

UNISON

Financial Statements

Year ended 31 December 2018

Contents

Foreword to the 2018 Financial Statements	4–5
Report on the 2018 Financial Statements	6–7
Independent Auditor’s Report to the Members of UNISON	8–9
Financial Statements	10–14
Notes to the Financial Statements	15–29
General Political Fund – for information only	30
Affiliated Political Fund – for information only	31
Ten year summary 2009 to 2018 – for information only	32

Foreword to the 2018 Financial Statements

Dear Treasurers, Secretaries, Fellow Stewards, Members and Staff,

It is once again my pleasure to present the foreword to the 2018 Financial Statements.

Colleagues, last year it was reported that these last few years were proving to be the most difficult years that this union and our members have faced. This year again has been challenging for us as a union in more ways than one, as you will no doubt be aware.

Hot on the heels of the implementation of the Trade Union Act 2016, GDPR regulations became enforceable in May 2018, requiring significant time and investment to ensure the union was fully compliant and prepared. Alongside this the interminable Brexit negotiations, and now stalemate, have continued to create considerable uncertainty for our members both at home and in the workplace. This is creating conflicting speculation in relation to the economy, government spending and stability in general.

In addition to the uncertainty regarding our future relationship with Europe, Brexit has resulted in many hugely important domestic issues being neglected – Universal Credit, the NHS, Social Care, School Funding and Climate Change to name but a few. And, for our members, Austerity has continued unabated, despite Government claims that this has ended.

As you go through the Financial Statements please bear in mind that we have allocated funds to support and organise members' and branches both now and over the coming few years. The Fighting Fund has provided an additional £35 million from General Funds to directly support branches. Since 2011, this has enabled over 100 organisers to be employed each year to support and work directly with branches; to undertake some 110 targeted projects covering branch, regional and National priorities; to focus on schools, the community and voluntary as well as the private sectors and to fund a series of branch specific projects covering nearly every service group.

Branches continue to support the initiative with contributions of their own averaging about £1 million a year for which the Finance and Resource Management Committee is grateful. Any such funds ring fenced within reserves will be deployed towards resources to ensure we maintain our ability to recruit, organise and campaign on behalf of our members. We will continue to resist the government attacks on our members and public services both now and in the future.

Positively, 2018 saw us grow the union's income for the first time in 7 years and is the first sign of reprieve from the annual reductions we have experienced over these years. Our income for 2018 is at £162.4 million which is at the same level as 2017. This is hugely positive, it reflects the success of our ongoing recruitment campaigns, and gives us a strong platform to continue to build on throughout 2019 and beyond. However, even at this level, our income is still £11 million less than our peak of £173.4 million in 2011. With inflation averaging 3% over this period, the loss to the union in real terms is much higher – equivalent to around £30 million over just 6 or 7 years.

With increasing costs we have to continue to manage our challenging income and expenditure through strict budgetary controls across all National and Regional budgets. The union has a high proportion of costs which are fixed or committed costs and which are required to be met in order to maintain our operational levels.

The Finance and Resource Management Committee continues to monitor the challenges ahead. It is in this context that we have set our short and medium term budgets. It is also with this in mind that we have invested in the further development of systems to help branches cope with the strain of financial management. The Online Branch Accounting system (OLBA) has been welcomed by branches and continues to gather strength and momentum as a budgeting and reporting mechanism. Going forward, this will also include the ability to record and calculate member expenses, both easing some of the pressure on branch treasurers and ensuring the union remains compliant with HMRC regulations.

As mentioned above, our members' subscription income in 2018 stood at £162.4 million. This is a critical time for the union's finances and it is vital that across the organisation we continue to set balanced budgets not just to ensure effective use of all our resources but also the sustainability of the union for years to come.

The union's total reserves at £246 million (before pensions deficit offset) remain strong but our strength lies in our ability to manage within our means.

The Finance and Resource Management Committee of the NEC pledged financial support to those branches facing financial difficulties through a structured process of budgeting, review, assessment of needs and agreed work plans, thus allowing a collaborative approach. This is also enabling us to identify those branches which could face potential financial and operational difficulties ahead and require additional support.

In 2018, we were able to provide additional financial support to more than 100 branches, with more than 190 branches currently identified as potentially eligible to receive support and assistance in the next phase of the review.

Those branches facing genuine financial difficulties in the short term are being assisted and Section C of the current branch funding scheme was specifically introduced to assist in such circumstances. I would therefore remind any branch that is struggling with its finances to get in touch with their region or senior finance managers in UNISON Centre as soon as possible.

Colleagues will recall that work commenced on the actuaries' triennial review of the staff pension fund as at June 2017 prior to which a revised recovery plan was put in place to address a funding deficit of £156 million. Whilst that recovery plan continues to work, ongoing adverse volatility and uncertainty in the financial markets have continued to impact most, if not all, defined benefits schemes. As a result, the latest valuation indicated a further increase in the pensions deficit to £214 million.

UNISON FINANCIAL STATEMENTS

Year ended 31 December 2018

The Pensions Working Group (formed jointly of the scheme Trustees, the employers, staff trade unions and the Staffing and FRMC Committee) has worked very closely with the Pensions Regulators to agree a set of proposals and a strategy going forward. The proposals include an interim increase in employer contributions but also a further wider review of the pensions schemes, their benefits and investment strategies. The agreed proposals are designed to protect our pension schemes and to provide quality defined benefits which are fair, affordable and sustainable going forward.

The Finance and Resource Management Committee continues to closely monitor costs being incurred (or likely to be incurred) whilst also keeping a watchful eye on members' subscription income. The financial statements show that we are a resilient union, taking these challenges head on and we will continue to serve and support our members through all adversity. Collaborative efforts have seen us through thus far and recruitment and retention is improving but with more to be done to grow income and membership.

In closing, I would like to thank the current members of the Finance and Resource Management Committee, particularly vice-chair Lucia McKeever, for all their hard work and the support they have given me during the year as Chair.

We thank all the branch treasurers who work tirelessly throughout the year, particularly through these difficult times, contributing to and making progress on so many fronts that help to keep this union a strong and vibrant force to be reckoned with.

I would like to extend my thanks to all the staff in the Finance department for their professionalism, advice and friendship throughout the year.

Finally, many thanks to you the reader for being a member of our union and taking such an active part in it.

Josie Bird

Chairperson, Finance and Resource Management Committee

Report on the 2018 Financial Statements

1 Introduction

The Financial Statements for UNISON are prepared in accordance with legislation on trade unions, internal rules and financial reporting standards.

They are a consolidation of the union activity at National, Regional and Branch level and include financial data on staff pension schemes in accordance with Financial Reporting Standard 102 (FRS102) within the Statement of Comprehensive Income and the Statement of Financial Position. In addition UNISON has included the activities of the joint venture Managers in Partnership (MiP) into the financial statements.

Details of the results for this year are contained on pages 10 to 29 of these Financial Statements. Please note pages 30 to 32 do not form part of the audited results and are included for information only.

2 UNISON General Fund

Subscription Income at £162.4 million is at the same level as 2017, a major achievement considering the ongoing government austerity programme. Political Fund contributions and the allocation to the Industrial Action Fund is made from members subscriptions which total £7.3 million. Other non-membership and external income generated from operations is £10.8 million. Operating expenditure was £164.8 million. This results in a surplus of £1.1 million.

The General Fund covers the National Executive Committee (NEC) activity, Regional Lay activity and Branch activity. The overall surplus of £1.1 million is attributable as follows – to NEC £1.0 million, Branches £0.5 million and Regional Lay (£0.4) million.

General Fund reserves are increased by the overall surplus of £1.1 million, taking it to £215.7 million.

3 UNISON Industrial Action Fund

UNISON continues to support Members and Branches in dispute with their Employers. The 2003 Conference agreed that at least 1% of subscription income less branch funding should be allocated to the Industrial Action Fund.

The Industrial Action Fund (IAF) had income of £2.1 million in 2018 of which £1.6 million was spent on supporting industrial action (2017 £1.5 million). The IAF reserves at £30.3 million has increased by 2.0% from 2017.

4 UNISON Pension Schemes

The union operates two defined benefit schemes, the UNISON Staff Pension Scheme and the 1974 COHSE Pension and Assurance Scheme. Both schemes are independently valued by an Actuary every three years for the Trustees of these schemes. Contributions are then paid to the schemes in accordance with the schedule of contributions drawn up and signed by the Employers and Trustees, to address any deficit arising from the valuation and on future accrual

of benefits. Thus both schemes have a clear recovery plan in place to meet the deficits on the schemes.

UNISON is required to value its staff pension arrangements annually in accordance with Financial Reporting Standard 102 Section 28. This standard sets out the basis of such valuation and this may differ in terms of assumptions made from that used by the Trustees of the schemes and the scheme Actuary. For 2018 and to comply with new legislation, this now includes an estimated cost provision for Guaranteed Minimum Pensions (GMP) equalisation as past service costs. Considering this is a new requirement with inherent uncertainties, the cost estimate is based on a general method but taking into consideration the financial and demographic assumptions appropriate to the schemes. The valuation is undertaken in accordance with FRS102 and can be volatile year on year depending on financial and economic circumstances prevailing at that point in time.

As at 31st December 2018 the valuation indicated a deficit of £141.3 million (2017: £143.6 million). The main reason for the slight decrease in the deficit over 2018 is due to a decrease in AA bond yields (leading to an increase in the FRS 102 discount rate), updated mortality assumptions and company contributions to the Schemes being higher than the FRS102 cost of the benefits accruing over the year. This is offset to some extent by lower than assumed investment returns over the year.

5 Reserves and Assets of UNISON

UNISON has reserves of £246.0 million against which the pension scheme deficit of £141.3 million is offset, giving net reserves of £104.7 million as represented by:

	2018		2017	
	£m	£m	£m	£m
Fixed Assets		99.9		99.2
Investment Assets		5.3		4.2
Intangible Assets		5.5		5.5
Short Term Deposits and Cash at Bank		127.2		125.5
Net Current Asset/Liabilities – excluding cash at bank and deposit		8.4		10.2
Liabilities due after one year		(0.3)		(0.3)
		<u>246.0</u>		<u>244.3</u>
Fair value of pension schemes assets	618.6		646.1	
Present value of pension scheme liabilities	(759.9)		(789.7)	
Less: Pension defined benefit obligations		(141.3)		(143.6)
Total Net Assets		<u>104.7</u>		<u>100.7</u>

It is important to note that all of the pensions accounting entries can be volatile, from year to year. This is particularly true of the Statement of Financial Position figure, as the fair value of the assets is largely linked to the equity markets, whereas the value of the defined benefit obligation is linked to yields on AA-rated corporate bonds.

As an indication, an increase in the discount rate of 0.5% pa would, other things being equal, lead to a decrease in the value of the liabilities of broadly £60 million. Also, a 5% rise in equities would, other things being equal, reduce the deficit by about £12 million.

6 Funding for Branches and the Regional Pool

The funding formula agreed at the 2001 Conference came into operation on 1 January 2002. Under the formula at least 23% of subscription income has to be available for direct funding of branches with a further 0.5% available for the direct funding of the regional pool. If the direct funding of branches is not utilised, any balance is credited to the regional pool.

Funding available in 2018 was £38.2 million being 23.5% of subscription income of £162.4 million. In the year £37.4m was credited to branches with the balance of £0.8 million being added to the regional pool.

7 Branch Funding for 2020

Branch funding arrangements agreed at Conference in 2001 called for certain information to be reported to the preceding National Delegate Conference to assist branches in connection with their funding arrangements. Hence for 2019 the following data will be used in order to comply with that commitment.

The information is as follows;

Subscription income for 2018	£162.4m
Membership as at 31 December 2018	1,204,500
Branch Funding for 2018 at:	23.5%

Branch average subscriptions per member	Additional entitlement
Less than £122 and not less than £108	0.5%
Less than £108 and not less than £95	1.0%
Less than £95 and not less than £81	1.5%
Less than £81	2.0%

Average Branch General Fund reserves per member	Additional entitlement
More than £12.80	0.0%
Less than £12.80 and not less than £11.20	0.5%
Less than £11.20 and not less than £9.60	1.0%
Less than £9.60 and not less than £8.00	1.5%
Less than £8.00	2.0%

For branches with more than 500 members	Percentage reduction in additional entitlements
Branch General Fund reserves expressed as an average per member	
At £16 or below	0%
More than £16.00 and less than or equal to £17.60	20%
More than £17.60 and less than or equal to £19.20	40%
More than £19.20 and less than or equal to £20.80	60%
More than £20.80 and less than or equal to £22.40	80%
More than £22.40	100%

For branches with less than 501 members	Percentage reduction in additional entitlements
Total Branch General Fund Reserves	
£8,000 or below	0%
More than £8,000 and less than or equal to £8,800	20%
More than £8,800 and less than or equal to £9,600	40%
More than £9,600 and less than or equal to £10,400	60%
More than £10,400 and less than or equal to £11,200	80%
More than £11,200	100%

8 Statement of Officers' Responsibility

The Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Employment Relations Act 1999 requires the officers of the union to;

- keep proper records which give a true and fair view of the state of affairs of UNISON and explains its transactions;
- establish and maintain a satisfactory system of control of the accounting records, cash holdings, and all the receipts and remittances;
- prepare an annual return for the Certification Officer giving a true and fair view of the Statement of Comprehensive Income and Statement of Financial Positions;
- provide members of UNISON with a statement of income and expenditure for the year.

UNISON Rules require the officers of the union to present audited accounts to the Finance and Resources Committee for approval and adoption by the National Delegate Conference.

The maintenance and integrity of the UNISON website is the responsibility of the officers of the union. The work carried out by the auditors does not involve the consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Dave Prentis
General Secretary
30th April 2019

Gordon McKay
President
30th April 2019

Independent Auditor's Report to the Members of UNISON

Opinion

We have audited the financial statements of UNISON for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of UNISON's affairs as at 31 December 2018 and of its transactions 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 Act 1992.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the officers' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the officers have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The officers are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Act 1992 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records and returns.

Responsibilities of the Officers

As explained more fully in the Statement of Officers' Responsibility set out on page 7, the officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the officers determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with section 36 of that Act.

In preparing the financial statements, the officers are responsible for assessing the union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the officers either intend to liquidate the union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the union's members as a body. Our 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, or for the opinion we have formed.

Crowe U.K. LLP
Statutory Auditor
London

UNISON
STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	Notes	2018 General Funds (Note 2) £'000s	2018 Industrial Action Funds (Note 3) £'000s	2018 Pension Scheme £'000s	2018 Total Union £'000s
Membership Income					
Members' subscriptions		162,437	–	–	162,437
Local levy		286	–	–	286
Donations by Branch members	3	–	223	–	223
Allocations to Political Funds		(6,087)	–	–	(6,087)
Allocations to Industrial Action Fund		(1,243)	1,243	–	–
Available Operating Income		155,393	1,466	–	156,859
Non-Membership Income					
National Office income	5	5,063	–	–	5,063
Regional Office income	6	279	–	–	279
Lay Regional income	7	932	–	–	932
Branch income	8	2,806	–	–	2,806
Industrial Action income	3	–	614	–	614
Total Non-Membership Income		9,080	614	–	9,694
Total Income		164,473	2,080	–	166,553
Expenditure					
National Office expenditure	5	(67,679)	–	–	(67,679)
Regional Office expenditure	6	(46,371)	–	–	(46,371)
Lay Regional expenditure	7	(4,073)	–	–	(4,073)
Branch expenditure	8	(40,127)	–	–	(40,127)
Dispute pay and associated expenses	3	–	(1,604)	–	(1,604)
Depreciation/Amortisation	11	(2,839)	–	–	(2,839)
Pension cost	10	(3,353)	–	(6,318)	(9,671)
International Development Fund	17	(103)	–	–	(103)
Operating Expenditure		(164,545)	(1,604)	(6,318)	(172,467)
Net Income/(Expenditure) from Operations		(72)	476	(6,318)	(5,914)
Other Income/(Expenditure)					
Investment income		451	103	–	554
Interest paid		(272)	–	–	(272)
Distributions from Joint Venture	12	336	–	–	336
Change in Fair Value of Investments	12	694	–	–	694
Net Income/(Expenditure) for the year		1,137	579	(6,318)	(4,602)
Actuarial gain on pension scheme	10	–	–	8,562	8,562
Surplus for the year		1,137	579	2,244	3,960
Reserves brought forward balance		214,563	29,726	(143,592)	100,697
Reserves as at 31 December 2018		215,700	30,305	(141,348)	104,657

The above Statement of Comprehensive Income contains all the gains and losses recognised in the current year.

UNISON
STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2017

	Notes	2017 General Funds (Note 2) £'000s	2017 Industrial Action Funds (Note 3) £'000s	2017 Pension Scheme £'000s	2017 Total Union £'000s
Membership Income					
Members' subscriptions		162,381	–	–	162,381
Local levy		282	–	–	282
Donations by Branch members	3	–	26	–	26
Allocations to Political Funds		(6,543)	–	–	(6,543)
Allocations to Industrial Action Fund		(1,243)	1,243	–	–
Available Operating Income		154,877	1,269	–	156,146
Non-Membership Income					
National Office income	5	5,670	–	–	5,670
Regional Office income	6	388	–	–	388
Lay Regional income	7	577	–	–	577
Branch income	8	3,755	–	–	3,755
Industrial Action income	3	–	1,020	–	1,020
Total Non-Membership Income		10,390	1,020	–	11,410
Total Income		165,267	2,289	–	167,556
Expenditure					
National Office expenditure	5	(67,182)	(1)	–	(67,183)
Regional Office expenditure	6	(46,182)	–	–	(46,182)
Lay Regional expenditure	7	(3,161)	–	–	(3,161)
Branch expenditure	8	(40,805)	–	–	(40,805)
Dispute pay and associated expenses	3	–	(1,528)	–	(1,528)
Depreciation/Amortisation	11	(2,658)	–	–	(2,658)
Pension cost	10	(2,261)	–	(4,660)	(6,921)
International Development Fund	17	(95)	–	–	(95)
Operating Expenditure		(162,344)	(1,529)	(4,660)	(168,533)
Net Income/(Expenditure) from Operations		2,923	760	(4,660)	(977)
Other Income/(Expenditure)					
Investment income		455	118	–	573
Interest paid		(252)	–	–	(252)
Distributions from Joint Venture	12	161	–	–	161
Change in Fair Value of Investments	12	–	–	–	–
Net Income/(Expenditure) for the year		3,287	878	(4,660)	(495)
Actuarial gain on pension scheme	10	–	–	58,792	58,792
Surplus for the year		3,287	878	54,132	58,297
Reserves brought forward balance		211,276	28,848	(197,724)	42,400
Reserves as at 31 December 2017		214,563	29,726	(143,592)	100,697

The above Statement of Comprehensive Income contains all the gains and losses recognised in the preceding year.

UNISON
STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 General Funds £'000s	2018 Industrial Action Funds £'000s	2018 Pension Scheme £'000s	2018 Total Union £'000s
Fixed Assets					
Tangible Assets	11	99,934	–	–	99,934
Intangible Assets	11	5,462	–	–	5,462
Investments: Unlisted	12	5,263	–	–	5,263
Investments: Listed	12	25	–	–	25
		110,684	–	–	110,684
Current Assets					
Debtors	14	18,231	35	–	18,266
Other loans		209	–	–	209
Short Term Bank Deposits		32,152	17,700	–	49,852
National and Regional – cash at bank and in hand		19,469	–	–	19,469
Branches – cash at bank and in hand		45,136	12,698	–	57,834
		115,197	30,433	–	145,630
Current Liabilities					
Creditors payable within one year	15	(5,653)	(128)	–	(5,781)
Branch and Regions – other liabilities	15	(4,273)	–	–	(4,273)
		(9,926)	(128)	–	(10,054)
Net Current Assets		105,271	30,305	–	135,576
Total Assets less Current Liabilities		215,955	30,305	–	246,260
Creditors payable later than one year	15	(255)	–	–	(255)
Net Assets excluding Pension Scheme		215,700	30,305	–	246,005
Pension Fund deficit	10	–	–	(141,348)	(141,348)
Total Net Assets/(Liabilities)		215,700	30,305	(141,348)	104,657
Represented by:					
Reserves		215,700	30,305	–	246,005
Pension scheme liability	10	–	–	(141,348)	(141,348)
Total Reserves		215,700	30,305	(141,348)	104,657

The Financial Statements were approved by the Finance and Resource Management Committee on 30th April 2019 and are signed on its behalf by:

Dave Prentis
 General Secretary
 30th April 2019

Gordon McKay
 President
 30th April 2019

UNISON
STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 General Funds £'000s	2017 Industrial Action Funds £'000s	2017 Pension Scheme £'000s	2017 Total Union £'000s
Fixed Assets					
Tangible Assets	11	99,185	–	–	99,185
Intangible Assets	11	5,500	–	–	5,500
Investments: Unlisted	12	4,040	–	–	4,040
Investments: Listed	12	153	–	–	153
		108,878	–	–	108,878
Current Assets					
Debtors	14	20,097	34	–	20,131
Other Loans		219	–	–	219
Short Term Bank Deposits		39,138	16,800	–	55,938
National and Regional – cash at bank and in hand		12,362	9	–	12,371
Branches – cash at bank and in hand		44,228	12,943	–	57,171
		116,044	29,786	–	145,830
Current Liabilities					
Creditors payable within one year	15	(7,475)	(60)	–	(7,535)
Branch and Regions – other liabilities	15	(2,579)	–	–	(2,579)
		(10,054)	(60)	–	(10,114)
Net Current Assets		105,990	29,726	–	135,716
Total Assets less Current Liabilities		214,868	29,726	–	244,594
Creditors payable later than one year	15	(305)	–	–	(305)
Net Assets excluding Pension Scheme		214,563	29,726	–	244,289
Pension Fund Deficit	10	–	–	(143,592)	(143,592)
Total Net Assets/(Liabilities)		214,563	29,726	(143,592)	100,697
Represented by:					
Reserves		214,563	29,726	–	244,289
Pension Scheme Liability	10	–	–	(143,592)	(143,592)
Total Reserves		214,563	29,726	(143,592)	100,697

UNISON
STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Notes	2018 £'000s	2017 £'000s
Cash flows from Operating Activities	<i>18a</i>	5,648	3,433
Cash flows from Investing Activities			
Purchase of Tangible Fixed Assets – National		(3,589)	(1,623)
Purchase of Tangible Fixed Assets – Branches and Regions		–	–
Proceeds from Sale of Property		–	686
Purchase of Investments		(528)	–
Proceeds from Investment		166	1
Interest received		250	139
Interest paid		(272)	(252)
Net cash provided by (used in) investing activities		(3,973)	(1,049)
Net increase in cash and cash equivalents		1,675	2,384
Cash and cash equivalents at the beginning of year		125,480	123,096
Cash and cash equivalents at end of year	<i>18b</i>	127,155	125,480

UNISON

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

1 General Accounting Conventions and Policies

1.1 Basis of Financial Statements

The financial statements have been prepared in accordance with 'Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland' (FRS102) and the Trade Union and Labour Relations Act 1992.

1.2 Accounting Convention

UNISON prepares its accounts using the historical cost convention as modified by:

- Investment in shares is stated at market value
- Pension scheme is based on actuarial assumptions

1.3 Going Concern

We have reviewed UNISON's financial performance and reserves position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. We have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call into doubt UNISON's ability to continue. The accounts have therefore been prepared on the basis that UNISON is a going concern.

1.4 Preparation of Accounts

i UNISON includes the results of the different parts of the union in the financial statements on a line by line basis. The total Union figures include:

- All the income, expenditure and net assets of National Office, Branches and Regions (General Fund)
- All the income, expenditure and net assets of the Industrial Action Fund.
- All adjustments required in connection with the inclusion of pension scheme income, expenditure, assets and liabilities as required by Section 28 of FRS 102.
- UNISON's share of the net income, expenditure, assets and liabilities of the joint venture, which is currently 50% of Managers in Partnership.

ii Where audited year end returns have not yet been received from Branches, balances have been obtained from the bank as at year end and have been incorporated into the financial statements

iii Expenditure is accounted for on an accruals basis. Any amounts of irrecoverable VAT are added to expenditure incurred.

iv International Development Fund. This fund is part of the General Fund and all income, expenditure, assets and liabilities of the International Development Fund are included in the national results in the General Fund.

1.5 Subscriptions

Members' subscriptions are brought into the Statement of Comprehensive Income on the basis of subscriptions due for the year ending 31 December 2018.

Amounts not received as at 31 December 2018 are included in Current Assets under the heading Debtors.

1.6 Interest on Investments and Loans

Interest on investments and loans comprises gross interest receivable for the year.

1.7 Tangible Assets

Fixed assets are recorded at historical cost upon initial recognition in the financial statements.

UNISON capitalises office refurbishments, computer equipment purchases and other equipment purchases for individual purchases over £1,000 or grouped purchases over £5,000.

1.8 Intangible Assets and Investments

UNISON capitalises new software, including any licences that cover the life of the software for individual purchases over £1,000 or grouped purchases over £5,000.

Listed and unlisted investments are carried at market value. Mabledon Place is treated as an intangible asset and is carried at market value for the freehold interest in the property, subject to the long leasehold.

1.9 Depreciation, Amortisation and Impairment

UNISON provides for depreciation on all fixed assets and amortisation on intangible assets.

Freehold buildings are depreciated on a straight line basis at two per cent per annum of cost. The exception to this relates to chalets at Croyde Bay Holiday Resort which are depreciated on a straight line basis over a period of 20 years. Assets are depreciated from the year of purchase with the exception of Croyde Bay Holiday Resort which starts the following year.

Land is not depreciated.

There is no depreciation while assets are in the course of construction.

Leasehold property is depreciated over the life of each lease.

Furniture and Equipment is depreciated on a straight line basis at ten per cent per annum.

Equipment acquired on hire purchase terms are depreciated over their estimated useful lives.

Computer equipment is depreciated on a straight line basis at twenty five per cent per annum.

UNISON

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

Intangible assets – Mabledon Place is treated as an intangible asset and amortised over its lease life of 150 years.

All fixed assets are regularly reviewed to assess if there has been an impairment of value.

1.10 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprises cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access and term deposit bank accounts. Financial liabilities held at amortised cost comprises all creditors except social security and other taxes and provisions.

1.11 Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to revenue as incurred.

1.12 Taxation

For corporation tax purposes the activities of the General Fund, Industrial Action Fund, General Political Fund and Affiliated Political Fund are amalgamated.

1.13 Accounting Estimates

Judgements and estimates are incorporated where required in applying the Union's accounting policies and which may have a significant effect on the amounts included in the financial statements. The main areas were:

- Intangible assets – the basis of calculation and assumption used to perform revaluation and useful economic life of assets used in calculating amortisation.
- Investments – the basis of calculation and assumption used for market value
- The Union reviewed non-current assets each year for impairment, in line with accounting standards
- Contingent liabilities – the inclusion of provisions for potential liabilities where there is an element of uncertainty in the outcomes of the cases
- Pension Scheme – the actuarial assumptions used in calculating scheme assets and liabilities

1.14 Pension Schemes

The Union operates two defined benefit pension schemes. The disclosures required to be made under Section 28 of FRS 102 are made in note 10.

The current service costs, running costs, interest costs and the expected return on pension scheme assets are included in operating expenditure. Actuarial gains or losses are shown separately below net income/expenditure for the year.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method. Full actuarial valuations are obtained every three years and are updated at each balance sheet date.

The resulting defined benefit scheme liability is shown separately on the face of the Statement of Financial Position.

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

2 General Fund Statement of Comprehensive Income Analysis

	Notes	2018 National £'000s	2018 Branches £'000s	2018 Regions £'000s	2018 Total £'000s	2017 National £'000s	2017 Branches £'000s	2017 Regions £'000s	2017 Total £'000s
Income									
Members' subscriptions		162,437	–	–	162,437	162,381	–	–	162,381
Branch funding		(38,173)	37,361	812	–	(38,159)	37,347	812	–
Local levy		–	286	–	286	–	282	–	282
Allocations to Regions		(1,957)	–	1,957	–	(1,948)	–	1,948	–
Allocations to Political Funds		(6,087)	–	–	(6,087)	(6,543)	–	–	(6,543)
Allocation to Other Funds		(1,243)	–	–	(1,243)	(1,243)	–	–	(1,243)
Available Operating Income		114,977	37,647	2,769	155,393	114,488	37,629	2,760	154,877
Non-Membership Income									
National Office income	5	5,063	–	–	5,063	5,670	–	–	5,670
Regional Office income	6	279	–	–	279	388	–	–	388
Lay Regional income	7	–	–	932	932	–	–	577	577
Branch income	8	–	2,806	–	2,806	–	3,755	–	3,755
Total Non-Membership Income		5,342	2,806	932	9,080	6,058	3,755	577	10,390
Total Income		120,319	40,453	3,701	164,473	120,546	41,384	3,337	165,267
Expenditure									
National Office expenditure	5	(67,679)	–	–	(67,679)	(67,182)	–	–	(67,182)
Regional Office expenditure	6	(46,371)	–	–	(46,371)	(46,182)	–	–	(46,182)
Lay Regional expenditure	7	–	–	(4,073)	(4,073)	–	–	(3,161)	(3,161)
Branch expenditure	8	–	(40,127)	–	(40,127)	–	(40,805)	–	(40,805)
Depreciation/Amortisation	11	(2,839)	–	–	(2,839)	(2,658)	–	–	(2,658)
Pension cost	10	(3,353)	–	–	(3,353)	(2,261)	–	–	(2,261)
International Development Fund	17	(103)	–	–	(103)	(95)	–	–	(95)
Operating Expenditure		(120,345)	(40,127)	(4,073)	(164,545)	(118,378)	(40,805)	(3,161)	(162,344)
Net Income from Operations		(26)	326	(372)	(72)	2,168	579	176	2,923
Other Income/(Expenditure)									
Investment and other income		250	199	2	451	376	79	–	455
Interest paid		(272)	–	–	(272)	(252)	–	–	(252)
Distributions from Joint Venture	12	336	–	–	336	161	–	–	161
Change in Fair Value of Investments	12	694	–	–	694	–	–	–	–
Surplus for the year		982	525	(370)	1,137	2,453	658	176	3,287
Reserves brought forward as reported		164,036	45,412	5,115	214,563	161,583	44,754	4,939	211,276
Reserves as at 31 December 2018		165,018	45,937	4,745	215,700	164,036	45,412	5,115	214,563

Included under regions is the allocation of £812,187 (2017: £811,904) for the regional pool and £964,527 (2017: £549,407) expenditure from the pool.

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

3 Industrial Action Fund Statement of Comprehensive Income

	2018 National £'000s	2018 Branches £'000s	2018 Total £'000s	2017 National £'000s	2017 Branches £'000s	2017 Total £'000s
Income						
Donations	–	223	223	–	26	26
Other Income	–	614	614	–	1,020	1,020
Allocation from General Fund	1,243	–	1,243	1,243	–	1,243
Operating Income	1,243	837	2,080	1,243	1,046	2,289
Expenditure						
Administration	(2)	–	(2)	(1)	–	(1)
Dispute pay and associated expenses	(450)	(1,152)	(1,602)	(495)	(1,033)	(1,528)
Operating Expenditure	(452)	(1,152)	(1,604)	(496)	(1,033)	(1,529)
Net Income from Operations	791	(315)	476	747	13	760
Investment Income	85	18	103	31	87	118
Surplus for the year	876	(297)	579	778	100	878
Reserves as at 1 January 2018	16,786	12,940	29,726	16,008	12,840	28,848
Reserves as at 31 December 2018	17,662	12,643	30,305	16,786	12,940	29,726

4 Analysis of General Fund Statement of Financial Position

	2018 National £'000s	2018 Branches £'000s	2018 Regions £'000s	2018 Total £'000s	2017 National £'000s	2017 Branches £'000s	2017 Regions £'000s	2017 Total £'000s
Tangible Fixed Assets	97,307	2,620	7	99,934	96,520	2,665	–	99,185
Investments	5,268	20	–	5,288	4,047	146	–	4,193
Intangible Asset	5,462	–	–	5,462	5,500	–	–	5,500
Creditors payable later than 1 year	(255)	–	–	(255)	(305)	–	–	(305)
Other Net Assets	57,236	43,297	4,738	105,271	58,274	42,601	5,115	105,990
	165,018	45,937	4,745	215,700	164,036	45,412	5,115	214,563

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

5 Total National Expenditure/Non-Membership Income

	2018	2018	2018	2017	2017	2017
	Expenditure	Non-Membership Income	Net Expenditure	Expenditure	Non-Membership Income	Net Expenditure
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Learning and Organising Services	2,678	(1,011)	1,667	2,394	(872)	1,522
Recruitment and Organising	278	–	278	377	–	377
Fighting Fund	3,663	–	3,663	3,696	–	3,696
Branch Resource Uplift	1,355	–	1,355	1,355	–	1,355
Organising & Recruitment	7,974	(1,011)	6,963	7,822	(872)	6,950
Local Government	1,264	–	1,264	1,236	–	1,236
Healthcare	1,231	(1)	1,230	1,127	(3)	1,124
Education & Childrens' Services	1,070	–	1,070	1,102	–	1,102
Business & Community	1,149	–	1,149	1,131	(1)	1,130
Police and Justice	75	–	75	75	–	75
Members' Pension Service	183	–	183	216	–	216
Members' Participation Unit	1,159	–	1,159	1,241	–	1,241
Negotiating and Promoting Equality– members	460	(500)	(40)	2,256	–	2,256
Bargaining, Negotiation & Equalities	6,591	(501)	6,090	8,384	(4)	8,380
Communications	4,641	(297)	4,344	4,782	(279)	4,503
Policy and Public Affairs	974	–	974	906	–	906
Trade Union Affiliations	4,801	–	4,801	4,781	–	4,781
Press Office	381	–	381	367	–	367
International	358	–	358	361	–	361
Communications, Campaigns & Policy	11,155	(297)	10,858	11,197	(279)	10,918
Finance	2,406	(42)	2,364	2,288	(249)	2,039
Rule Book Benefits	380	–	380	363	–	363
Legal Services	4,516	(91)	4,425	3,916	(1,230)	2,686
Membership Service (RMS)	2,212	–	2,212	2,244	–	2,244
Organisation and Staff Development	1,431	–	1,431	1,549	–	1,549
Systems Management:						
Information Technology	9,302	–	9,302	8,350	–	8,350
Property Maintenance	6,291	(911)	5,380	5,875	(774)	5,101
Administration and Postage	522	–	522	439	(27)	412
Insurance	1,032	–	1,032	1,035	–	1,035
Developing an Efficient and Effective Union	1,073	–	1,073	717	–	717
Organisation and Resource Development	29,165	(1,044)	28,121	26,776	(2,280)	24,496
NEC Committees	545	–	545	474	–	474
Executive Office	696	–	696	1,314	–	1,314
General Secretary's Office	920	–	920	856	–	856
Conference Organisation	3,377	–	3,377	2,682	–	2,682
Membership Liaison	3,681	–	3,681	4,268	(24)	4,244
Executive Office (inc Gen Sec)	9,219	–	9,219	9,594	(24)	9,570
Professional Services Unit	853	–	853	788	–	788
Croyde Bay Holiday Resort	1,825	(1,851)	(26)	1,749	(1,801)	(52)
UNISON Living	90	(359)	(269)	97	(410)	(313)
Welfare	832	–	832	798	–	798
Dragon Court – print services	(25)	–	(25)	(23)	–	(23)
Governance	3,575	(2,210)	1,365	3,409	(2,211)	1,198
Total National Expenditure/Non-Membership Income	67,679	(5,063)	62,616	67,182	(5,670)	61,512

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

	2018	2018	2018	2017	2017	2017
	Expenditure	Non-Membership Income	Net Expenditure	Expenditure	Non-Membership Income	Net Expenditure
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
6 Regional Office Expenditure/ Non-Membership Income						
Eastern	3,361	–	3,361	3,264	–	3,264
East Midlands	3,453	–	3,453	3,447	–	3,447
Greater London	5,392	–	5,392	5,476	–	5,476
Northern	3,045	–	3,045	2,918	–	2,918
Northern Ireland	1,668	–	1,668	1,640	–	1,640
North West	5,175	–	5,175	5,066	–	5,066
Scotland	4,827	(107)	4,720	4,865	(177)	4,688
South East	4,250	–	4,250	4,194	–	4,194
South West	3,781	–	3,781	3,790	–	3,790
Wales	3,610	(172)	3,438	3,606	(211)	3,395
West Midlands	3,883	–	3,883	3,947	–	3,947
Yorkshire & Humberside	3,926	–	3,926	3,969	–	3,969
	46,371	(279)	46,092	46,182	(388)	45,794
7 Regional Office Expenditure/ Non-Membership Income						
Other Income	–	(932)	(932)	–	(577)	(577)
Local Expenditure	3,108	–	3,108	2,612	–	2,612
Regional Pool Expenditure	965	–	965	549	–	549
	4,073	(932)	3,141	3,161	(577)	2,584
8 Branch Expenditure/ Non-Membership Income						
Other Income	–	(2,806)	(2,806)	–	(3,755)	(3,755)
Administration expenses	21,139	–	21,139	21,252	–	21,252
Honoraria	1,285	–	1,285	1,341	–	1,341
Conferences	4,231	–	4,231	4,166	–	4,166
Other meetings	1,547	–	1,547	4,194	–	4,194
Publicity	6,112	–	6,112	3,732	–	3,732
Education	1,166	–	1,166	1,408	–	1,408
Local activities	2,067	–	2,067	2,045	–	2,045
Transfers to Industrial Action Fund	274	–	274	696	–	696
Donations	702	–	702	620	–	620
Affiliations	146	–	146	148	–	148
Miscellaneous	1,458	–	1,458	1,203	–	1,203
	40,127	(2,806)	37,321	40,805	(3,755)	37,050

Inter-company note

The income and expenditure of the union includes £0.9 million (2017: £1.1 million) of transactions between the regions, branches and Industrial Action Fund which, for the purpose of the presentation, has not been eliminated on consolidation. This however has no impact on the net results as reported. The accounts have been prepared in this manner as in view of the NEC it presents the most appropriate view of the activities of the union.

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

9a Employees

	2018	2017
	£'000s	£'000s
Salaries	44,992	45,889
Social Security costs	4,500	4,577
Pension costs	14,416	13,471
Temporary/Agency	1,283	1,152
Temporary staff at CBHR	633	590
Branch Officials	12,807	13,036
Total staff costs	78,631	78,715

Average number of UNISON employees including part-time employees for the year was: 1,194 (2017: 1,220, this excludes branch officials).

9b Salary and on costs of President, General Secretary and Members of the National Executive Committee

	2018	2017
	£	£
Basic salary	108,347	101,181
Salary sacrifice	–	5,411
London Weighting	5,409	5,277
Gross salary	113,756	111,869
Taxable Subsistence	2,736	2,669
Benefit in Kind	6,982	5,870
Total salary and benefits	123,474	120,408
Employer's national insurance costs	15,057	14,067
Employer's Pension Contribution	–	17,585
Total cost for the year ended 31.12.2018	138,531	152,060

UNISON operates a defined benefit pension scheme open to all staff, the General Secretary is a member of this scheme. Members of the scheme receive defined benefits under the Trust Deed and Rules.

UNISON has a salary sacrifice arrangement for all staff pensions.

No salary or other benefits are paid to the President or other Members of the National Executive Council.

Key management personnel comprise members of the Senior Leadership Team in the Union. Total costs for the year ended 31 December 2018 is £2,761,681 (2017: £2,767,296).

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10 Employers' Pension Costs

Defined Benefit Pension Schemes

The Union operates two defined benefit pension schemes in the UK, the UNISON Staff Pension Scheme and the COHSE 1974 Pension and Assurance Scheme. The Union is one of several employers that sponsor the UNISON Staff Pension Scheme.

The schemes are administered by trustees and are independent of the Union's finances. Contributions are paid to the schemes in accordance with the Schedule of Contributions agreed between the trustees and the employers. Of the two schemes, only the UNISON Staff Pension Scheme remains open to new entrants.

The assets and liabilities of the UNISON Staff Pension Scheme are not segregated between the employers that participate in the scheme. Consequently, the share of the scheme's liabilities in respect of the Union's

employees and former employees, and the assets backing those liabilities, has been estimated.

The actuarial valuations have been updated to 31 December 2018, by independent qualified actuaries in accordance with FRS 102. As required by FRS 102, the value of the defined benefit liabilities has been measured using the projected unit method. The funding target is for the scheme to hold assets equal in value to the accrued benefits based on projected salaries. If there is a shortfall against this target, then the Union and trustees will agree on deficit contributions to meet this deficit over a period.

The key FRS 102 assumptions used for the schemes are set out below, along with the fair value of the assets, a breakdown of the assets into the main asset classes, the present value of the FRS 102 liabilities and the deficit of assets below the FRS 102 liabilities (the net pension liability).

The major assumptions used by the actuaries were:

	31 December 2018	31 December 2017
Retail price inflation assumption	3.2% pa	3.2% pa
Consumer price inflation assumption	2.1% pa	2.1% pa
Rate of increase of pensions in payment:		
Non-GMP earned before 1 July 2016	3.2% pa	3.2% pa
Non-GMP earned after 1 July 2016	2.0% pa	2.0% pa
Post 1988 GMP	1.9% pa	1.9% pa
General increase in salaries over next year	2.1% pa	1.0% pa
Over second year and thereafter	2.1% pa	2.1% pa
Discount rate	2.9% pa	2.6% pa

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 26.4 years (2017: 26.6 years). A male pensioner aged 60 in 20 years' time would be expected to live for a further 28.0 years (2017: 28.1 years).

The current allocation of the schemes' assets are as follow:

	2018 Value £'000s	2017 Value £'000s
Equities	231,713	277,711
Bonds	214,983	219,352
Property	22,044	49,150
Cash	34,155	1,243
Multi-Asset	115,659	98,634
	618,554	646,090

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10 Employers' Pension Costs (continued)

	31 December 2018 £'000s	31 December 2017 £'000s	31 December 2016 £'000s	31 December 2015 £'000s	31 December 2014 Restated £'000s
Fair value of schemes' assets	618,554	646,090	598,157	518,344	496,029
Present value of defined benefit obligations	(759,902)	(789,682)	(795,881)	(620,684)	(629,309)
Net Liability	(141,348)	(143,592)	(197,724)	(102,340)	(133,280)

Changes in the present value of the defined benefit obligation are as follows:	31 December 2018 £'000s	31 December 2017 £'000s
Opening defined benefit obligation	789,682	795,881
Employer's part of current service cost	16,572	17,226
Past service cost	4,893	–
Interest on obligation	20,215	21,200
Contributions from plan members	203	225
Actuarial (Gain)/Loss	(46,963)	(23,063)
Benefits paid	(24,700)	(21,787)
Closing defined benefit obligation	759,902	789,682

Changes in the fair value of the plan assets are as follows:	31 December 2018 £'000s	31 December 2017 £'000s
Opening fair value of the assets	646,090	598,157
Interest on scheme assets	16,739	16,117
Actual return less interest on scheme assets	(38,401)	35,729
Running costs	(2,032)	(1,982)
Contributions by the employer	20,655	19,631
Contributions by scheme members	203	225
Benefits paid	(24,700)	(21,787)
Closing fair value of plans assets	618,554	646,090

The actual return on the schemes assets over the year was a loss of £21,662,000 (2017: gain of £51,846,000).

The amount recognised outside profit and loss for 2018 is a gain of £8,562,000 (2017: gain of £58,792,000).

It is important to note that all of the pensions accounting entries are volatile from year to year. This is particularly true of the balance sheet figure, as the fair value of the assets are largely linked to the equity market, whereas the amount of the defined benefit obligation is linked to yields on AA-rated corporate bonds. .

The amounts recognised in the Statement of Comprehensive Income are as follows:	31 December 2018 £'000s	31 December 2017 £'000s
Current service cost	16,572	17,226
Past Service Cost	4,893	–
Running cost	2,032	1,982
Interest expense	3,476	5,083
Total expense included in the Statement of Comprehensive Income	26,973	24,291

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

10 Employers' Pension Costs (continued)

The following amounts have been included within operating profit under FRS102:	Year to 31 December 2018 £'000s	Year to 31 December 2017 £'000s
COHSE pension scheme additional contributions	3,353	2,261
Past Service Cost	4,893	–
Current service cost	16,572	17,226
Running cost	2,032	1,982
Interest expense	3,476	5,083
Contributions by the employer	(20,655)	(19,631)
Pension cost	9,671	6,921

The following amounts have been recognised outside the profit and loss	Year to 31 December 2018 £'000s	Year to 31 December 2017 £'000s
COHSE	(1,090)	3,501
UNISON	9,652	55,291
Actuarial Gain/(Loss) recognised outside profit or loss	8,562	58,792

The FRS 102 Statement of Financial Position of the Schemes as at 31 December 2018 is as follows:	UNISON £'000s	COHSE £'000s
Defined Benefit Obligation	707,520	52,382
Fair Value of Assets	(554,837)	(63,717)
Pension Deficit/(Asset)	152,683	(11,335)

The deficit under FRS 102 would have moved as follows during the year	Year to 31 December 2018 £'000s	Year to 31 December 2017 £'000s
(Deficit) in schemes at 1 January 2018	(143,592)	(197,724)
Expense included in the profit or loss	(26,973)	(24,291)
Contributions by the employer	20,655	19,631
Actuarial Gain/(Loss)	8,562	58,792
Deficit in Schemes as at 31 December 2018	(141,348)	(143,592)

Over the year to 31 December 2018, contributions by the National Office of £18,701,000 (2017: £17,642,000) were made to the schemes.

Other significant contributions (excluding employee contributions) were £2,017,500 for Branch Officials (2017: £1,854,000) and £415,000 for Pension Protection levy (2017: £404,000).

It was agreed with the Trustee that contributions to the UNISON Scheme increase to 25% of members' salaries from 1st April 2006. Since 1st April 2010 additional contributions from the Employer to the Scheme continues. This amount represents the savings in their National Insurance contributions flowing from the "salary sacrifice" arrangement. For the time being, this is calculated at approximately 0.9% of Pensionable Salaries overall.

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

11 Fixed assets

Tangible Fixed Assets

General Fund	Freehold Properties £'000s	Leasehold Properties £'000s	Equipment £'000s	Total £'000s
Cost				
At 1 January 2018	113,347	2,602	10,986	126,935
Additions	2,992	–	597	3,589
At 31 December 2018	116,339	2,602	11,583	130,524
Depreciation				
At 1 January 2018	18,455	2,334	9,626	30,415
Charge for the year	2,132	59	611	2,802
At 31 December 2018	20,587	2,393	10,237	33,217
National net book value at 31 December 2018	95,752	209	1,346	97,307
National net book value at 31 December 2017	94,892	268	1,360	96,520

Total Union

General Fund	95,752	209	1,346	97,307
Regions	–	–	7	7
Branches	1,852	81	687	2,620
Total Union net book value at 31 December 2018	97,604	290	2,040	99,934
Total Union net book value at 31 December 2017	96,796	268	2,121	99,185

Intangible Fixed Assets

UNISON owns the freehold interest in 1 Mabledon Place. The last professional valuation was performed in February 2012 by Deloitte Drivers Jonas, who valued the freehold interest at £5.65 million. Under FRS102 UNISON adopted the approach to freeze the valuation as at 1 January 2014 and treat this as the deemed cost at that date. Amortisation is charged on a straight line basis over the length of the lease of 150 years.

General Fund	Leasehold Properties £'000s
Cost:	
Deemed cost as at 1 January 2018	5,650
Additions	–
Disposals	–
At 31 December 2018	5,650
Amortisation	
At 1 January 2018	(150)
Charge for the year	(38)
At 31 December 2018	(188)
National net book value at 31 December 2018	5,462
National net book value at 31 December 2017	5,500

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

12 Investments

Cost:	Year to 31 December 2018			Year to 31 December 2017		
	Listed investments	Unlisted investments	Total	Listed investments	Unlisted investments	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2018	153	4,040	4,193	153	4,040	4,193
Additions at cost	–	528	528	–	–	–
Disposals	(128)	–	(128)	–	–	–
Revaluation to market value	–	694	694	–	–	–
At 31 December 2018	25	5,262	5,287	153	4,040	4,193

Unlisted investments	Year to 31 December 2018		Year to 31 December 2017	
	Market Value	Book Value	Market Value	Book Value
	£'000s	£'000s	£'000s	£'000s
Unity Trust Bank	5,262	5,262	4,040	4,040
Listed investments				
Others – National	5	5	7	7
Others – Branches	20	20	146	146
	5,287	5,287	4,193	4,193

Managers in Partnership – Joint Venture

On 1 June 2005, UNISON entered into a Joint Venture (JV) with the First Division Association (FDA), the JV is known as Managers in Partnership (MiP). The partnership provides support for senior manager members in the health service.

Control of the partnership is 50:50.

The management accounts of the partnership are as follows:	Total Partnership	UNISON Share
	2018	2018
Statement of Comprehensive Income	£'000s	£'000s
Income	1,718	859
Expenditure	(1,045)	(523)
Distributions to partners	(673)	(336)
Closing reserves	–	–
Statement of Financial Position as at 31 December 2018	Total Partnership	UNISON Share
	2018	2018
Statement of Financial Position as at 31 December 2018	£'000s	£'000s
Net current assets	–	–
Net current liabilities	–	–
Closing reserves	–	–

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

13 Financial Instruments

Financial Assets and Liabilities	2018	2017
	£'000s	£'000s
Financial assets measured at fair value through profit or loss	5,289	4,194
Financial assets measured at amortised cost	140,655	140,932
Financial liabilities measured at amortised cost	(8,786)	(9,027)

The fair value of investments is taken from their quoted market values at the year end.

14 Debtors

	2018	2017
	£'000s	£'000s
Members' subscriptions	8,491	9,103
Thompson LLP	3,119	3,119
Other debtors	1,877	3,050
Prepayments and accrued income	4,779	4,859
	18,266	20,131

15 Creditors

	2018	2017
	£'000s	£'000s
Payable within one year		
Trade creditors and accruals	(8,659)	(8,713)
PAYE, NI and other taxes	(1,395)	(1,401)
	(10,054)	(10,114)
Creditors: payable later than one year	(255)	(305)
	(10,309)	(10,419)

16 Operating Lease Commitments

UNISON is committed to the following total commitments under non-cancellable operating leases as follows:

	2018		2017	
	Land and Buildings	Other	Land and Buildings	Other
	£'000s	£'000s	£'000s	£'000s
National				
Less than one year	2,659	76	2,022	78
Between two and five years	6,681	169	5,406	222
More than five years	5,454	–	4,543	–
Branches				
Less than one year	641	–	775	–
Between two and five years	657	–	933	–
Over five years	397	–	155	–

UNISON
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

17 International Development Fund

The above fund was established in 2004 to support the union's international commitments through a range of projects with trade unions in the developing world. The International Fund is disclosed as part of the transactions and balances of the General Fund.

	2018 £'000s	2017 £'000s
Income		
General Fund Donations	58	57
Interest	–	–
Expenditure		
Project donations	(103)	(95)
Deficit	(45)	(38)
Reserves as at 1 January 2018	408	446
Reserves as at 31 December 2018	363	408

18 Notes to the Statement of Cash Flows

	2018 £'000s	2017 £'000s
a Reconciliation of Deficit to Net Cash Inflow from Operating Activities		
Surplus for the year	3,960	58,297
Actuarial (gains) on pension scheme	(8,562)	(58,792)
Proceeds from Sale of Property	–	(403)
Interest received	(250)	(139)
Proceeds from disposal of Investments	–	1
Interest paid	272	252
Pension costs FRS102 provision	6,318	4,660
Depreciation/Amortisation	2,839	2,658
Change in Fair Value of Investments	(694)	–
Increase in debtors	1,875	(2,005)
Decrease in creditors	(110)	(1,096)
Net cash inflow from operating activities	5,648	3,433

b Analysis of Net Funds

	2018 £'000s	Cash Flow £'000s	2017 £'000s
Short Term Bank Deposits	49,852	6,086	55,938
National and Regional – cash at bank	19,469	(7,098)	12,371
Branches – cash at bank	57,834	(663)	57,171
Net funds	127,155	(1,675)	125,480

19 Capital Commitments

There are no significant capital commitments.

20 Related Party Disclosure

The General Secretary is a Non-Executive Director of Unity Trust Bank. UNISON owns 10% of Unity Trust Bank ordinary shares and also banks with Unity Trust.

At year end UNISON held cash balances with Unity at Branch, Region and National totalling £126 million.

The Vice Chair of the Finance and Resource Management Committee is a Non-Executive Director of UIA Insurance Ltd.

UIA supply and deliver the UNISON Direct service to members, UNISON reimbursed UIA costs of £2.6 million in 2018.

UNISON Welfare Board of Trustees are elected substantially from UNISON NEC and the regional and branch network.

UNISON donated £0.8m to UNISON welfare in 2018.

21 Financial and Operational Risk Management

UNISON is dependent on members' subscription income to fund all operations at National, Regional and Branch level. Whilst income has declined marginally over the last few years, the union's membership (and thus income stream) has remained strong and consistent through robust recruitment and retention activities. UNISON is therefore well positioned in terms of cash and reserves to manage its operations going forward. However the union is fully aware of the impact that recent and ongoing austerity measures and potential changes in legislation could have on its membership and income. A significant loss of members and income would require a wider review of its operations and services in the medium and longer term.

UNISON works proactively to ensure measures are in place to manage its financial and operational risk. This includes forward financial planning and a proven strategy to ensure that the union operates balanced budgets so as to at least maintain its reserves whilst providing for capital maintenance to ensure the union operates effectively at all levels. Budgets and forecasts take into account the levels of expected income and expenditure and a going concern review is undertaken each year along with cash flow projections. These financial reviews are reported in detail to the Finance and Resource Committee for approval and agreement and subsequent endorsement by the National Executive Council as well as being made available to the external auditors.

The union actively undertakes regular and special reviews to improve operational efficiencies and controls and seek opportunities to maximise the use of all of its resources across the organisation. UNISON invests heavily in training and ongoing development of all staff to be able to meet the organisations and members needs and is proud of the levels of knowledge, expertise and dedication of all our staff which keeps the union attractive to members.

UNISON conducts its affairs with absolute minimum or nil external borrowings or debt but has the capacity, if required, to undertake significant loans underpinned by a valuable asset base. The single largest obligation is to the staff pension scheme which currently has a funding deficit. The pension deficit has been and continues to be managed through a clear strategy and recovery plan put in place by the employer and the trustees working collaboratively with professional legal and actuarial guidance. This recovery plan has been recently reviewed and has been updated to take into account current economic conditions, actuarial factors and funding deficit.

UNISON**GENERAL POLITICAL FUND FINANCIAL STATEMENTS – FOR INFORMATION ONLY**

Year ended 31 December 2018

Statement of Comprehensive Income

	Notes	2018 £'000s	2018 £'000s	2017 £'000s	2017 £'000s
Income					
Contributions receivable			2,894		3,131
Interest on investments			34		9
Total Income			2,928		3,140
Expenditure					
Major campaigns		(2,802)		(2,484)	
Contributions and donations		(170)		(214)	
Contribution to General Fund expenses		(65)		(64)	
Total Expenditure			(3,037)		(2,762)
(Deficit)/Surplus for the year			(109)		378

Statement of Financial Position

		2018 £'000s	2017 £'000s
Current Assets			
Debtors	2	–	14
Short Term Bank Deposits		7,800	8,000
Cash at bank		583	136
		8,383	8,150
Current Liabilities			
Creditors	3	(411)	(69)
Net assets		7,972	8,081
Represented by:			
Reserves at 1 January 2018		8,081	7,703
Deficit for the year		(109)	378
Balance 31 December 2018		7,972	8,081

Notes to the Financial Statements**1 Accounting Policies**

- (a) The Financial Statements have been prepared on a historical cost basis and in accordance with applicable accounting standards
(b) The operation of the Fund is governed by the union's Constitution and Rules
(c) Interest on investments and loans comprises gross interest receivable for the period

		2018 £'000s	2017 £'000s
2 Debtors			
Sundry Debtors		–	14
General Fund		–	–
		–	14
3 Creditors			
Sundry creditors		–	–
General Fund		(411)	(69)
		(411)	(69)

4 Contribution to General Fund Expenses

The Financial Statements were approved by the Finance and Resource Management Committee on 30th April 2019 are endorsed by the National Executive Council and signed on its behalf by:

Dave Prentis
General Secretary
30th April 2019

Gordon McKay
President
30th April 2019

UNISON
AFFILIATED POLITICAL FUND – FOR INFORMATION ONLY

Year ended 31 December 2018

Statement of Comprehensive Income

Income	Notes	2018	2018	2017	2017
		£'000s	£'000s	£'000s	£'000s
Contributions receivable			3,193		3,412
Other Income			18		–
Bank interest			15		4
Total Income			3,226		3,416
Expenditure					
National Expenditure		(1,901)		(2,371)	
National Administration		(103)		(110)	
Contribution to General Fund expenses		(65)		(65)	
Regional Expenditure		(215)		(471)	
Total Expenditure			(2,284)		(3,017)
Surplus for the year			942		399

Statement of Financial Position

Current Assets	Notes	2018	2017
		£'000s	£'000s
Debtors	2	–	225
Short Term Bank Deposits		4,100	3,200
Cash at bank		661	375
		4,761	3,800
Current Liabilities			
Creditors	3	(37)	(18)
Net assets		4,724	3,782
Represented by:			
Reserves at 1 January 2018		3,782	3,383
Surplus for the year		942	399
Balance 31 December 2018		4,724	3,782

Notes to the Financial Statements

1 Accounting Policies

- (a) The Financial Statements have been prepared on a historical cost basis and in accordance with applicable accounting standards
(b) The operation of the Fund is governed by the union's Constitution and Rules
(c) Interest on investments and loans comprises gross interest receivable for the period

2 Debtors	2018	2017
	£'000s	£'000s
Sundry debtors (GPF)	–	–
Prepayment	–	–
General Fund	–	225
		225
3 Creditors		
General Fund	(18)	–
Sundry creditors	(19)	(18)
	(37)	(18)

4 Contribution to General Fund Expenses

The Financial Statements were approved by the Finance and Resource Management Committee on 30th April 2019 are endorsed by the National Executive Council and signed on its behalf by:

Dave Prentis
General Secretary
30th April 2019

Gordon McKay
President
30th April 2019

UNISON

TEN YEAR SUMMARY 2009 TO 2018 – FOR INFORMATION ONLY

Year ended 31 December 2018

(as disclosed in the Annual Financial Statements)

Statement of Comprehensive Income

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Income		RESTATED				RESTATED				
Members' Subscriptions	167,098	173,134	173,403	170,975	169,122	167,467	165,787	163,794	162,381	162,437
Local levy	231	163	196	212	309	300	304	295	282	286
Donations by branch members	299	444	773	22	152	196	107	3	26	223
Allocations to Political Funds	(5,688)	(6,044)	(6,418)	(6,716)	(6,632)	(6,637)	(6,520)	(6,550)	(6,543)	(6,087)
Available Operating Income	161,940	167,697	167,954	164,493	162,951	161,326	159,678	157,542	156,146	156,859
Non-Membership Income	13,761	13,537	12,726	10,242	8,058	8,648	8,939	8,466	11,410	9,694
Total Income	175,701	181,234	180,680	174,735	171,009	169,974	168,617	166,008	167,556	166,553
Total Operating Expenditure	(165,634)	(166,501)	(167,330)	(169,627)	(161,891)	(160,790)	(160,737)	(161,587)	(168,051)	(171,155)
Net Income for the year	10,067	14,733	13,350	5,108	9,118	9,184	7,880	4,421	(495)	(4,602)
Revaluation of Mabledon Place	–	–	17,792	850	–	–	–	–	–	–
Actuarial (Losses)/Gains on pension scheme	(32,738)	18,316	(44,977)	(16,525)	12,890	(35,012)	33,804	(95,510)	58,792	8,562
Surplus/(Deficit) for the year	(22,671)	33,049	(13,835)	(10,567)	22,008	(25,828)	41,684	(91,089)	58,297	3,960

Statement of Financial Position

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Tangible Assets	99,849	108,907	113,731	110,900	106,516	102,653	98,258	100,475	99,185	99,934
Investments	2,584	2,220	22,147	2,153	2,052	1,984	4,192	4,193	4,193	5,288
Intangible asset	–	–	–	5,650	5,650	5,650	5,575	5,537	5,500	5,462
Joint Venture	–	–	–	–	–	–	–	–	–	–
Total Fixed Assets	102,433	111,127	135,878	118,703	114,218	110,287	108,025	110,205	108,878	110,684
Current Assets	113,628	136,954	111,388	119,460	119,636	129,814	141,404	141,434	145,830	145,630
Current Liabilities	(21,819)	(32,300)	(20,399)	(16,182)	(12,156)	(15,016)	(13,600)	(11,160)	(10,114)	(10,054)
Net Current Assets	91,809	104,654	90,989	103,278	107,480	114,798	127,804	130,274	135,716	135,576
Creditors due in more than one year	(18,552)	(29,227)	(14,087)	(6,000)	–	–	–	(355)	(305)	(255)
Provisions for Liabilities and Charges	–	–	–	–	–	–	–	–	–	–
Net Assets excluding pension scheme	175,690	186,554	212,780	215,981	221,698	225,085	235,829	240,124	244,289	246,005
Pension fund deficit	(88,713)	(66,528)	(106,589)	(120,356)	(104,065)	(133,280)	(102,340)	(197,724)	(143,592)	(141,348)
Total Net Assets	86,977	120,026	106,191	95,625	117,633	91,805	133,489	42,400	100,697	104,657
Represented by:										
Reserves	175,690	186,554	212,780	215,981	221,698	225,085	235,829	240,124	244,289	246,005
Pension scheme liability	(88,713)	(66,528)	(106,589)	(120,356)	(104,065)	(133,280)	(102,340)	(197,724)	(143,592)	(141,348)
Accumulated Reserves	86,977	120,026	106,191	95,625	117,633	91,805	133,489	42,400	100,697	104,657
Average number of employees	1,140	1,127	1,133	1,180	1,206	1,206	1,226	1,241	1,220	1,194

Note: 2009 to 2014 are consolidated financial statements which includes UNISON's subsidiary.



