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**NATIONAL UNION OF JOURNALISTS**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2009**

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OFFICERS AND PROFESSIONAL ADVISERS

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**National Officers:**

President – Peter Murray  
Vice President – Donnacha Delong  
Honorary General Treasurer – Anita Halpin  
General Secretary – Jeremy Dear

**Address:**

Headland House  
308-312 Grays Inn Road  
London  
WC1X 8DP

**Bankers:**

Unity Trust Bank  
Nine Brindleyplace  
Birmingham  
B1 2HB

Allied Irish Bank  
37 Upper O'Connell Street  
Dublin 1  
Ireland

**Auditors:**

Baker Tilly UK Audit LLP  
The Clock House  
140 London Road  
Guildford  
Surrey  
GU1 1UW

Year ended 30 September 2009

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#### STATEMENT OF NATIONAL EXECUTIVE COUNCIL'S RESPONSIBILITIES

The National Union of Journalists (NUJ) is an unincorporated Trade Union registered under the Trade Union and Labour Relations (Consolidation) Act 1992. The National Executive Council of the NUJ is required by that Act to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements, the National Executive Council is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in existence.

The National Executive Council is also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and to enable them to ensure that the financial statements comply with the Trade Union Reform and Labour Relations (Consolidation) Act 1992 as amended by the Trade Union Reform and Employment Rights Act 1992 as amended by the Trade Union Reform and Employment Rights Act 1993. They are also responsible for the system of internal control for safeguarding the assets of the NUJ and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The National Executive Council who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the National Executive Council members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Year ended 30 September 2009

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**STATEMENT TO MEMBERS ISSUED IN CONNECTION WITH THE UNION'S ANNUAL RETURN FOR THE YEAR ENDED 30 SEPTEMBER 2009 AS REQUIRED BY SECTION 32A OF THE TRADE UNION AND LABOUR RELATIONS (CONSOLIDATED) ACT 1992**

**Income and Expenditure**

The total income for the year was £5,366,346 (2008: £5,268,816). This amount included payments of £4,924,402 (2008: £4,922,543) in respect of membership of the union. The union's total expenditure for the year was £5,000,459 (2008: £5,527,986) plus an adjustment to the pension liability, under FRS17 reporting of £-3,192,000 (2008: (£1,251,000)). The union does not maintain a political fund.

**Salary paid to and other benefits provided to the General Secretary, President and members of the Executive.**

The General Secretary of the union was paid £63,481 (2008: £61,040) in respect of salary and £8,266 (2008: £6,590) in respect of benefits. The President and members of the Executive were not paid any amount in respect of salary or benefits.

**Irregularity statement**

A member who is concerned that some irregularity may be occurring, or has occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.

The member may raise any such concern with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of the State) and the police.

Where a member believes that the financial affairs of the Union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NATIONAL UNION OF JOURNALISTS**

We have audited the financial statements on pages 6 to 22.

This report is made solely to the Trade Union's members, as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Trade Union Reform and Employment Rights Act 1993. Our audit work has been undertaken so that we might state to the Trade 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 Trade Union and the Trade Union's members as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of directors and auditors**

The Trade Union's Council of Management's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council of Managements' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Trade Union Reform and Employment Rights Act 1993. We also report to you whether in our opinion the information given in the Council's Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the trade union has not kept proper books of account, if the trade union has not maintained a satisfactory system of control over its transactions, if the Income and Expenditure account and the Balance Sheet are not in agreement with the books of accounts and if we have not received all the information and explanations we require for our audit.

We read the Financial Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trade Union's Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trade Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Trade Union's affairs at 30 September 2009 and of its income and expenditure for the year then ended and comply with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992 as amended by the Trade Union Reform and Employment Rights Act 1993.
- the information given in the Council's Report is consistent with the financial statements.

  
BAKER TILLY UK AUDIT LLP

Registered Auditor  
Chartered Accountants  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

22 February 2010

**INCOME AND EXPENDITURE ACCOUNT**  
 for the year ended 30 September 2009

	Notes	2009 £	2008 £
<b>INCOME</b>			
Contributions	2	4,924,402	4,922,543
Other income	2	92,807	86,226
Professional training income		334,341	245,315
		<u>5,351,550</u>	<u>5,254,084</u>
<b>EXPENDITURE</b>			
Salaries and staff costs	4	2,496,376	2,492,274
Office administration costs		328,207	357,314
Conference and committee costs		393,703	599,898
Benefits to members		1,074,603	1,005,171
Headland House costs		205,621	191,894
Affiliation and delegate fees		200,713	190,729
Central computer costs		124,349	86,822
Branch costs		92,696	166,175
Finance costs		144,449	27,506
		<u>5,060,717</u>	<u>5,117,783</u>
<b>OPERATING SURPLUS</b>		<u>315,833</u>	<u>136,301</u>
<b>OTHER EXPENDITURE/(INCOME)</b>			
Dispute costs		41,202	8,575
Severance payment		199,897	90,949
Ex-Gratia payments to retired staff	15	6,352	8,462
Apportion to NUJ Charities		26,215	16,758
VAT recovered		(14,796)	(14,732)
(Revaluation)/impairment of investments	9	(173,924)	291,459
FRS 17 Adjustment	14	(160,000)	(6,000)
		<u>(75,054)</u>	<u>395,471</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>365,887</u>	<u>(259,170)</u>
Decrease in FRS17 liability			
-Statement of Total Recognised Gains and Losses		(3,192,000)	1,251,000
At 1 October 2008		3,969,555	2,977,725
<b>AT 30 SEPTEMBER 2009</b>		<u><u>1,143,442</u></u>	<u><u>3,969,555</u></u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 30 September 2009**

	Notes	£	2009 £	£	2008 £
Surplus/(deficit) for the year			365,887		(259,170)
Pension scheme:					
Actual return less expected return on pension scheme assets	14	298,000		(1,841,000)	
Experience gains and losses arising on scheme liabilities	14	(548,000)		(264,000)	
Changes in assumptions underlying the present value of scheme liabilities	14	(2,942,000)		3,356,000	
			<u>(3,192,000)</u>		<u>1,251,000</u>
Total recognised gains and losses relating to the year			<u>(2,826,113)</u>		<u>991,830</u>



**BALANCE SHEET**  
**30 September 2009**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
<b>FREEHOLD PROPERTY</b>	8	2,382,346	2,404,020
<b>INVESTMENTS</b>			
Fixed interest – 3.5% War Loan		3,550	3,550
Managed investments	9	2,427,003	2,281,048
		<u>2,430,553</u>	<u>2,284,598</u>
<b>CURRENT ASSETS</b>			
Balances with branches	10	282,501	211,490
Debtors	11	169,330	144,220
Cash at bank		158,594	178,517
		<u>610,425</u>	<u>534,227</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	707,680	838,290
<b>NET CURRENT LIABILITIES</b>		<u>(97,255)</u>	<u>(304,063)</u>
<b>CREDITORS: Amounts falling due within more than one year</b>	13	1,825,202	1,700,000
<b>NET ASSETS BEFORE PENSION SURPLUS</b>		<u>2,890,442</u>	<u>2,684,555</u>
<b>PENSION DEFICIT/SURPLUS</b>	14	(1,747,000)	1,285,000
<b>NET ASSETS</b>		<u>1,143,442</u>	<u>3,969,555</u>
<b>REPRESENTED BY UNION FUNDS</b>			
General Fund	16	(223,903)	2,632,019
Branch Management Fund	16	282,501	211,490
Fighting Fund	16	1,084,844	1,126,046
		<u>1,143,442</u>	<u>3,969,555</u>

The financial statements on pages 6 to 22 were approved by the National Executive Council and authorised for issue on 11 ~~February~~ 2010 and are signed on its behalf by.



J Dear  
 General Secretary



A Halpin  
 Honorary General Treasurer

**CASH FLOW STATEMENT**  
for the year ended 30 September 2009

	Note 19	2009 £	2008 £
Cash flow from operating activities	a	448,121	104,329
Returns on investments and servicing of finance	b	(126,219)	(8,214)
Capital expenditure and financial investment	c	27,969	27,493
Cash (outflow)/ inflow before financing		<u>349,871</u>	<u>123,608</u>
Financing	d	-	-
<b>DECREASE IN CASH IN THE YEAR</b>		<u><u>349,871</u></u>	<u><u>123,608</u></u>
 <b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
Increase/ (Decrease) in cash in the year		349,871	123,608
Change in net funds resulting from cash flows		(27,969)	(27,493)
Movement in net funds in the year	e	<u><u>321,902</u></u>	<u><u>96,115</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009**1. BASIS OF ACCOUNTING**

The financial statements include income and expenditure assets and liabilities of the NUJ. All of the activities reflected in these financial statements are continuing.

**ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention and on a going concern basis.

**CONTRIBUTIONS**

Contributions are shown in the accounts on the basis of cash received by head office, no account being taken of members' arrears at the balance sheet date.

**DEPRECIATION**

Freehold land – Nil

Freehold buildings – Equal annual instalments over the estimated useful life of 100 years from 1 July 2000 in respect of Headland House.

Office furniture and machinery – additions have been charged to the Income and Expenditure Account in the year of purchase unless the individual addition exceeds £5,000.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

**OPERATING LEASES**

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

**FOREIGN CURRENCIES**

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date transactions occur. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling at the balance sheet date. All differences arising on the translation of such items are dealt with in the Income and Expenditure Account.

**INVESTMENTS**

Investments are stated in the balance sheet at their historical cost at the balance sheet date.

**STAFF PENSION SCHEME**

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from the cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gain and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

The defined benefit scheme is funded with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations by a professional qualified actuary are obtained at least every three years and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised in the balance sheet only to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the union has a legal or constructive obligation to settle the liability.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

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**GOING CONCERN**

The Officers have reviewed the projections for the forthcoming 12 month period from the date of signing these financial statements and based on the level of existing cash, projected income and expenditure, the Officers are satisfied that the union has adequate resources to continue in operation for the foreseeable future. Accordingly, the going concern basis has been used in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2009**

<b>2.</b>	<b>MEMBERS' SUBSCRIPTIONS AND OTHER INCOME</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Income from members:		
	Contributions	4,924,402	4,922,543
		=====	=====
	Other income:		
	Investment income	18,230	19,292
	Rental income	16,941	9,042
	Sundry income	42,448	57,892
	Legal services income	15,188	-
		-----	-----
		92,807	86,226
		=====	=====
<b>3.</b>	<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Surplus/(deficit) for the year is stated after charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	Owned assets	21,674	21,674
	Operating lease rentals:		
	Office equipment	8,475	9,051
	Land and buildings	76,640	76,118
	Auditors remuneration	14,668	16,700
	Rent receivable	(16,941)	(9,042)
		=====	=====
<b>4.</b>	<b>STAFF COSTS</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Staff remuneration	1,965,755	1,990,988
	National insurance	176,183	176,546
	Pension costs	208,365	188,930
	Sundry costs	146,073	135,810
		-----	-----
		2,496,376	2,492,274
		=====	=====
<b>5.</b>	<b>STAFF NUMBERS</b>	<b>2009</b>	<b>2008</b>
		<b>No.</b>	<b>No.</b>
	The average number of persons employed by the NUJ during the year was:		
		55	60
		=====	=====

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**6. OFFICIALS' SALARIES**

	2009	2008
General Secretary	£63,481	£61,060
Deputy General Secretary	£57,403	£55,536
Assistant General Secretary (Ireland)	€73,624	€71,272
National Organiser	£51,325	£49,272
Regional Organiser	£48,623	£44,910
Assistant Organiser (Basic)	£35,008	£34,512
Organiser (Ireland)	€69,456	€67,236
Assistant Organiser (Ireland)	€43,761	€42,372

**7. TAXATION**

The union is not liable to taxation on income from its members, but is subject to taxation on certain other income to the extent that this exceeds allowable provident benefits and expenses. No provision for taxation is considered necessary in respect of the year.

**8. FREEHOLD PROPERTY**

	Freehold Land £	Freehold Buildings £	Total £
Cost:			
1 October 2008 and 30 September 2009	410,000	2,159,856	2,569,856
Depreciation:			
1 October 2008	-	165,836	165,836
Charged during the year	-	21,674	21,674
30 September 2009	-	187,510	187,510
Book value:			
At 30 September 2009	410,000	1,972,346	2,382,346
At 30 September 2008	410,000	1,994,020	2,404,020

The book values shown for the union's land and buildings in Gray's Inn Road, London, do not reflect their current market values. The current market value is in excess of the book value.

A legal charge against the union's land and buildings (Headland House) exists against two £1,000,000 bank loans obtained on the 14<sup>th</sup> October 2009 (see Note 13).

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2009**

<b>9.</b>	<b>INVESTMENTS</b>	<b>2008</b>
		<b>£</b>
	Investment listed on a recognised stock exchange at cost:	
	1 October 2008	2,281,048
	Additions at cost	17,031
	Disposal proceeds – capital withdrawals	(45,000)
	Unrealised (losses)/gains	173,924
	30 September 2009	<u>2,427,003</u>

**At the balance sheet date, the market value of the portfolio comprised:**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
UK investments	1,142,633	1,073,917
Overseas investments	1,284,370	1,207,131
	<u>2,427,003</u>	<u>2,281,048</u>
Fixed income securities		
Equities	1,830,931	1,720,823
Other	596,072	560,225
	<u>2,427,003</u>	<u>2,281,048</u>

At the balance sheet date, the historical cost of the investments was £2,600,000 (2008: £2,600,000).

No individual holding represented more than 5% of the total market value of the portfolio at either the current or comparative balance sheet date. The managed investments are shown at cost in the balance sheet.

At the 30 September 2009 the market value was £2,427,003 (2008: £2,281,048). The value of investments has fallen below their original cost although they have increased in value over the period. The National Executive Council of the NUJ have written down the value of their investments to the market value at the year end. The National Executive Council of the NUJ does not consider this a permanent diminution in value.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**10. BALANCES WITH BRANCHES**

The balances with branches represent the balances of branch bank accounts held at Unity Trust Bank plc.

<b>11. DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Sundry debtors	109,512	88,517
Prepayments	59,818	55,703
	<u>169,330</u>	<u>144,220</u>
	=====	=====
<b>12. CREDITORS: Amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank overdraft	181,885	480,668
Sundry creditors	213,198	109,537
Accruals and deferred income	312,597	248,085
	<u>707,680</u>	<u>838,290</u>
	=====	=====

The Unity Trust Bank plc overdraft is secured on the freehold property.

<b>13. CREDITORS: Amounts falling due after more than one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Pension contributions payable to the scheme	1,825,202	1,700,000
	<u>1,825,202</u>	<u>1,700,000</u>
	=====	=====

To enable the outstanding pension contributions payable of £1,825,202 to be paid into the scheme, on the 14<sup>th</sup> October 2009, the NUJ received funding of £2,000,000, by way of two £1,000,000 secured bank loans.

The terms of the two bank loans as follows:

Loan 1 – Total loan balance £1,000,000 to be repaid over a period of 10 years ending on or before the 14 October 2019. Interest charged will be charged at a fixed rate of 3.6% per annum above the funding rate offered to the Unity Trust Bank in the London Money Markets on the date of drawn down 14 October 2009, for a period of 5 years. Thereafter, unless a further fixed rate is agreed, interest will be paid at a rate of 2.85% per annum above the Unity Trust Bank's published rate.

Loan 2 – Total loan balance £1,000,000 to be repaid over a period of 10 years ending on or before the 14 October 2019. Interest charged will be charged at a fixed rate of 2.85% per annum above the funding rate offered to the Unity Trust Bank in the London Money Markets on the date of drawn down 14 October 2009, until March 2011. Thereafter, unless a further fixed rate is agreed, interest will be paid at a rate of 2.85% per annum above the Unity Trust Bank's published rate.

The outstanding contributions payable of £1,700,000 plus interest of £125,202 was paid into the scheme on the 14 October 2009.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**14. STAFF PENSION SCHEME**

The NUJ operates a defined benefit pension scheme in the UK. The scheme's assets are held separately from those of the NUJ in independently administered funds.

A liability is recognised in the balance sheet in respect of the defined benefit scheme which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of the section's assets. A full valuation of the liability is calculated by an independent actuary every 3 years and updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised in reserves in the year in which they arise. Past-service costs are recognised immediately in income.

The principal assumptions at the balance sheet date were:

	At 30 September 2009 %	At 30 September 2008 %
Expected rate of inflation	2.95	3.5
Discount rate applied to the liabilities	5.5	7.3
Expected long term rate of return on scheme assets	5.2	7.0
Pension increases	2.84	3.4
Increase in salaries	2.95	3.4
Mortality before retirement	AMC00/ACF00	AMC00/AFC00
Mortality after retirement	S1PMA mc YoB S1PFA mc YoB	PCMA92 mc YoB PCFA00 mc YoB

The underlying mortality assumption is based upon the standard table known S1PMAmc on a year of birth usage with a medium cohort future improvement factors (2008: PA00mc).

The figures given should not be assumed to have any relevance beyond the scope of the UK Accounting Standards Requirements. The following information demonstrates what the full implementation of FRS17 reporting would have on the financial statements as at 30 September 2009. The amounts recognised in the balance sheet are as follows:

	2009 £'000	2008 £'000
Present value of funded obligations	(15,933)	(12,138)
Fair value of scheme assets	14,186	13,423
(Deficit)/surplus in the scheme	(1,747)	1,285
Related deferred tax asset	-	-
Net pension (liability)/surplus	(1,747)	1,285

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**14. STAFF PENSION SCHEME (Continued)**

Changes in the defined benefit obligation are as follows:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit obligation	12,138	14,570
Interest cost	866	854
Service cost	126	171
Members contributions	141	107
Actuarial (gain)/loss	3,490	(3,092)
Benefits paid	(828)	(472)
	<u>15,933</u>	<u>12,138</u>

Changes in the defined benefit assets are as follows:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Opening defined benefit assets	13,423	12,898
Expected return	917	860
Actuarial gains/(losses)	298	(1,841)
Contributions paid by the union	235	171
Contributions payable by the union	-	1,700
Member contributions	141	107
Benefits paid	(828)	(472)
	<u>14,186</u>	<u>13,423</u>

**Contributions payable by the Union**

Due to a change in EU regulations, the NUJ had an obligation to make an additional contribution into the pension scheme of £1,700,000 by the 22 September 2008. The NUJ operates a cross border pension scheme by virtue of it having contributing members in Ireland. The EU Occupational Pensions Directive required cross border schemes to set a schedule of contributions that would be expected to fully fund the scheme by 22 September 2008. The actual return on the schemes assets in the year to 30 September 2009 was £1,215,000.

On the 14 October 2009 the NUJ arranged for additional funding of £2,000,000 by way of two £1,000,000 secured loans to enable them to pay the contributions payable. The outstanding pension contributions of £1,825,202 were paid into the scheme on the 14 October 2009.

The actuarial assumptions includes the use of a discount rate equal to the iBoxx Sterling Corporate Bond Index for AA rated stocks with a term greater than 15 years in accordance with FRS 17 requirements. The rate at the year end was 5.5% the rate on the 21 January 2010 is 5.6%. This change would have an impact on the valuation of the schemes liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**14. STAFF PENSION SCHEME (Continued)**

The amounts recognised in the income and expenditure account are as follows:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Interest on scheme liabilities	(866)	(854)
Expected return on scheme assets	917	860
Current service cost	(126)	(171)
Employers contributions	235	171
Total	<u>160</u>	<u>6</u>

The amounts recognised in the Statement of Total Recognised Gains and Losses are as follows:

	<b>Current year</b>		<b>Cumulative</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Actuarial (losses)/gains	(3,192)	1,251	(3,134)	1,064

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b>2009</b>	<b>2008</b>
	<b>%</b>	<b>%</b>
With Profits Policy	51	55
Secured Pension Annuities	36	32
Contributions payable by NUJ	13	13
	<u>100</u>	<u>100</u>

The expected long term rate of return on the scheme assets has been calculated based upon the major asset categories shown in the above table and on an expected rate of return on with profits policy of 6.2% (2008: 7.2%), an expected rate of return on secured pension annuities 5.5% (2008: 7.3%) and an expected rate of return on cash of 0.5% (2008: 5.0%).

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of Scheme liabilities	15,933	12,138	14,570	16,745	14,394
Market value of Scheme assets	14,186	13,423	12,898	12,783	11,359
(Deficit)/surplus in the Scheme	<u>(1,747)</u>	<u>1,285</u>	<u>(1,672)</u>	<u>(3,962)</u>	<u>(3,035)</u>
Actual return less expected return on Scheme assets	298	(1,841)	(500)	854	865
Experience gain/(loss) arising on Scheme liabilities	(548)	(264)	540	(39)	141
Change in assumptions underlying present value of Scheme liabilities	(2,942)	3,356	2,557	(1,538)	(1,212)
Statement of Total Recognised Gains and Losses	<u>(3,192)</u>	<u>1,251</u>	<u>2,597</u>	<u>(723)</u>	<u>(206)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 30 September 2009

**15. EX-GRATIA PAYMENTS**

The union is committed to making Ex-Gratia payments to six former employees. The basis for these payments arises from the introduction of the NUJ Pension Scheme. At the time of retirement a number of employees could only complete a short period of membership within the pension scheme. It was agreed to enhance their pensions on retirement by means of an Ex-Gratia payment. The union is committed to these payments for the lifetime of each individual and at 50% to their surviving spouse. No current or future retiring employee will be paid Ex-Gratia payments in order to enhance their retirement pension.

**16. FUNDS**

	1 October 2008 £	Incoming resources £	Outgoing resources £	Pension asset/ (liability) £	Transfers between funds £	30 September 2009 £
General Fund	2,632,019	5,351,550	(4,851,765)	(3,192,000)	(163,707)	(223,903)
Fighting Fund	1,126,046	-	(41,202)	-	-	1,084,844
Branches Mgt Fund	211,490	-	(92,696)	-	163,707	282,501
	<u>3,969,555</u>	<u>5,351,550</u>	<u>(4,985,663)</u>	<u>(3,192,000)</u>	<u>-</u>	<u>1,143,442</u>

**Fighting Fund:**

The fighting fund was set up in accordance with the Union's Rule Book and is to be used to pay benefits to members in the course of employment disputes.

**Branches Management Fund:**

The branch management fund represents funds held by NUJ branches to cover their local running costs.

**17. SUBSEQUENT EVENTS**

On the 14 October 2009 the NUJ received additional funding of £2,000,000, by way of two £1,000,000 secured bank loans (See note 8 & 13). On the 14<sup>th</sup> October 2009, the funding was used to pay the outstanding pension contributions of £1,825,202 into the pension scheme.

**18. RELATED PARTY TRANSACTIONS**

During the year the NUJ paid a charitable donation of £25,000 to the George Viner Memorial Fund. The Trustees of the George Viner Memorial Fund include Mr J Dear, the NUJ's General Secretary.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 30 September 2009

19. NOTES TO THE CASH FLOW STATEMENT	2009 £	2008 £		
<b>a. Reconciliation of operating surplus/(deficit) to net cash flow from operating activities</b>				
Operating surplus/(deficit)	365,887	(259,170)		
Interest received	(18,230)	(19,292)		
Interest paid	144,449	27,506		
Depreciation	21,674	21,674		
Impairment of investments	(173,924)	291,459		
FRS17 Adjustments	(160,000)	(6,000)		
Decrease/(increase) in debtors	(25,110)	23,657		
Increase/(decrease) in creditors	293,375	24,495		
<b>Net cash flow from operating activities</b>	<u>448,121</u>	<u>104,329</u>		
<b>b. Returns on investments and servicing of finance</b>				
Interest received	18,230	19,292		
Interest paid	(144,449)	(27,506)		
<b>Net cash outflow for returns on investment and servicing of finance</b>	<u>(126,219)</u>	<u>(8,214)</u>		
<b>c. Capital expenditure</b>				
Sale/(Purchase) of investments (net)	27,969	27,493		
<b>Net cash outflow for capital expenditure and financial investment</b>	<u>27,969</u>	<u>27,493</u>		
<b>d. Financing</b>				
Debt due within one year: decrease/(increase) in short term borrowings	-	-		
Debt due in more than one year: increase in long term borrowings	-	-		
<b>Net cash outflow from financing</b>	<u>-</u>	<u>-</u>		
<b>e. Analysis of net funds</b>	<b>1 October 2008</b>	<b>Cash flows</b>	<b>Non cash movements</b>	<b>30 September 2009</b>
	£	£	£	£
Balances with branches	211,490	71,011	-	282,501
Cash at bank	178,517	(19,923)	-	158,594
Overdraft	(480,668)	298,783	-	(181,885)
	<u>(90,661)</u>	<u>349,871</u>	<u>-</u>	<u>259,210</u>
Managed investments	2,281,048	(27,969)	173,924	2,427,003
<b>Total</b>	<u>£ 2,190,387</u>	<u>321,902</u>	<u>173,924</u>	<u>2,686,213</u>

**ANALYSIS OF EXPENDITURE**  
**for the year ended 30 September 2009**

	2009 £	2008 £
<b>SALARIES AND STAFF COSTS</b>		
Salaries	1,965,755	1,990,988
National Insurance	176,183	176,546
Pension costs	208,365	188,930
Sundry costs	146,073	135,810
	<u>2,496,376</u>	<u>2,492,274</u>
<b>OFFICE ADMINISTRATION COSTS</b>		
Office equipment	2,027	-
Printing, postage and stationery	33,761	45,640
Postage and telephone	54,207	62,582
Legal and professional costs	61,821	64,233
Regional office expenses	145,979	152,615
Fixtures and fittings	598	506
Sundry costs	-	1,463
Insurance	29,814	30,275
	<u>328,207</u>	<u>357,314</u>
<b>CONFERENCE AND COMMITTEE COSTS</b>		
Annual conference	9,233	201,684
Other committees	24,141	10,287
NEC costs	52,804	36,590
Organisation and negotiations	88,187	66,251
Industrial councils	49,847	46,929
Ballot costs	25,648	54,250
Officials expenses	115,016	129,443
Other conferences	-	23,757
Campaigns	25,114	26,598
Copyright	785	571
Website	2,928	3,538
	<u>393,703</u>	<u>599,898</u>

**ANALYSIS OF EXPENDITURE**  
for the year ended 30 September 2009

	2009 £	2008 £
<b>BENEFITS TO MEMBERS</b>		
Provident benefit	10,150	6,890
Legal assistance	437,810	401,789
Journalist costs (Gross)	161,100	181,642
Other	44,012	53,346
Professional training	379,330	321,174
T.U. training	42,201	38,510
Union modernisation	-	1,820
	<u>1,074,603</u>	<u>1,005,171</u>
	=====	=====
<b>HEADLAND HOUSE COSTS</b>		
Rates	86,872	79,275
Utilities and service charges	23,565	21,265
Security and cleaning	37,924	39,348
Repairs and renewals	30,008	24,866
Refreshment costs	5,578	5,466
Depreciation	21,674	21,674
	<u>205,621</u>	<u>191,894</u>
	=====	=====
<b>AFFILIATION AND DELEGATE FEES</b>		
IFJ	70,639	69,020
TUC	72,497	73,728
Other fees	57,577	47,981
	<u>200,713</u>	<u>190,729</u>
	=====	=====
<b>CENTRAL COMPUTER COSTS</b>		
Rent	8,475	9,051
Operations	16,614	14,888
Supplies	23,711	2,204
Communications	39,615	51,019
New technology	35,934	9,660
	<u>124,349</u>	<u>86,822</u>
	=====	=====