation</b>						
At start of year	407	115	751	434		1,707
Charges for year	67	15	37	110		229
Disposals				(153)		(153)
Revaluation/Transfers						
At end of year	474	130	788	391		1,783
<b>Net book value at end of year</b>	4,468	1,485	48	277	36	6,314
<b>Net book value at end of previous year</b>	4,535	1,124	48	132		5,839

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund  £'000
Equities (e.g. Shares)		
Government Securities (Gilts)		
Other quoted securities (to be specified)		
UNIT TRUST	5,624	
TOTAL QUOTED (as Balance Sheet)	5,624	
Market Value of Quoted Investment	5,624	
<b>UNQUOTED</b> Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
BIAM CASH FUND	22	
TOTAL UNQUOTED (as Balance Sheet)	22	
Market Value of Unquoted Investments	5,646	



# 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 checked="" 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)		
UCATT INVESTMENTS LIMITED	03945927 (DORMANT)		
<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 £'000	Political Funds £'000	Total Funds £'000
<b>INCOME</b>			
From Members	5,315	219	5,534
From Investments	234		234
Other Income (including increases by revaluation of assets)	612		612
<b>Total Income</b>	6,161	219	6,380
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	6,723	233	6,956
<b>Funds at beginning of year</b> (including reserves)	9,494	183	9,677
<b>Funds at end of year</b> (including reserves)	8,932	169	9,101
<b>ASSETS</b>			
Fixed Assets			6,314
Investment Assets			5,646
Other Assets			1,463
		<b>Total Assets</b>	13,423
<b>LIABILITIES</b>			
		<b>Total Liabilities</b>	4,322
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			9,101

# 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.

**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

**1. ACCOUNTING POLICIES**

- A These accounts have been prepared under the historical cost convention, as modified by the revaluation of investment properties and quoted investment and applicable accounting standards.
- B Depreciation is provided on all fixed assets other than freehold land on a straight line basis at rates estimated to write off the cost or valuation of each asset over its expected life as follows:
- |                                       |        |                    |        |
|---------------------------------------|--------|--------------------|--------|
| Buildings                             | 2% pa  | Computer equipment | 33% pa |
| Office equipment, fixtures & fittings | 20% pa | Motor vehicles     | 25% pa |
- C Investments are stated at market value.
- D The net cost of legal cases undertaken on behalf of members is charged in these accounts on an invoiced basis.
- E Contribution income represents those amounts collected from members during the year under review.
- F Value added tax (VAT) is only partially recoverable and the recoverable element is shown in the Income Statement
- G Transactions in foreign currency are recorded at the average rate ruling during the year under review. Monetary assets and liabilities are shown at the rate of exchange applicable at the balance sheet date.
- H The Union operates a defined benefit pension scheme. Current service costs are charged to Income and Expenditure Account which also gives immediate recognition to actuarial gains and losses
- I Investment properties are revalued at their open market value annually and are not depreciated. The surplus or deficit arising from the annual revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the income and expenditure account for the year. Investment properties are held for their investment potential and not for use by the Union.

	2012 £'000	2011 £'000
<b>2. OTHER INCOME</b>		
Insurance Premiums	192	-
Commissions	33	168
Donations	1	1
Other	3	1
	<u>229</u>	<u>170</u>
<b>3. MEMBERS' SERVICES &amp; BENEFITS</b>		
Legal Aid	2	24
UCATT Publications	96	101
Trade Privilege	1	1
Funeral	17	22
Education & Benevolent Grants	8	6
	<u>124</u>	<u>154</u>
<b>4. PERSONNEL COSTS</b>		
Officials	2,173	1,669
Staff - General	1,181	1,149
- Training Section	142	163
Branch Officers	312	344
Pension Contributions	483	318
	<u>4,271</u>	<u>3,643</u>
<b>5. CONFERENCE &amp; MEETINGS</b>		
National Delegate Conference	172	-
Delegations & Meetings	305	252
	<u>477</u>	<u>252</u>

**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £'000	2011 £'000
<b>6. ADMINISTRATION</b>		
Travelling & Motor	208	201
Rent, Rates, Insurance, Light & Heat	286	270
Office & Property Maintenance	111	82
Equipment Maintenance	35	27
Computer Costs	72	59
Communications	250	225
Printing & Stationery	155	213
Bank Charges & Interest	28	30
Audit & Accountancy	35	32
Professional Fees	137	192
General Expenses	37	19
	<u>1,354</u>	<u>1,350</u>
Less Sundry Costs Recovered	(225)	(147)
	<u>1,129</u>	<u>1,203</u>

**7. TRANSFER OF THE NATIONAL SHEET METAL WORKERS UNION OF IRELAND**

The net assets and membership of the National Sheet Metal Workers Union of Ireland was transferred to UCATT with effect from 28 January 2011.

8. FIXED ASSETS	Investment	Land &	Website	Fixtures	Motor	Total
	Properties	Buildings	Design	Fittings & Equipment	Vehicles	
	£'000	£'000		£'000	£'000	£'000
<b>COST OR VALUATION</b>						
At cost or valuation	550	5,631	-	799	566	7,546
Additions	376	-	36	37	272	721
Disposals	-	-	-	-	(170)	(170)
31 December	<u>926</u>	<u>5,631</u>	<u>36</u>	<u>836</u>	<u>668</u>	<u>8,097</u>
<b>DEPRECIATION</b>						
At 1 January	-	522	-	751	434	1,707
Charged	-	82	-	37	110	229
On Disposals	-	-	-	-	(153)	(153)
31 December	<u>-</u>	<u>604</u>	<u>-</u>	<u>788</u>	<u>391</u>	<u>1,783</u>
<b>NET BOOK VALUE</b>						
31 December 2012	<u>926</u>	<u>5,027</u>	<u>36</u>	<u>48</u>	<u>277</u>	<u>6,314</u>
31 December 2011	<u>550</u>	<u>5,109</u>	<u>-</u>	<u>48</u>	<u>132</u>	<u>5,839</u>

Certain freehold properties are charged to the UCATT Officials & Staff Retirement and Death Benefit Scheme. Investment properties are included in the accounts at their cost value of £550,000, which the Executive Council consider a reasonable assessment of their current market value.

**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

<b>9. INVESTMENTS AT MARKET VALUE</b>	<b>2012</b>	<b>2011</b>
	£'000	£'000
Quoted Securities at January 01, 2012	4,801	4,771
Additional Investment in the year	680	393
Investment sold in the year	(206)	0
Gain/(Loss) on Investments during the year	<u>370</u>	<u>(363)</u>
Quoted securities at December 31, 2012	<u><b>5,646</b></u>	<u><b>4,801</b></u>

**10. DEBTORS**

Trade Debtors	163	112
Other Debtors	61	55
Prepayments	<u>211</u>	<u>1,033</u>
	<u><b>435</b></u>	<u><b>1,200</b></u>

**11. CREDITORS**

Trade Creditors	66	97
Tax and Social Security	89	93
Other Creditors	365	435
Accruals	<u>130</u>	<u>232</u>
	<u><b>650</b></u>	<u><b>857</b></u>

**12. PENSION SCHEME CONTRIBUTIONS**

The union operates a final salary defined benefit pension scheme in the United Kingdom. Benefits are linked to members' final pensionable salaries and service at retirement or date of leaving the scheme, if earlier.

The most recent formal valuation was carried out as at 31 May 2010 and updated to 31 December 2012 by a qualified independent actuary.

The major assumptions used by the actuary were:

	<b>2012</b>	<b>2011</b>
<i>FINANCIAL ASSUMPTIONS</i>		
Discount rate	4.3% pa	4.7% pa
Price inflation	2.9% pa	3.1% pa
	- RPI	- CPI
	1.9% pa	2.1% pa
Rate of increase in salaries	4.4% pa	4.6% pa
Rate of increase of pensions in payment -		
on pre 1997 service pensions	0.0% pa	0.0% pa
on 1997 - 2005 service pensions	2.9% pa	3.0% pa
on post 2005 service pensions	2.1% pa	2.2% pa
Rate of increase for deferred pensioners	1.9% pa	2.1% pa
Expected return on assets -		
The overall expected return on assets has been derived by calculating the weighted average of the expected rate of return for each asset class as follows:		
Fixed interest securities - current yields	3.0% pa	3.0% pa
Equities, including property - return available on UK government securities uplifted by	3.8% pa	3.9% pa

*DEMOGRAPHIC ASSUMPTIONS*

Mortality pre retirement	AC00	AC00
Mortality post retirement	SINA YoB CMI_2009_M PNA00 YOY MC FLOOR [1.0%]/F[0.5%] PA + 2 year age rating	

*ASSET CLASS*

The assets of the scheme are invested in a diversified portfolio and are valued at bid market value.

		<b>2012</b>		<b>2011</b>		<b>2010</b>
	% of total	£'000	% of total	£'000	% of total	£'000
Equities, including property	78%	8,390	78%	7,510	82%	8,071
Bonds, gilts and cash	22%	<u>2,366</u>	22%	<u>2,118</u>	18%	<u>1,772</u>
		<u><b>10,756</b></u>		<u><b>9,628</b></u>		<u><b>9,843</b></u>
Actual return		<u>1,005</u>		<u>(393)</u>		<u>1,170</u>

**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

**12. PENSION SCHEME CONTRIBUTIONS - CONTINUED**

	2012 £'000	2011 £'000
<b>Balance sheet reconciliation</b>		
Market value of assets	10,756	9,628
Present value of liabilities	(14,363)	(13,270)
Pension liability recognised in balance sheet	(3,607)	(3,642)

The Union is only subject to corporation tax in line with note 13 and does not therefore account for deferred tax. As a consequence, there cannot be a deferred tax asset related to the above pension liability.

**Analysis of changes in value of scheme liabilities**

Value at 1 January	13,270	11,834
Service cost	365	303
Interest cost	621	637
Members' contributions	95	96
Benefits and expenses paid	(573)	(469)
Actuarial (gain)/loss	585	869
Value at 31 December	14,363	13,270

**Analysis of changes in value of scheme assets**

Value at 1 January	9,628	9,843
Expected return	581	686
Actuarial loss	424	(1,079)
Employer's contributions	601	551
Members' contributions	95	96
Benefits and expenses paid	(573)	(469)
Value at 31 December	10,756	9,628

**Charge to Income and Expenditure**

Current service cost	(365)	(303)
Interest cost	(621)	(637)
Expected return	581	686
	(405)	(254)

**Actuarial (losses)/gains**

Scheme liabilities	(585)	(869)
Scheme assets	424	(1,079)
	(161)	(1,948)

**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

**12. PENSION SCHEME CONTRIBUTIONS - CONTINUED**

**History of assets, liabilities, experience gains and losses**

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
At 31 December					
Market value of assets	10,756	9,628	9,843	8,644	7,034
Present value of liabilities	(14,363)	(13,270)	(11,834)	(11,767)	(9,283)
Deficit in the scheme	<u>(3,607)</u>	<u>(3,642)</u>	<u>(1,991)</u>	<u>(3,123)</u>	<u>(2,249)</u>

**Actuarial gains/(losses) arising :**

<b>- on scheme liabilities</b>					
Due to experience	-	-	605	-	-
% of liabilities	0.0%	0.0%	5.1%	0.0%	0.0%
Due to change in basis	(585)	(869)	(187)	(2,023)	860
% of liabilities	-4.1%	-6.6%	-1.6%	-17.2%	9.3%
<b>- on scheme assets</b>					
Due to experience	424	(1,079)	533	983	(2,227)
% of assets	3.9%	-11.2%	5.4%	11.4%	-31.7%

The cumulative amount of actuarial gains and losses in the last five years is a loss of £2,521,000.

**Future funding obligation**

The full actuarial valuation at 31 May 2010 showed a deficit of £2,700,000. The trustees have agreed with the Union that the employer's rate of contribution should be 16.8% of in-service members' pensionable salaries until 31 May 2011, then increasing to 17.5%, supplemented by special additional contributions of £253,619 in the year to 31 May 2011, plus in subsequent years until 31 May 2020, £330,000 p.a. with this amount increasing on 1 June each year by 4% p.a. with effect from 1 June 2012. Employee contributions are either 5% or 7.5% dependent upon category of membership.

Under Financial Reporting Standard 17 (FRS17), the operating costs of providing benefits, the service costs, and the interest cost and expected return on assets are included in the income and expenditure account in the period in which they arise. Market fluctuations are set out as recognised gains and losses. The cash flow required to meet any deficit relates to future pension contributions and in the long term this is expected to rise. However the amount of any deficit is subject to considerable variation as it depends on a number of both demographic and financial assumptions.

**Republic of Ireland Pension Costs**

The Union is also a minority participant in a separate pension scheme providing benefits based on final pensionable salary, based in the Republic of Ireland ("the Scheme"). The assets of the scheme are held separately from those of the Union, being invested with major asset management companies. The contributions are determined by a qualified actuary on the basis of triennial valuations using the scheme's technical provisions, as required by the Republic of Ireland Pensions Act 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions.

The Union made arrangements to augment the funding of its share of the scheme, in accordance with the recommendations of the actuary following the most recent full valuation of the scheme carried out as at 28 January 2009. The actuary has subsequently issued an Actuarial Statement as at 1 May 2011 indicating that he is satisfied that the UCATT arrangement at that date met the funding standard provided for in the Irish Pensions Act.



**UNION OF CONSTRUCTION,  
ALLIED TRADES AND TECHNICIANS**  
NOTES TO THE CONSOLIDATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

**12. PENSION SCHEME CONTRIBUTIONS - CONTINUED**

**Republic of Ireland Pension Costs-continued**

The Union is unable to identify its share of the underlying assets of the Scheme, as it participates in the Scheme with several other entities. Each participating employer is exposed to actuarial risks associated with the current and former employees of the other employers participating in the Scheme. The pension cost of the Scheme to the Union under Financial reporting Standard 17 is therefore the contributions paid to the Scheme by the Union in the year.

**13. TAXATION**

The union is not liable to tax on income from its members. Taxation is payable to the extent that capital gains and income from investments and commercial training activities exceed allowable provident benefits.

**14. REVALUATION RESERVE**

This represents the surplus arising following the revaluation of certain union properties by Keningtons as at January 2009.

No taxation liability is anticipated on the disposal of union properties at the revalued amounts and no provision has been made in these accounts.

**15. CONTINGENT LIABILITIES**

The union is involved in many ongoing legal cases. Although the outcome of these cases is uncertain and the potential liability cannot be assessed with accuracy, a provision for unbilled costs of £50,000 has been included in the balance sheet figures.

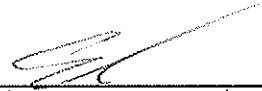
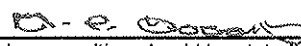
# ACCOUNTING POLICIES

(see notes 74 and 75)

## 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>Steve Murphy</u> Date: <u>12/5/13</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>D.P. Doody</u> Date: <u>12-5-2013</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  NO

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  NO

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  NO

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)

# UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE UNION OF CONSTRUCTION, ALLIED TRADES AND TECHNICIANS

We have audited the financial statements of the Union of Construction, Allied Trades and Technicians for the year ended 31 December 2012 which comprise the Consolidated Income and Expenditure Account, Consolidated Balance Sheet, 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 Union's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the union and the union's members as a body for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the Executive Council and Auditor

As explained more fully in the Statement of the Executive Council's Responsibilities, the Executive Council is responsible for the preparation of the financial statements and for being satisfied that 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 union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the union's affairs as at 31st December 2012 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.

### 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 Labour Relations (Consolidation) Act 1992 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The union has not maintained a satisfactory system of control over its transactions in accordance with the requirements of section 28 of the Trade Union and Labour Relations (Consolidation) Act 1992; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures within the form AR21 of Officers' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

*Chantrey Vellacott DFK LLP*

Chantrey Vellacott DFK LLP  
Chartered Accountants and Statutory Auditor  
London

Date: *21 May 2013*

# AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	Chantrey Vellalott DFK LLP	
Name(s):	CHANTREY VELLALOTT DFK LLP	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	10-12 RUSSELL SQUARE LONDON WC1B 5LF	
Date:	21 MAY 2013	
Contact name and telephone number:	PHILIP CLARK 0207 509 9305	

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