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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:	Unite the Union		
Year ended:	31 December 2012		
List no:	795T		
Head or Main Office:	Unite House 128 Theobald's Road Holborn London WC1X 8TN		
Website address (if available)	www.unitetheunion.org		
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	(Click the appropriate box)
General Secretary:	Len McCluskey		
Telephone Number:	020 7611 2500		
Contact name for queries regarding	Ed Sabisky		
Telephone Number:	020 7611 2500		
E-mail:	Ed.sabisky@unitetheunion.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  
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	1,000,326	36,552	22,216	18,621	1,077,715
FEMALE	319,087	10,038	11,896	5,567	346,588
TOTAL	1,319,413	46,590	34,112	24,188	A 1,424,303

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

77,889
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Number of members at end of year contributing to the General Fund

1,101,255
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## 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
See Appendix 1			

State whether the union is:

a. A branch of another trade union?

Yes	
-----	--

No		X
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If yes, state the name of that other union:

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b. A federation of trade unions?

Yes	
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No		X
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If yes, state the number of affiliated unions:

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and names:

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## Unite the Union

### Appendix 1

#### Changes to Executive Council during 2012

##### Left office

Bennett, Kevin – May 2012  
Creaney, Ruth – May 2012  
Plumb, Mark – May 2012  
Worrell, Gaynor – Nov 2012

##### Took office

McGovern, Sean – Jan 2012  
Ashworth, Tracey – May 2012  
Osborne, Kate – Oct 2012  
Pleasants, Brenda – Oct 2012

#### Executive Council members as at 31 December 2012

Abrams, Kingsley	Miller, Steve
Adams, Lindsey	Mitchell, James
Agyemang-prempeh, Kwasi	Mitchell, Tam
Allinson, Ian	Moloney, Therese
Ashworth, Tracey	Monckton, Ivan
Beatty, Sean	Murphy, John
Bennett, Sara	Neill, Jimmy
Bond, Chris	Osborne, Kate
Bowyer, David	Pleasants, Brenda
Brockett, Davy	Russell, Peter
Cadman, Chris	Ryan, Maggie
Cooper, John	Sharp, Sue
Elliot, Jennifer	Shepherd, June
Elliott, Moira	Sheridan, John
Entwistle, Phil	Stewart, Jane
Forbes, Mick	Still, Joyce
Graham, Des	Storey, John
Green, Andy	Stuart, Pat
Hibbert, Steve	Taj, Mohammed
Holmes, Brian	Taylor, Jayne
Hutchinson, Sharon	Thomas, Mark
Jackson, Glenn	Thomas, Meurig
James, John	Tolmie, Agnes
Johnson Mick	Turner, Howard
Kendall Jim	Vannet, Marie
Lyon, Mark	Wallace, Sharon
Malone, Lizanne	Welsh, Paul
Mathieson, Dave	Whitnall, Dave
Mayer, Martin	Williams, Dave
Mcanulty, Harry	Wilson, Dennis
Mccourt, Pat	Wood, Frank
Mceleny, Chris	Wood, Mark
Mcfarlane, Helen	Woodhouse, Tony
McGovern, Sean	

## **Unite the Union**

### **Appendix 2**

(See page 12)

#### **Executive Council Expenses 31 December 2012**

Members of the Executive Council are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Union. They are also reimbursed for the loss of earnings whilst on Union business. IN prior years these amounts were reported in the AR21. However, as these payments are not taxable, in fact they are not required to be reporting in the AR21 and thus are not reported this year. There is no intention to report them in future years.

# GENERAL FUND

(see notes 13 to 18)

	£'000	£'000
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		141,866
<b>From Members:</b> Other income from members (specify)		
<b>Total other income from members</b>		
<b>Total of all income from members</b>		141,866
<b>Investment income (as at page 13)</b>		2,067
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)		11,022
<b>Total of other income (as at page 4)</b>		11,022
	<b>TOTAL INCOME</b>	<b>154,955</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		14,055
<b>Administrative expenses (as at page 11)</b>		131,654
<b>Federation and other bodies (specify)</b>		
Affiliations	6,088	
Grants and donations	745	
<b>Total expenditure Federation and other bodies</b>		6,833
<b>Taxation</b>		-
	<b>TOTAL EXPENDITURE</b>	<b>152,542</b>
Surplus (deficit) for year		2,413
Amount of general fund at beginning of year		38,408
Transfer in from the Printing Machine Branch		307
Pension scheme actuarial loss		(27,809)
Amount of general fund at end of year		13,319

# 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>		
Insurance premium equivalent	8,697	
Validation fee	1,406	
Affinity / sundry income	919	
<b>TOTAL OTHER INCOME</b>		11,022
<b>TOTAL OF ALL OTHER INCOME</b>		11,022

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues		<b>brought forward</b>	8,274
Legal representation	3,205	Education and Training services	2,349
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications		Salary Costs	
Journals and publications	1,163	Other Benefits and Grants (specify)	
Advisory Services		Incapacity	863
Dispute Benefits	3,906	Accident and fatality	19
		Funeral	430
		Driver care	1,468
		Care Xpress	337
		Convalescence	218
Other Cash Payments		Superannuation	97
<b>carried forward</b>	8,274	<b>Total (should agree with figure in General Fund)</b>	14,055





(See notes 24 and 25)

FUND 4		Fund Account	
Name:	Printing Machine Branch	£'000	£'000
<b>Income</b>			
	From members		
	Investment income (as at page 13)		
	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 11)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		-
	<b>Amount of fund at beginning of year</b>		307
	Transfer to the General Fund		(307)
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		NIL
	<b>Number of members contributing at end of year</b>		NIL

FUND 5		Fund Account	
Name:	Branch Funds	£'000	£'000
<b>Income</b>			
	From members		1,824
	Investment income (as at page 13)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		1,824
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 11)		(597)
	<b>Total Expenditure</b>		(597)
	<b>Surplus (Deficit) for the year</b>		2,421
	<b>Amount of fund at beginning of year</b>		15,078
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		17,499
	<b>Number of members contributing at end of year</b>		244,504

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	Plate Preparers Superannuation Fund	£'000	£'000
<b>Income</b>			
	From members		
	Investment income (as at page 13)		
	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 11)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		73
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		73
	<b>Number of members contributing at end of year</b>		NIL

FUND 7		Fund Account	
Name:	Litho Printers Superannuation Fund	£'000	£'000
<b>Income</b>			
	From members		
	Investment income (as at page 13)		
	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 11)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		82
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		82
	<b>Number of members contributing at end of year</b>		NIL

(See notes 24 and 25)

<b>FUND 8</b>		<b>Fund Account</b>	
<b>Name:</b>	TGWU Section Members Superannuation Fund	<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
	From members		
	Investment income (as at page 13)		
	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 11)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		63
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		63
	<b>Number of members contributing at end of year</b>		NIL

<b>FUND 9</b>		<b>Fund Account</b>	
<b>Name:</b>	BAeSSA	<b>£'000</b>	<b>£'000</b>
<b>Income</b>			
	From members		
	Investment income (as at page 13)		
	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 11)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		427
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		427
	<b>Number of members contributing at end of year</b>		NIL



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

(see notes 32 and 33)

		£'000
<b>Administrative</b>		
Remuneration and expenses of staff		63,269
Salaries and Wages included in above	£48,518,000	
Auditors' fees		506
Legal and Professional fees		1,589
Occupancy costs		5,526
Stationery, printing, postage, telephone, etc.		5,698
Expenses of Executive Committee (Head Office)		782
Expenses of conferences		1,778
Other administrative expenses (specify)		
Non industrial ballots		794
Expenses of committees / exe councils		5,177
Branch and regional costs		366
Payments to regions and branches		13,210
Motor vehicle costs excl. depreciation		2,847
IT costs excl. depreciation		949
Sundry expenses		7,100
Bank charges		192
Impairment of properties		9,346
Profit on disposal of properties		(6,936)
Voluntary redundancy and severance		3,750
Irrecoverable VAT on properties		2,153
Unfunded pensions		486
Job evaluation outcomes		2,294
Cost of empty property leases		(758)
Other exceptional items		1,147
<b>Other Outgoings</b>		
Interest payable:		
Depreciation		4,129
Maintenance and repairs		2,590
FRS 17 adjustment		5,073
	<b>Total</b>	133,057
Charged to:	General Fund (Page 3)	133,654
	AEEU Fund (Account 2)	-
	MSF Fund (Account 3)	-
	Printing Machine Branch Fund (Account 4)	-
	Branch Funds (Account 5)	(597)
	Plate Preparers Superannuation Fund (account 6)	-
	Litho Printers Superannuation Fund (Account 7)	-
	Members Superannuation Fund (Account 8)	-
	BAeSSA (Account 9)	-
	Political Fund	-
	<b>Total</b>	133,057

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contributions s £	Other Benefits		
				Description	Value £	
General Secretary – Len McCluskey	100,422	11,454	16,067	Car Benefit	7,268	135,211
See also Appendix 2						

# ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £'000		Other Fund(s) £'000
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			1,082
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			168
Other investment income (specify)			
Unit trusts			
Gain on sale of investments			817
Other fixed income			
Ticket Sales			
Donations			
		Total investment income	2,067
Credited to:			
		General Fund (Page 3)	2,067
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	2,067

# BALANCE SHEET as at 31 December 2012

(see notes 47 to 50)

Previous Year		£'000	£'000
122,379	<b>Fixed Assets</b> (at page 15)		114,770
	<b>Investments</b> (as per analysis on page 16)		
45,006	Quoted (Market value £51,624)	46,280	
2,844	Unquoted	2,840	
47,850	<b>Total Investments</b>		49,120
	<b>Other Assets</b>		
	Loans to other trade unions		
10,321	Sundry debtors	10,442	
34,276	Cash at bank and in hand	41,963	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
44,597	<b>Total of other assets</b>		52,405
214,826	<b>TOTAL ASSETS</b>		216,295
38,408	General Fund		13,319
15,078	Branch Fund		17,499
2,094	Superannuation Fund		1,787
5,489	Political Funds		9,339
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
32,529	Sundry creditors		30,341
	Accrued expenses		
	Provisions		
121,228	Other liabilities		144,010
214,826	<b>TOTAL LIABILITIES</b>		216,295
214,826	<b>TOTAL ASSETS</b>		216,295



## FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
	Freehold £'000	Leasehold £'000				
<b>Cost or Valuation</b>						
At start of year	167,693	6,107	20,755	4,718		199,273
Additions	7,828	-	1,238	1,379		10,445
Disposals	(6,593)	(970)		(412)		(7,975)
Impairments						
At end of year	168,928	5,137	21,993	5,685		201,743
<b>Accumulated Depreciation</b>						
At start of year	54,127	2,905	16,820	3,042		76,894
Charges for year	2,282	88	1,040	719		4,129
Disposals	(2,836)	(202)		(358)		(3,396)
Impairments	8,596	750				9,346
At end of year	62,169	3,541	17,860	3,403		86,973
<b>Net book value at end of year</b>						
	106,759	1,596	4,133	2,282		114,770
<b>Net book value at end of previous year</b>						
	113,566	3,202	3,935	1,676		122,379

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund  £'000
Equities (e.g. Shares)	33,439	
Funds	12,841	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
TOTAL QUOTED (as Balance Sheet)	46,280	
Market Value of Quoted Investment	51,624	
UNQUOTED		
Equities	2,810	
Government Securities (Gilts)		
Local government	30	
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	2,840	
Market Value of Unquoted Investments		

# 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 X	NO
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Unite the Union Trustee Company Ltd	00969191		
Unite the Union Second Trustee Company Ltd	06477198		
UNIFI Nominee Company Ltd	02334993		
MSF Nominee Company Ltd	02435004		
Unite Amicus Section Pension Trustee Ltd	06349044		
AEEU Pensions Trustee Ltd	03597144		
M&P Benefits Ltd	02172923		
JIB Pension Scheme Trustee Company Ltd	02110109		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES X	NO
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
MSF Nominee Company Ltd	Roger Lyons – 2 shares held in trust for Unite Amicus Section		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £'000	Political Funds £'000	Total Funds £'000
<b>INCOME</b>			
From Members	143,690	7,612	151,302
From Investments	2,067	-	2,067
Other Income (including increases by revaluation of assets)	11,022	-	11,022
<b>Total Income</b>	156,779	7,612	164,391
<b>EXPENDITURE</b> (including decreases by revaluation of assets)	179,754	3,762	183,516
<b>Total Expenditure</b>	179,754	3,762	183,516
<b>Funds at beginning of year</b> (including reserves)	55,580	5,489	61,069
<b>Funds at end of year</b> (including reserves)	32,605	9,339	41,944
<b>ASSETS</b>			
	Fixed Assets		114,770
	Investment Assets		49,120
	Other Assets		52,405
	<b>Total Assets</b>		216,295
<b>LIABILITIES</b>			
	<b>Total Liabilities</b>		174,351
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			41,944

# 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

# SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>Len McCluskey</i></u> Name: <u>LEN MCCLUSKEY</u> Date: <u>28 JUNE 2013</u>	Chairman's Signature: <u><i>[Signature]</i></u> (or other official whose position should be stated) Name: <u>ED SABLISKY - DIRECTOR OF FINANCE &amp; OPERATIONS</u> Date: <u>28 June 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	✓	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	✓	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	✓	NO	<input type="checkbox"/>
HAS THE AUDITOR'S REPORT BEEN COMPLETED? (see Pages 20 and 21 and Notes 2 and 77)	YES	✓	NO	<input type="checkbox"/>
IS A RULE BOOK ENCLOSED? (see Notes 8 and 78)	YES	✓	NO	<input type="checkbox"/>
A MEMBER'S STATEMENT IS: (see Note 80)	ENCLOSED		TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	✓	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)

See below:

# AUDITOR'S REPORT (continued)

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UNITE THE UNION

We have audited the accounts of Unite the Union for the year ended 31 December 2012 set out on pages 6 to 22. These accounts have been prepared under the accounting policies set out on pages 10 and 11.

This report is made solely to the members of the Union as a body. 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 a report of the independent auditor 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 described on page 4, the Executive Council are responsible for the preparation of the accounts, which have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with relevant legal and regulatory requirements 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 accounts**

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

### **Opinion**

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Union as at 31 December 2012 and of its transactions for the year then ended.

### **Matters on which we are required to report by exception**

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Union has not kept proper accounting records.
- The accounts are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

### **Chantrey Vellacott DFK LLP**

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



Signature(s) of auditor or auditors:	<i>Chantrey Vellacott DFK LLP</i>
Name(s):	Chantrey Vellacott DFK LLP
Profession(s) or Calling(s):	Chartered Accountants
Address(es):	Russell Square House 10-12 Russell Square London WC1B 5LF
Date:	<i>28 JUNE 2013</i>
Contact name and telephone number:	Gareth Jones 0207 509 9000

# UNITE THE UNION

## ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2012

The accounts have been prepared in accordance with applicable accounting standards. The specific policies adopted are set out below:

### Accounting convention

The accounts are prepared under the historical cost convention.

### Contributions

Contributions are accounted for on an accruals basis.

### Expenditure

All expenditure in the accounts is inclusive of VAT where applicable.

### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Any subsequent expenditure is included at the assets' carrying amount when it is probable that future economic benefits associated with the assets will flow to the Union and the costs can be measured reliably.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual value in equal annual instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

Freehold buildings	- 45 years
Long leasehold land and buildings	- 45 years
Short leasehold properties	- Period of lease
Computer equipment and software	- 3 years
Furniture, fixtures and office equipment	- 10 years
Motor vehicles	- 4 years

Assets are reviewed for impairment whenever events or changes in circumstances, such as planned disposal of properties, indicate that the carrying amount may not be recoverable. All fixed asset additions are deemed to be impaired by the amount of VAT charged as this is irrecoverable to the Union.

### Investments

Investments are stated at cost. Provision is made for any permanent diminution in value.

Investments mainly comprise equities, unit trusts and gilts. These are treated as fixed asset investments due to the permanent nature of the investment fund held by the Union. Any profit or loss on the disposal of investments is the difference between the proceeds of sale and the book value.

# UNITE THE UNION

## ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2012

### Pension costs

The Union operates various defined benefit pension schemes, providing benefits based on final pensionable salaries. The assets of the schemes are held separately from those of the Union.

Pension scheme assets are measured using market values; quoted securities are valued at current bid price. Pension scheme liabilities are measured using a projected unit method, and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the defined benefit pension schemes of the Union, expected to arise from employee service in the period, is charged to income and expenditure. The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities, arising from the passage of time, are included in income and expenditure. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

### Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange ruling at that date. The resulting translation differences are dealt with in the income and expenditure account.

### Corporation tax

Corporation tax is payable on investment income, chargeable gains arising on the disposal of properties and investments and other taxable income, but only to the extent that these exceed expenditure on provident benefits.

### Branches and regions

The transactions of the branches and regions during the year are included in the funds as are the net assets held directly by them at the balance sheet date.

### Leases

Operating lease rentals are charged to the income and expenditure account in equal instalments over the period of the lease.

### Members' superannuation funds

The Union operates superannuation funds for certain members. The funds are closed to new entrants. The assets of the funds are recorded separately from those of the General funds of the Union and the superannuation payments and receipts are all included in these funds.

### Provisions

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

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

	2012	2011
	£'000	£'000
<b>1 Other membership benefits excluding legal</b>		
Incapacity	864	927
Accident and fatality	19	24
Funeral	430	499
Superannuation	97	211
Drivercare	1,468	1,594
CareXpress	338	461
Convalescence	218	317
Educational	2,353	2,386
Journals and publications	1,165	124
	<u>6,952</u>	<u>6,543</u>
<b>2 Political affiliation fees, grants and donations</b>		
The Labour Party:		
Affiliation fees	3,060	2,980
Election grants and donations	237	167
Other grants and donations	283	274
	<u>3,580</u>	<u>3,421</u>
<b>3 Other affiliation fees, grants and donations</b>		
Trades Union Congress	3,743	3,550
Scottish Trades Union Congress	213	215
Welsh Trades Union Congress	8	8
Irish Congress of Trade Unions	178	189
International Transport Workers' Federation	212	204
International Metalworkers' Federation	180	179
International Federation of CE & GWU	155	153
Confederation of Shipbuilding and Engineering Unions	110	164
International Union of Food, Agriculture, Hotel, Restaurant, Catering, Tobacco & Allied Workers	170	192
European Transport Workers' Federation	83	91
European Federation of Food, Agriculture and Tourism Trade Unions	79	85
European Metalworkers' Federation	135	258
International Textile, Garment and Leather Workers' Federation	11	21
Union Network International	438	578
Other Affiliations	289	220
Grants and Donations	883	745
	<u>6,887</u>	<u>6,852</u>

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

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	2012	2011
<b>4 Non-recurring items</b>	<b>£'000</b>	<b>£'000</b>
Profit on disposal of properties	(6,936)	(3,525)
Voluntary redundancy and severance	3,750	4,934
Irrecoverable VAT on purchase and refurbishment of properties	2,153	2,191
Impairment of properties	9,346	3,529
Unfunded pensions	486	505
Cost of empty property leases	(758)	367
Job evaluation outcomes	2,294	-
Other	(853)	-
	<u>9,482</u>	<u>8,001</u>
	2012	2011
<b>5 Taxation</b>	<b>£'000</b>	<b>£'000</b>
Corporation tax charge for the period	<u>-</u>	<u>-</u>

During the period the Union also suffered irrecoverable VAT of £6 million (2011: £5.5 million) arising on expenditure incurred.

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 6 Tangible fixed assets

	Land and buildings £'000	Fixtures, fittings and computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January 2012	173,800	20,755	4,718	199,273
Additions	7,828	1,238	1,379	10,445
Disposals	(7,563)	-	(412)	(7,975)
<b>At 31 December 2012</b>	<b>174,065</b>	<b>21,993</b>	<b>5,685</b>	<b>201,743</b>
<b>Aggregate depreciation</b>				
At 1 January 2012	57,032	16,820	3,042	76,894
Charge for the year	2,370	1,040	719	4,129
Disposals	(3,038)	-	(358)	(3,396)
Impairment	9,346	-	-	9,346
<b>At 31 December 2012</b>	<b>65,710</b>	<b>17,860</b>	<b>3,403</b>	<b>86,973</b>
<b>Net book value</b>				
<b>At 31 December 2012</b>	<b>108,355</b>	<b>4,133</b>	<b>2,282</b>	<b>114,770</b>
At 31 December 2011	116,768	3,935	1,676	122,379
<b>Split of Land and Buildings</b>				
			2012 £'000	2,011 £'000
Freehold			106,759	113,566
Long leasehold			1,596	3,202
			<b>108,355</b>	<b>116,768</b>

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 7 Investments

	Quoted investments £'000	Unquoted investments £'000	Total £'000
<b>Cost</b>			
At 1 January 2012	45,113	2,844	47,957
Additions	10,705	-	10,705
Disposals	(9,431)	(4)	(9,435)
<b>At 31 December 2012</b>	<b>46,387</b>	<b>2,840</b>	<b>49,227</b>
<b>Provision</b>			
At 1 January and 31 December 2012	107	-	107
<b>Net book value</b>			
At 31 December 2012	<b>46,280</b>	<b>2,840</b>	<b>49,120</b>
At 31 December 2011	45,006	2,844	47,850

The market value of quoted investments at 31 December 2012 was £51.6 million (2011: £50.9 million). The officials of the Union consider that the market value of unquoted investments is equal to the book value.

The Union's quoted investments are managed as a diversified portfolio with the aim of achieving satisfactory overall returns in the medium to long term within acceptable levels of risk and volatility. It is not unusual, under such an approach, for the market values of certain individual investments to be below cost or valuation at any given time whilst the market value of the portfolio as a whole is above cost or valuation. The Executive Council considers it inappropriate, under such circumstances, to make provisions against investments whose market values may be below cost or valuation at the balance sheet date unless there is evidence of a permanent diminution in value.

At 31 December 2012, the Union held 16% of the issued share capital of Unity Trust Bank plc.

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 8 Reserves

a) Total Reserves	General funds £'000	Branch funds £'000	Political funds £'000	Super-annuation funds £'000	Total £'000
As at 1 January 2012	38,408	15,078	5,489	2,094	61,069
Operating surplus	16,901	421	3,850	-	21,172
Other income	2,067	-	-	-	2,067
Transfer	307	-	-	(307)	-
Non-recurring items	(11,482)	2,000	-	-	(9,482)
Taxation	-	-	-	-	-
Pension deficit reduction contributions	(10,100)	-	-	-	(10,100)
FRS17 adjustment	5,027	-	-	-	5,027
Actuarial losses	(27,809)	-	-	-	(27,809)
<b>At 31 December 2012</b>	<b>13,319</b>	<b>17,499</b>	<b>9,339</b>	<b>1,787</b>	<b>41,944</b>

b) General Fund analysis	General funds £'000	Pension funds £'000	Dispute funds £'000	Total £'000
As at 1 January 2012	159,636	(121,228)	-	38,408
Transfer to dispute fund	(25,000)	-	25,000	-
Transfer from superannuation fund	307	-	-	307
Operating surplus general fund	15,406	-	-	15,406
2.5% diverted from branch administration	-	-	3,721	3,721
Ongoing dispute fund payments	-	-	(2,226)	(2,226)
Operating surplus	15,406	-	1,495	16,901
Other income	2,067	-	-	2,067
Non-recurring items	(11,482)	-	-	(11,482)
Taxation	-	-	-	-
Pension deficit reduction contributions	(10,100)	-	-	(10,100)
FRS17 adjustment	-	5,027	-	5,027
Actuarial losses	-	(27,809)	-	(27,809)
<b>At 31 December 2012</b>	<b>130,834</b>	<b>(144,010)</b>	<b>26,495</b>	<b>13,319</b>

### 9 Reconciliation of operating surplus to net cash inflow from operating activities

	2012 £'000	2011 £'000
Surplus for the year before FRS17	3,657	294
Depreciation	4,129	4,028
Investment income	(1,289)	(1,266)
Profit on sale of investments	(817)	(2,665)
Profit on sale of assets	(6,936)	(3,525)
Interest paid	(39)	211
Change in debtors and prepayments	(39)	2,037
Change in mortgage and loans	(82)	(38)
Change in creditors and accruals	7,158	10,594
<b>Net cash inflow from operating activities</b>	<b>5,742</b>	<b>9,670</b>



# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 10 Reconciliation of net cash flow to movement in net funds

	2012 £'000	2011 £'000
Net funds on 1 January 2012	34,276	15,505
Change in cash	7,687	18,771
Net funds at 31 December 2012	<u>41,963</u>	<u>34,276</u>

### 11 Commitments under operating leases

At 31 December 2012 the Union has annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other assets	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Expiry date:				
Within one year	272	194	731	-
Between two and five years	438	277	59	-
Over five years	337	347	-	-
	<u>1,047</u>	<u>818</u>	<u>790</u>	<u>-</u>
Charge for the year	<u>312</u>	<u>487</u>	<u>-</u>	<u>-</u>

The Union's commitments under land and buildings are subject to periodic rent review.

### 12 Capital commitments

At 31 December 2012, the Union had capital commitments totaling £6.5 million (2011: £3.5 million), relating to the ongoing refurbishment programme of the Union's properties.

### 13 Contingent liabilities

The Union has signed an undertaking providing certain property assets as security for future payments owed to the Unite Amicus Section Pension Scheme, for a maximum amount of £7 million.

The Union has signed an undertaking providing certain property assets as security for future payments owed to the Unite T&G Officers' and Staff Superannuation Fund, for a maximum amount of £17.5 million.

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 14 FRS17 Disclosures

The Union operates various defined benefit pension schemes providing service related benefits based on final pensionable salaries. As at 31 December 2012, the Schemes in operation were:

- Unite Amicus Section Pension Scheme ("UASPS")
- Transport and General Workers Union Officials' and Staff Superannuation Fund ("OSSF")
- Unite Irish Pension Scheme ("UIPS")

The actuaries to the various schemes have updated the latest full valuations (UASPS - 1 November 2008 and OSSF - 31 March 2009) of the schemes to 31 December 2012 and adjusted the results so as to be in line with FRS17 requirements.

The liabilities have been assessed using the following assumptions.

Financial assumptions:	UK Schemes	Irish Schemes	UK Schemes	Irish schemes
	Year Ended 31/12/2012	Year Ended 31/12/2012	Year Ended 31/12/2011	Year Ended 31/12/2011
Discount Rate	4.20% pa	4.20% pa	4.80% pa	4.80% pa
Price Inflation	2.80% pa	2.80% pa	2.90% pa	2.90% pa
Salary Increases	4.00% pa	4.00% pa	4.10% pa	4.10% pa
Rate of increase for deferred pensioners	3.50% pa		3.50% pa	
Rate of increases of pensions in payment				
• RPI capped at 5% pa	2.80% pa	-	2.80% pa	-
• RPI capped at 3% pa	2.50% pa	-	2.50% pa	-
• RPI capped at 2.5% pa	2.20% pa	-	2.20% pa	-
Overall expected return on assets	5.50% pa	4.20% pa	5.15% pa	5.50% pa

The overall expected return on assets assumptions have been derived by calculating the weighted average of the expected rate of return for each asset class. The following approach has been used to determine the expected rate of return for each asset class.

- Fixed interest securities - current market yields
- Equities and Property - allowance for an additional return of 5.15% above that available on UK government securities.
- Cash - current Bank of England base rate
- A deduction of 1.25% to allow for scheme expenses

Demographic assumptions are the same as in most recent scheme (or pre-merger scheme) valuations except that:

- calculations have been carried out using mortality assumptions as set out in the table below.
- 80% of those actives who are age 50 or over and who have beneficial early retirement terms applying to their benefits are assumed to take advantage of those terms and retire at age 60. The rest of the non-pensioners are assumed to retire at Normal Retirement Age.

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 14 FRS17 Disclosures (continued)

Description	Year Ended 31/12/2012	Year Ended 31/12/2011
<u>UASPS and OSSF</u>		
Mortality (Pre retirement)	S1PA medium cohort (year of birth) 1% pa	S1PXA medium cohort (year of birth) 1% pa
Mortality (Post retirement)	As above	As above
<u>UIPS</u>		
Mortality (Pre retirement)	PNML00 and PNFL00 tables 0.15% pa	PNML00 and PNFL00 tables 0.15% pa
Mortality (Post retirement)	As above	As above
<b>Analysis of asset values:</b>		
As at 31 December	2012 £'000	2011 £'000
Equities	294,337	245,957
Gilts and Bonds	361,665	377,251
Property	11,539	12,311
Cash	5,690	11,285
Annuities and other assets	56,084	37,826
Total	<u>729,315</u>	<u>684,630</u>

The assets recognised in the balance sheet are as follows:

As at 31 December	2012 £'000	2011 £'000
Market value of assets	729,315	684,630
Present value of liabilities	(867,881)	(800,394)
Deficit in the scheme	<u>(138,566)</u>	<u>(115,764)</u>
Present value of unfunded obligations	(5,444)	(5,464)
Pension liability	<u>(144,010)</u>	<u>(121,228)</u>

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 14 FRS17 Disclosures (continued)

#### Analysis of changes in the value of the scheme liabilities:

	2012 £'000	2011 £'000
Value of liabilities at 1 January	(800,394)	(761,206)
Service cost	(9,832)	(9,378)
Interest cost	(37,835)	(41,187)
Past Service costs	(247)	(124)
Member contributions	(2,493)	(2,427)
Benefits paid	36,805	38,345
Actuarial losses	(53,922)	(24,472)
Transfer	37	55
Value of liabilities at 31 December	<u>(867,881)</u>	<u>(800,394)</u>

#### Analysis of changes in the value of the scheme assets:

	2012 £'000	2011 £'000
Value of assets at 1 January	684,630	663,103
Expected return on Scheme assets	34,779	38,285
Actuarial gains	25,843	3,024
Employer contributions	18,412	16,189
Member contributions	2,493	2,427
Benefits paid	(36,805)	(38,345)
Transfer	(37)	(53)
Value of assets at 31 December	<u>729,315</u>	<u>684,630</u>

#### Analysis of changes in the value of unfunded obligations:

	2012 £'000	2011 £'000
Value of liabilities at 1 January	(5,464)	(5,241)
Unpaid interest cost	(250)	-
Actuarial gains/(losses)	270	(223)
Value of liabilities at 31 December	<u>(5,444)</u>	<u>(5,464)</u>

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 14 FRS17 Disclosures (continued)

The Union has provided for other unfunded pension costs payable to certain officials who agreed (in 1995) to take early retirement from the AEEU (now part of Unite). The Union consults actuaries in order to arrive at an estimate of the likely future pension costs payable. Similar provisions exists for GPMU and BIFU.

Amounts recognised in income and expenditure for the year ended 31 December:

	2012 £'000	2011 £'000
Current service cost	9,832	9,378
Past service cost	247	124
Employment cost contribution	(8,312)	(8,189)
Net charge	<u>1,767</u>	<u>1,313</u>
Interest on liabilities	38,085	41,187
Expected return on scheme assets	(34,779)	(38,285)
Net charge	<u>3,306</u>	<u>2,902</u>
Total charge to Income and Expenditure	5,073	4,215
Pension deficit reduction contribution	(10,100)	(8,000)
Total FRS17 adjustment	<u>(5,027)</u>	<u>(3,785)</u>

Amounts recognised in Statement of Total Recognised Gains and losses (STRGL) for the year ended 31 December:

	2012 £'000	2011 £'000
Actuarial losses	(27,809)	(21,669)
Total amount recognised in STRGL	<u>(27,809)</u>	<u>(21,669)</u>

# UNITE THE UNION

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2012

### 14 (continued)

#### Assets, liabilities, experience gains and losses

As at 31 December	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Market value of scheme assets	729,315	684,630	663,103	587,563
Value of scheme liabilities	(867,881)	(800,394)	(761,206)	(717,664)
Deficit in the scheme	<u>(138,566)</u>	<u>(115,764)</u>	<u>(98,103)</u>	<u>(130,101)</u>
Experience adjustments arising on scheme liabilities	<u>4,463</u>	<u>(7,497)</u>	<u>(12,077)</u>	<u>31,834</u>
Experience adjustments arising on scheme assets	<u>17,501</u>	<u>3,024</u>	<u>29,957</u>	<u>35,512</u>

#### Future Funding Obligations