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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:	NATIONAL UNION OF TEACHERS
Year ended:	31 DECEMBER 2014
List no:	235
Head or Main Office:	HAMILTON HOUSE MABLEDON PLACE LONDON WC1H 9BD
Website address (if available)	www.teachers.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	CHRISTINE BLOWER
Telephone Number:	020 7388 6191
Contact name for queries regarding	AUDREY ALLEN-CHITWA
Telephone Number:	020 7388 6191
E-mail:	

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

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

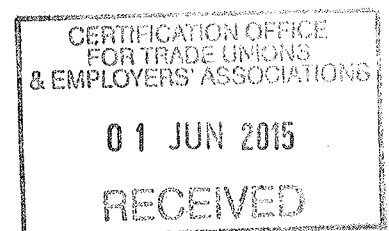
The address to which returns and other documents should be sent are:

For Unions based in England and Wales:

Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:

Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

EXECUTIVE MEMBERS AT 31 DECEMBER 2014

ALAN RUTTER	
ALEX KENNY	
AMANDA MARTIN	
ANGELA JARDINE	
ANNE LEMON	
ANNE SWIFT	JUNIOR VICE PRESIDENT
ANNETTE PRYCE	
BETH DAVIES	EX PRESIDENT
BETH PURNELL	
BARRIE FROST	
BETTY JOSEPH	
DAVID CAMPBELL	
DAVE HARVEY	
DOMINIC BYRNE	
GAWAIN LITTLE	
GRAHAM WHITE	
HAZEL DANSON	
HEATHER MACKENZIE	
IAN GRAYSON	
IAN LEAVER	
IAN MURCH	TREASURER
JACKIE BAKER	
JANE NELLIST	
JAY BARRY	
JERRY GLAZIER	
JOHN PEMBERTHY	
KEN RUSTIDGE	
LIAM CONWAY	
LINDA GOODWIN	
MANDY HUDSON	
MARILYN BATER	
MARTIN POWELL-DAVIES	
MAX HYDE	PRESIDENT
NEIL FODEN	
NICK WIGMORE	
PATRICK MURPHY	
PETER GLOVER	
PHIL CLARKE	
PHILIPA HARVEY	SENIOR VICE PRESIDENT
ROBERTO DE BENEDICTIS	
ROBIN HEAD	
ROGER KING	
ROY BOWSER	
SIMON JONES	
STEFAN SIMMS	

RETURN OF MEMBERS

(see notes 10 and 11)

	NUMBER OF MEMBERS AT THE END OF THE YEAR				
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	88,860			301	89,161
FEMALE	286,076			971	287,047
TOTAL	374,936			1,272	A 376,208

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

400
332,389

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

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return.

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
PRESIDENT	B. DAVIES	M. HYDE	18 APRIL 2014
SENIOR VICE PRESIDENT	M. HYDE	P. HARVEY	18 APRIL 2014
EX PRESIDENT	M. HARROP	B. DAVIES	18 APRIL 2014
JUNIOR VICE PRESIDENT		A .SWIFT	18 APRIL 2014

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		31,949,241
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		31,949,241
Investment income (as at page 14)		1,873,823
Other Income		
Income from Federations and other bodies (as at page 5)		
Income from any other sources (as at page 5)	2,006,067	
Increase in market value of investment (as at page 5)	333,768	
Total of other income (as at page 5)		2,339,835
		TOTAL INCOME
		36,162,899
EXPENDITURE		
Benefits to members (as at page 6)		15,028,299
Administrative expenses (as at page 11)		14,794,630
Federation and other bodies (specify)		
TUC	885,549	
EI/TUCE	533,302	
Transfer to branches	305,635	
Transfer to Pension Scheme	2,121,000	
Total expenditure Federation and other bodies		3,845,486
Taxation		
		TOTAL EXPENDITURE
		33,668,415
Surplus (deficit) for year		2,494,484
Amount of general fund at beginning of year		29,039,019
Amount of general fund at end of year		31,533,503

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Teacher Advertising	288,671	
Commission	266,870	
Legal Income	598,555	
Diaries	22,083	
Other	126,888	
Expected return on scheme assets in excess of interest on liabilities	703,000	
TOTAL OTHER INCOME		2,006,067
Increase in market value of investments		333,768
TOTAL OF ALL OTHER INCOME		2,339,835

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	1,367,544
		Education and Training services Training	1,002,258
Representation – Non Employment Related Issues		Negotiated Discount Services Discount card	178,501
Communications			
The Teacher	996,310		
Diaries	44,976		
Website	190,183	Salary Costs	11,799,224
Education Review			
Advisory Services (incl. Adviceline)	58,544		
Regional Council	77,531		
		Other Benefits and Grants (specify)	
		Insurance of Members	231,716
Dispute Benefits		Professional Development	431,008
		Professional Unity	18,048
Other Cash Payments			
carried forward	1,367,544	Total (should agree with figure in General Fund)	15,028,299

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	SUSTENTATION FUND	£	£
Income			
	From members		323,970
	Investment income (as at page 14)		74,632
	Other income (specify)		
	Increase in market value of investment	215,220	
		Total other income as specified	215,220
		Total Income	613,822
Expenditure			
	Benefits to members		139,803
	Administrative expenses and other expenditure (as at page 11)		95,296
		Total Expenditure	235,099
		Surplus (Deficit) for the year	378,723
		Amount of fund at beginning of year	5,252,405
		Amount of fund at the end of year (as Balance Sheet)	5,631,128
		Number of members contributing at end of year	332,389

FUND 3		Fund Account	
Name:	LEGACY	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	
		Surplus (Deficit) for the year	
		Amount of fund at beginning of year	14,248
		Amount of fund at the end of year (as Balance Sheet)	14,248
		Number of members contributing at end of year	

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	INTERNATIONAL SOLIDARITY FUND	£	£
Income			
	From members		
	Investment income (as at page 14)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
Expenditure			
	Benefits to members		188,105
	Administrative expenses and other expenditure (as at page 11)		
	Total Expenditure		188,105
	Surplus (Deficit) for the year		(188,105)
	Amount of fund at beginning of year		602,045
	Amount of fund at the end of year (as Balance Sheet)		413,940
	Number of members contributing at end of year		332,389

FUND 5		Fund Account	
Name:	ASSOCIATIONS AND DIVISIONS	£	£
Income			
	From members		4,043,340
	Investment income (as at page 14)		14,074
	Other income (specify)		
	Donations	39,326	
	Profit on disposal of fixed assets	550	
	Diaries sold	4,875	
	Transfer from General Fund	305,635	
	Transfer from Political Fund	5,023	
	Total other income as specified		355,409
	Total Income		4,412,823
Expenditure			
	Benefits to members	409,339	
	Administrative expenses and other expenditure (as at page 11)	3,864,392	
	Total Expenditure		4,273,731
	Surplus (Deficit) for the year		139,092
	Amount of fund at beginning of year		5,991,079
	Amount of fund at the end of year (as Balance Sheet)		6,130,171
	Number of members contributing at end of year		332,389

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	PENSION RESERVE FRS17	£	£
Income			
	From members		
	Investment income (as at page 14)		
	Other income (specify)		
	Transfer from General Fund	2,121,000	
	Actuarial gain	1,340,000	
	Total other income as specified		3,461,000
	Total Income		3,461,000
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 11)		
	Total Expenditure		
	Surplus (Deficit) for the year		3,461,000
	Amount of fund at beginning of year		(9,411,015)
	Amount of fund at the end of year (as Balance Sheet)		(5,950,015)
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:	STOKE ROCHFORD	£	£
Income			
	From members		
	Investment income (as at page 14)		
	Other income (specify)	2,695,637	
	Total other income as specified		2,695,637
	Total Income		2,695,637
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 11)		3,470,697
	Total Expenditure		3,470,697
	Surplus (Deficit) for the year		(775,060)
	Amount of fund at beginning of year		10,661,764
	Amount of fund at the end of year (as Balance Sheet)		9,886,704
	Number of members contributing at end of year		

(see notes 26 to 31)

POLITICAL FUND ACCOUNT 1		To be completed by trade unions which maintain their own fund	
		£	£
Income	Members contributions and levies		429,127
	Investment income (as at page 14)		
	Other income (specify) Donations	160	
	Total other income as specified		160
	Total income		429,287
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		567,883
	Transfer to Association and Division Fund		5,023
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		572,906
	Surplus (deficit) for year		(143,619)
	Amount of political fund at beginning of year		728,684
	Amount of political fund at the end of year (as Balance Sheet)		585,065
	Number of members at end of year contributing to the political fund		330,391
	Number of members at end of the year not contributing to the political fund		45,817
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		1,998

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

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

(see notes 32 and 33)

		£
Administrative Expenses		
Remuneration and expenses of staff		4,738,428
Salaries and Wages included in above	£4,330,942	
Auditors' fees		96,420
Legal and Professional fees		253,115
Occupancy costs		2,207,636
Stationery, printing, postage, telephone, etc.		2,349,951
Expenses of Executive Committee (Head Office)		439,524
Expenses of conferences		1,232,321
Other administrative expenses (specify) –Computer costs		521,061
Research Fees		21,011
Campaigns and action		3,410,337
Elections		329,017
Staff Recruitment		313,253
Badges and souvenirs		39,892
Subscriptions and donations		135,310
Stoke Rochford costs		3,023,307
Recruitment		491,675
Expenses of committes/ other outside bodies		1,340,741
Other Outgoings		
Depreciation		1,151,251
Taxation		3,206
Executive IT		17,747
Bank Charges		88,074
Loss on disposal of investments		3,847
Loss on disposal of fixed assets		17,890
Total		22,225,014
Charged to:	General Fund (Page 4)	14,794,630
	Sustentation Fund (Account 2)	95,296
	Fund (Account)	
	Assoc & Div Fund (Account 5)	3,864,391
	Stoke Fund (Account 7)	3,470,697
Total		22,225,014

EXECUTIVE HONORARIA AND IT GRANTS

FORENAME	SURNAME	HONORARIA £	IT GRANT £	TOTAL £
JACQUELINE	BAKER	350		350
JAMES	BARRY	350	250	600
MARILYN	BATER	350	899	1249
ROY	BOWSER	350		350
DAVID	BRINSON	58		58
DOMINIC	BYRNE	350	804	1154
DAVID	CAMPBELL	350	884	1234
PHIL	CLARKE	350		350
WILLIAM	CONWAY	350	700	1050
HAZEL	DANSON	350		350
ANN	DAVIES	350	688	1038
ROBERTO	DE BENEDICTIS	350	1,000	1350
NEIL	FODEN	350	1,000	1350
BARRIE	FROST	350	1,000	1350
EDWARD	GLAZIER	350	719	1069
PETER	GLOVER	350	30	380
LINDA	GOODWIN	350		350
NICK	GRANT	58		58
IAN	GRAYSON	350		350
MARILYN	HARROP	58	351	409
DAVID	HARVEY	350	544	894
ROBIN	HEAD	350	75	425
JOSEPH	HOLMES	58		58
FRANCES AMANDA	HUDSON	350		350
MARGARET	HYDE	350	626	976
ANGELA	JARDINE	350		350
CLARE	JONES	58		58
SIMON	JONES	350	1,206	1556
BETTY	JOSEPH	350		350
ALEX	KENNY	350		350
ROGER	KING	350	159	509
IAN	LEAVER	350		350
ANNE	LEMON	350	456	806
GAWAIN	LITTLE	350	910	1260
JULIE	LYON - TAYLOR	58	580	638
AMANDA	MARTIN	350		350
HEATHER	MCKENZIE	350		350
IAN	MURCH	350	130	480
PATRICK	MURPHY	350		350
JANE	NELLIST	350		350
JOHN	PEMBERTHY	350	1,000	1350
VERONICA	PEPPIATT	117		117
THOMAS	POWELL-DAVIES	350	355	705
ANNETTE	PRYCE	350	364	714
ELIZABETH	PURNELL	350	408	758
EDWARD	RITSON	58		58
KENNETH	RUSTIDGE	350	1,000	1350
ALAN	RUTTER	350	1,000	1350
STEFAN	SIMMS	350	79	429
ANNE	SWIFT	350		350
ANTHONY	TONKS	58		58
NICHOLAS	WIGMORE	350	530	880
		15,631	17,747	33,378

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			1,595,444
Dividends (gross) from:			
Equities (e.g. shares)			63,081
Interest (gross) from:			
Government securities (Gilts)			
Corporate Bonds			145,504
Local Authority Bonds			
Bank and Building Societies			158,500
Other investment income (specify)			
Total investment income			1,962,529
Credited to:			
	General Fund (Page 4)		1,873,823
	Sustentation Fund (Account 2)		74,632
	Assoc. and Div. Fund (Account 5)		14,074
	Fund (Account)		
	Fund (Account)		
	Fund (Account)		
	Political Fund		
Total Investment Income			1,962,529

BALANCE SHEET as at 31 DECEMBER 2014

(see notes 47 to 50)

Previous Year		£	£
21,165,627	Fixed Assets (at page 16)		21,825,834
	Investments (as per analysis on page 17)		
6,099,167	Quoted (Market value £ 8,568,185)	8,658,185	
1,093,045	Unquoted	1,175,632	
7,192,212	Total Investments		9,833,817
	Other Assets		
1,589,790	Sundry debtors		2,007,940
8,121,860	Short term deposits		7,184,641
15,876,939	Cash at bank and in hand		15,276,110
45,049	Stocks of goods		45,701
165,311	Others (specify) Short tem loans		68,601
25,798,949	Total of other assets		24,582,993
54,156,788	TOTAL ASSETS		56,242,644
29,039,019	General Fund (Account 1)		31,533,503
5,252,405	Sustentation Fund (Account)		5,631,128
14,248	Legacy Fund (Account)		14,248
602,045	International Sol. Fund (Account)		413,940
5,991,078	Assoc. & Div. Fund (Account)		6,130,171
(9,411,015)	Superannuation Fund (Account)		(5,950,015)
10,661,764	Stoke Rochford (Account)		9,886,704
728,864	Political Fund (Account)		585,065
42,878,228	LIABILITIES		48,244,744
	Amount held on behalf of central trade union political fund		
	Bank overdraft		
	Tax payable		
1,488,800	Sundry creditors		1,685,642
369,163	Deferred Income		352,661
9,411,015	Pension liability		5,950,015
9,582	Deferred tax		9,582
11,278,560	TOTAL LIABILITIES		7,997,900
54,156,788	TOTAL ASSETS		56,242,644

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	7,416,732	15,388,230	8,283,322	15,673		31,103,957
Additions	520,051	887,705	421,820	895		1,830,471
Disposals	-	(74,516)	(512,705)	-		(587,221)
Revaluation/Transfers	(2,272,915)	2,272,915	-	-		
At end of year	5,663,868	18,474,334	8,192,437	16,568		32,347,207
Accumulated Depreciation						
At start of year	1,779,488	2,249,061	5,897,261	12,520		9,938,330
Charges for year	177,164	402,300	570,478	1,309		1,151,251
Disposals	-	(62,264)	(505,944)	-		(568,208)
Revaluation/Transfers	(45,530)	45,530	-	-		
At end of year	1,911,122	2,634,627	5,961,795	13,829		10,521,373
Net book value at end of year						
	3,752,746	15,839,707	2,230,642	2,739		21,825,834
Net book value at end of previous year						
	5,637,244	13,139,169	2,386,061	3,153		21,65,627

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	2,845,039	
Semi Government Bonds	48,443	
Other quoted securities (to be specified)		
Fixed Interest	112,257	
Unit Trust	29,636	
Corporate Bond	221,831	
Corporate Bond Fund	5,400,979	
TOTAL QUOTED (as Balance Sheet)	8,658,185	
Market Value of Quoted Investment	8,658,185	
UNQUOTED Equities	5,001	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies	1,170,631	
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	1,175,632	
Market Value of Unquoted Investments	1,175,632	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME (1)STOKE ROCHFORD MANAGEMENT LIMITED (100%)	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered) 1361390		
(2)TEACHER PUBLISHING CO (100%) WRITTEN DOWN TO £1 AS THE COMPANY HAS BEEN D	102549		
3) PROFESSIONAL AND EDUCATIONAL TRAVEL ASSOCIATION LIMITED (DORMANT)	1086502		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input checked="" type="checkbox"/> (1)	NO <input checked="" type="checkbox"/> (2) (3)
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME TEACHER PUBLISHING COMPANY LTD	NAMES OF SHAREHOLDERS CHRISTINE BLOWER		
PROFESSIONAL AND TRAVEL ASSOCIATED LIMITED (DORMANT)	TEACHER PUBLISHING COMPANY LTD		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Intergroup Transactions	Political Funds £	Total Funds £
INCOME				
From Members	36,316,551		429,127	36,745,678
From Investments	1,962,529			1,962,529
Other Income (including increases by revaluation of Total Income)	6,635,443	(563,669)	160	6,071,934
	44,914,523	(563,669)	429,287	44,780,141
EXPENDITURE (including decreases by Total Expenditure)				
	39,404,388	(563,669)	572,906	39,413,625
 Funds at beginning of year (including reserves)	 42,149,544		 728,684	 42,878,228
Funds at end of year (including reserves)	47,659,679		585,065	48,244,744
 ASSETS				
	Fixed Assets			21,825,834
	Investment Assets			9,833,817
	Other Assets			24,582,993
			Total Assets	56,242,644
LIABILITIES			Total Liabilities	(7,997,900)
	NET ASSETS (Total Assets less Total Liabilities)			48,244,744

NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements
for the year ended 31 December 2014

1 Related Party Transactions

Ten members of the Executive sit on the National Council of the Teachers' Support Network (a company limited by guarantee with charitable status whose objects are to provide support, advice and practical help to all members of the teaching profession and their families regardless of age, length of service or Union affiliation). Of these ten members of the Executive, two sit on the board of Trustees and are directors of the charitable company.

A summary of the transactions undertaken between the National Union of Teachers and its related parties is set out below.

- (a) During the course of the year, the National Union of Teachers collected subscriptions on behalf of the Teachers' Support Network amounting to £108,147 (2013 - £120,058).
- (b) In 2014, the National Union of Teachers made no charitable donations to the Teachers' Support Network (2013 - £25,000).
- (c) The National Union of Teachers consists of Headquarters, regional and Wales offices, associations and divisions. The Financial Statements disclose the net assets and transactions of Headquarters and the regional and Wales offices. As explained in Note 1(a), they do not reflect the assets, liabilities and transactions of local associations and divisions other than those transactions with the Union's Headquarters or regional and Wales offices. The AR21 return to the Certification Officer of Trade Unions consolidates the assets, liabilities and transactions of the National Union and its associations and divisions.

The following transactions with associations and divisions are reflected in these accounts:

- payment of grants to associations and divisions £221,999 (2013 - £305,532);
- subscriptions collected on behalf of associations and divisions and remitted to them amounted to £4,058,246 (2013 - £3,956,512). These payments are reflected in the accounts by set off against Subscription Income.

**Notes forming part of the Consolidated Financial Statements
for the year ended 31 December 2014 (continued)**

2 Pension Costs

Consolidated and Union

Employees of the Union who are 18 years old and over are eligible to join the National Union of Teachers' Staff Superannuation Fund, which is a funded defined Benefit Scheme. The Scheme is open to new entrants and to future accrual. Members of the Fund contribute 8.7% (those opted out of salary exchange pay 9.5%) of pensionable earnings whilst the participating employer's contribution varies in accordance with the terms of the trust instrument governing the Fund and the recommendation of the Fund's actuary.

The employer expects to contribute £3,653,623 for the year ended 31 December 2015. The current arrangements as regards to contribution rates are described in a Schedule of Contributions, dated 26 March 2011. The anticipated pension contribution shown above has been estimated on the basis of total salaries of £9,690,517 and allowance has been made for death in service insurance premium payments. Administration expenses and PPF levies are met by the employer.

During the year, the Fund had 273 (2013- 278) active members, paid pensions to 189 (2013- 175) retired members and recognised additional future pension commitments in respect of 124 (2013- 108) deferred pensioners.

The Fund is subject to triennial valuations by an independent actuary. The most recent formal valuation to have been completed was carried out as at 31 December 2011. The valuation was prepared using the projected unit method and was based on the following principal assumptions:

Rate of discount pre-retirement	6.3% p.a.
Rate of discount post retirement	4.55% p.a.
Rate of pay escalation	3.1% p.a.
Rate of pension payment increase	2.1% p.a.

The valuation showed that, on an on-going basis, the Fund's assets amounted to 88% of the value of the accrued benefits, allowing for expected future increases in earnings.

The market value of the Fund's assets at 31 December 2011 amounted to £41.8m.

The following disclosures have been prepared to comply with FRS17.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014 (continued)

2 Pension Costs (continued)

The information required to comply with FRS17 was generated by the Scheme's Actuary. It is based on the full actuarial valuation, which was carried out at 31 December 2011 and updated to 31 December 2014 by a qualified independent actuary, using approximate actuarial techniques and available information.

Under FRS 17, the net pension deficit or surplus (measured in accordance with the requirements of the standard) are reflected on the Union's Balance Sheet as a pension liability or asset. Movements on the Pension Scheme asset or liability during the year are reflected through the Income and Expenditure account to the extent that they arise from the employer's current service cost and expected return on the Scheme's assets, net of interest on Pension Scheme liabilities. Movements arising from changes in actuarial assumptions, including differences between the actual return and expected return on the Scheme's assets and experience gains and losses on the Scheme's liabilities are reflected through the Statement of total recognised gains and losses.

The FRS17 current service costs of pensions amounts to £2,220,000 (2013 - £1,944,000) whereas the expected pension assets will exceed the Pension Scheme liabilities interest by £703,000 (2013 - £410,000), resulting in a net charge reflected through the Income and Expenditure account of £1,517,000 (2013 - £1,534,000).

In addition, in the current year an actuarial surplus of £1,340,000 (2013 - loss of £2,556,000) is reflected through the Statement of Total Recognised Gains and losses.

	Value at 31 December 2014 £'000	Value at 31 December 2013 £'000	Value at 31 December 2012 £'000
Present value of funded obligations	80,299	75,904	72,046
Fair value of Scheme assets	(74,349)	(66,493)	(63,225)
	<hr/>	<hr/>	<hr/>
Net liability	5,950	9,411	8,821
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Union does not benefit generally from tax relief on employee remuneration. Therefore there are no deferred tax implications to Pension Scheme deficits or surpluses.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014(*continued*)

2 Pension Costs (*continued*)

The principal assumptions used by the actuary to calculate the present value of the Scheme's liabilities were as follows:

	At 31 December 2014 (per annum)	At 31 December 2013 (per annum)	At 31 December 2012 (per annum)
Financial Assumptions			
Rate of increase in salaries	1.75% to 2015, 1.5% to 2017, 3.0% thereafter	2.25% to 2014, 3.4% thereafter	1.5% to 2014, 2.8% thereafter
Rate of increase of pensions in payment	1.9%	2.4%	2.2%
Rate of revaluation of deferred pensions in excess of GMP	1.9%	2.4%	2.2%
Discount rate	3.7%	4.5%	4.4%
Inflation assumption (RPI)	2.9%	3.4%	2.8%
Inflation assumption (CPI)	1.9%	2.4%	2.2%
Expected return on Scheme assets	6.14%	5.6%	5.85%

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014(*continued*)

2 Pension Costs (*continued*)

	At 31 December 2014 (per annum)	At 31 December 2013 (per annum)	At 31 December 2012 (per annum)
Demographic Assumptions			
Post retirement mortality for non-pension members (male/female)	90% (males) / 95% (females) of S2PxA	90% (males) / 95% (females) of S1PxA	90% (males) / 95% (females) of S1Px
Post retirement mortality for pension members (male/female)	90% (males) / 95% (females) of S2PxA	90% (males) / 95% (females) of S1PxA	90% (males) / 95% (females) of S1Px
Life expectancy at age 60 for some who is currently 60 (pensioner)	Male 87.5 years Female 89.2 years	Male 87.3 years Female 89.2 years	Male 87.4 years Female 89.4 years
Life expectancy at age 60 for someone who is current 45 (non-pensioner)	Male 88.9 years Female 90.8 years	Male 88.9 years Female 90.9 years	Male 89 years Female 91.1 years
Cash commutation allowance	No	No	No
Withdrawal allowances	No	No	No

The overall expected rate of return on the Scheme assets has been based on the average expected return for each asset class, weighted by the amount of assets in each class.

In setting the expected return on the assets as at 1 January 2014, the actuary has taken into account the opinions of leading investment houses, yields on government bonds and yields on quality corporate bonds.

Fair Value of Assets

	Value at 31 December 2014 £'000	Proportion at 31 December 2014 %	Value at 31 December 2013 £'000	Proportion at 31 December 2013 %	Value at 31 December 2012 £'000	Proportion at 31 December 2012 %
Corporate Bonds	37,732	51%	32,411	49%	31,931	50%
Diversified growth	35,956	48%	32,989	49%	30,305	48%
Cash	661	1%	789	1%	728	1%
Other Assets	-	-	304	1%	261	1%
Total value of assets	74,349	100%	66,493	100%	63,225	100%

The Scheme assets do not include investments issued by the National Union of Teachers nor any property occupied by the National Union of Teachers.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014(continued)

2 Pension Costs (continued)

Expected Long Term Rate of Return (per annum)

	At 31 December 2014 (per annum)	At 31 December 2013 (per annum)	At 31 December 2012 (per annum)
Corporate bonds	4.5%	4.4%	4.7%
Diversified growth	7.8%	6.9%	7.0%
Cash	4.5%	4.4%	4.2%
Average Return	6.14%	5.6%	5.85%

	2014 £'000	2013 £'000	2012 £'000
Actual Return on Plan Assets	7,188	2,264	6,566

Income and Expenditure Account Impact

	Value at 31 December 2014 £'000	Value at 31 December 2013 £'000	Value at 31 December 2012 £'000
Current service cost	2,220	1,944	1,906
Interest on obligations	3,398	3,157	3,009
Expected return on plan assets	(4,101)	(3,567)	(3,293)
Past service cost	-	-	-
	1,517	1,534	1,622

Amount Recognised in the Statement of Total Recognised Gains and Losses

	Value at 31 December 2014 £'000	Value at 31 December 2013 £'000	Value at 31 December 2012 £'000
Net actuarial gains/ (losses) recognised in year	1,340	(2,556)	(2,096)
Net cumulative actuarial losses	(14,409)	(15,749)	(13,193)

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014(*continued*)

2 Pension Costs (*continued*)

Change in the present value of the defined benefit obligation

	Value at 31 December 2014 £'000	Value at 31 December 2013 £'000	Value at 31 December 2012 £'000
Opening defined benefit obligations	75,904	72,046	64,418
Service cost	2,220	1,944	1,906
Interest cost	3,398	3,157	3,009
Employees' contributions	99	56	49
Actuarial (losses)/gains	1,747	1,253	5,369
Benefits paid	(3,069)	(2,552)	(2,705)
	<hr/>	<hr/>	<hr/>
Closing defined benefit obligation	80,299	75,904	72,046
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Change in the Fair Value of Plan Assets

Opening fair value of plan assets	66,493	63,225	55,961
Expected return	4,101	3,567	3,293
Actuarial (losses)/gains	3,087	(1,303)	3,273
Contributions by employer	3,638	3,500	3,354
Contributions by plan participants	99	56	49
Benefits paid	(3,069)	(2,552)	(2,705)
	<hr/>	<hr/>	<hr/>
Closing fair value of plan assets	74,349	66,493	63,225
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

History of Experience Gains and Losses

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligations	(80,299)	(75,904)	(72,046)	(64,418)	(65,191)
Plan assets	74,349	66,493	63,225	55,961	51,641
Deficit	(5,950)	(9,411)	(8,821)	(8,457)	(13,550)
Experience adjustments on Plan liabilities	197	100	(3,946)	34	(464)
Percentage of the present value of scheme liabilities	0.2%	0.1%	(5.5%)	0.1%	(0.7%)
Actual return less expected return on Plan assets	3,087	(1,303)	3,273	(845)	1,584
Percentage of Scheme assets	4%	(2%)	5.2%	1.5%	3.1%

As indicated in Note 17, the Pension Scheme liability is secured by a first legal charge over the Union's Headquarters.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2013(continued)

3 Fixed assets

Freehold and leasehold properties are disclosed at cost. In the view of the Officers, the market value of these properties is significantly higher than their book value.

The freehold property used as Union Headquarters is subject to a first legal charge in favour of the National Union of Teachers' Staff Superannuation Fund to cover actuarial deficits. Note 31 indicates that, at 31 December 2014, the Union had a net pension liability, as calculated by the actuary under FRS17, of some £5.95m (2013 - £9.4). At 20 March 2014, the Union's Headquarters were valued by Knight Frank Chartered Surveyors. The open market value of this property in existing use at that time amounted to £26.5 (2013: £24m).

4. Consolidated and Union

	At 1 January 2014 £	Loans Granted £	Interest £	Repaid in year £	At 31 December 2014 £
Executive car loans	13,011	72,402		(35,223)	50,190
Employee house deposit loans	4,486	-	-	(757)	3,729
Season ticket loans	147,814	30,837	-	(163,969)	14,682
	<u>165,311</u>	<u>103,239</u>	<u>-</u>	<u>(199,949)</u>	<u>68,601</u>

Executive car loans are restricted to £6,000. Interest is charged on executive car loans at approximately 1% above HSBC's base rate. All other loans are interest free.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements
for the year ended 31 December 2014 (*continued*)

5 Operating Leases

Motor Vehicles, Furniture and Equipment, Plant and Machinery

In the forthcoming year, the Union and its wholly owned subsidiaries are committed to the following payments under operating leases:

Consolidated	Property 2014 £	Other 2014 £	Property 2013 £	Other 2013 £
Expiry:				
Within one year	-	198,978	39,650	59,652
Between one and two years	-	201,228	-	114,565
Between two and five years	4,332	123,826	68,793	436,423
	<u>4,332</u>	<u>524,032</u>	<u>108,443</u>	<u>610,640</u>
	<u><u>4,332</u></u>	<u><u>524,032</u></u>	<u><u>108,443</u></u>	<u><u>610,640</u></u>
Union	Property 2014 £	Other 2014 £	Property 2013 £	Other 2013 £
Expiry:				
Within one year	-	127,653	39,650	59,652
Between one and two years	-	201,228	-	114,565
Between two and five years	-	110,080	63,947	304,925
	<u>-</u>	<u>438,961</u>	<u>103,597</u>	<u>479,142</u>
	<u><u>-</u></u>	<u><u>438,961</u></u>	<u><u>103,597</u></u>	<u><u>479,142</u></u>

6 Financial Commitments

There were no financial commitments at the year end (2013: Union had committed to the purchase of a freehold building at 8 Edward Street, Birmingham in December for £740,649. A deposit of £59,000 had been paid for the property in December).

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014 (*continued*)

7 Designated Reserves

Sustentation Fund

The following grants were paid:

	2014	2013
	£	£
Birmingham	-	6,530
Bristol	7,662	-
Cornwall	-	633
Coventry	-	4,943
Croydon	1,416	627
Derbyshire	-	3,540
Ealing	-	6,729
East Sussex	853	414
Eastbourne	317	-
Essex	-	224
Hackney	4,985	-
Hampshire	718	-
Haringey	23,630	185
Harrow	12,256	8,481
Hove	2,383	-
Islington	913	-
Kent	526	-
Knowsley	-	3,170
Lancashire	224	-
Leeds	1,310	-
Leicester	24,212	629
Liverpool	1,436	5,701
London	-	6,215
Lowestoft	3,941	-
Middlesex	3,047	-
Neath	717	-
Newcastle	-	-
Newham	937	834
Northampton	182	-
Nottingham	-	112
Pembrokeshire	137	-
Powys	726	-
Rotherham	4,864	-
Sheffield	61	452
Shrewsbury	17,108	-
South Tyneside	-	42
	<hr/>	<hr/>
Subtotal carried forward	114,561	49,461

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014 (*continued*)

7 Designated Reserves (*continued*)

Sustentation Fund

The following grants were paid:	2014 £	2013 £
Subtotal brought forward	114,561	49,461
Stoke on Trent	-	-
Swansea	1,552	-
TEK	110	-
Telford	3,738	-
Tower Hamlet	-	501
Tyne & Wear	13,306	-
Waltham Forest	-	8,497
Warwickshire	-	293
West Glamorgan	510	-
West Sussex	1,267	1,267
Wigan	4,759	-
Worthing	-	225
	<u>139,803</u>	<u>60,244</u>

The Sustentation Fund, under the Rules of the Union, may be utilised to make sustentation payments to members involved in industrial action. It may also be utilised to defray the costs of certain campaigns undertaken by the Union to protect the salaries and conditions of service of members.

The Legacy Fund was established by a bequest from a former member and is used from time-to-time to make grants to deserving members who have fallen on difficult times. The Fund is managed in conjunction with the Teacher Support network.

The International Development Fund was established to allow the Union to fund future international development work. The Union did not contribute this Fund during the year ended 31 December 2014.

The Subsidiary reserve represents the total value of share capital and reserves within the Union's subsidiary companies.

ACCOUNTING POLICIES

(see notes 74 and 75)

National Union of Teachers

Notes forming part of the Consolidated Financial Statements
for the year ended 31 December 2014

8 Accounting Policies

- (a) The accounts have been prepared under the historical cost convention, as modified by revaluation of fixed assets investments, and are in accordance with applicable accounting standards. The accounts do not include any autonomous local associations or division funds and related financial transactions. Information relating to those groups and branches are included in the Annual Return for 2014 which is submitted to the Certification Officer for Trade Union and Employers' Associations.
- (b) The group accounts consolidate the accounts the National Union of Teachers and its subsidiary, undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. Separate Financial Statements for Stoke Rochford Management Limited, The Teacher Publishing Co. Limited and Professional and Educational Travel Association Limited are available from Companies House.

Where a subsidiary company has a financial year end which is different to that of the National Union of Teachers, provided that the year/period end falls within three months prior to that of the National Union of Teachers, the financial results of the subsidiaries to be included in the consolidated Financial Statements are based on the subsidiaries' Financial Statements. Consolidation adjustments are made, where appropriate, to align the subsidiaries' transactions and balances with other group entities.

- (c) The Financial Statements are prepared on an accruals basis, whilst commissions are accounted for when the Union is notified of the sum due. Grants receivable for specific purposes are credited to the Income and Expenditure account to match the expenditure incurred on these projects to date. The balance is deferred.
- (d) All Income and Expenditure is credited/ charged to the Income and Expenditure account. Transfers to/(from) designated funds are made to allocate to these funds investment income earned on each fund's assets together with specific donations and, where relevant, apportionment of subscription income due to the funds net of any expenditure attributable to the funds.

Subscribing members, who have not opted out, contribute 1% of the full subscription fee to the Political Fund. Expenditure in connection with Political activities must be charged against this Fund.

- (e) Expenditure incurred, with the exception of depreciation, financial expenses and taxation are analysed under two broad categories, members' Services and Administration. Costs connected with Organisation and Membership, Employment Conditions and Rights, Superannuation, Equality and Professional Development and Education Economics departments, together with costs incurred in the publication of *The Teacher* and at regional and Wales offices, have been classified as Member Services. Costs associated with Resource Management, Finance, Payroll, Pensions and Records and Subscriptions have been classified as Administration. The costs associated with the Strategy and Communications Department have been apportioned between members' Services and Administration on the basis of estimated employee time devoted to each type of activity. Labour costs are allocated to each department on an actual basis. Property costs have been apportioned to each department on the basis of floor space occupied.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the year ended 31 December 2014 (*continued*)

8 Accounting Policies (*continued*)

- (f) The surplus or deficit arising on the Union's defined benefit Pension Scheme is disclosed on the Union's Balance Sheet. Movements on the Pension Scheme, asset or liability, are reflected through the Income and Expenditure account to the extent that they relate to employer's current service costs (which is reflected as a component of Staff Costs) or movements arising from expected returns on Pension Scheme assets net of interest on Pension Scheme liabilities which is disclosed as a component of Other Income). Movements arising from changes in actuarial assumptions, including differences between the actual returns on Scheme assets and the expected returns and experience gains/ (losses) arising on the Scheme's liabilities are reflected through the Statement of Total Recognised Gains and Losses.
- (g) Fixed assets are initially recognised at cost. Depreciation is calculated to write down the cost of fixed assets to estimated realisable values on a straight line basis over the expected useful lives of the assets concerned.

The principal annual rates used are:

Freehold property	-	2% on cost excluding land
Leasehold improvements	-	Over the balance of the property's expected useful life
Leasehold property	-	Over the period of the lease (or 50 years if shorter)
Plant and machinery	-	10%
Furniture and office equipment	-	At varying rates of between 10% and 33 $\frac{1}{3}$ %
Motor vehicles	-	20%
Website		20%

- (h) Listed investments are disclosed at mid-market values at the Balance Sheet date. Unquoted investments are disclosed at cost less any provision for permanent diminution in value. Realised and unrealised gains or losses on listed investments are reflected in the Professional Sustentation Fund or the General Fund as appropriate. Realised gains or losses on disposals of investments are calculated by reference to the carrying value of those investments reflected in the last set of audited Financial Statements.
- (i) As an unincorporated association, the National Union of Teachers is liable to Corporation Tax on its investment income and realised gains on investments sold. As a trade union, relief is available in respect of provident benefits expenditure, as statutorily defined.
- (j) Deferred tax is provided on all material reversing timing differences which arise from transactions reflected through the Income and Expenditure account.
- (k) Rentals payable on operating leases are reflected in their entirety through the Income and Expenditure account.
- (l) Reserves which are earmarked by the Union for specific purposes are termed Designated Reserves (note 28).

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u><i>Christine Blower</i></u>	Union Accountant: <u><i>Ally A</i></u> (or other official whose position should be stated)
Name: <u>Christine Blower</u> Date: <u>28/5/15</u>	Name: <u>Audrey Allen-Chitwa</u> Date: <u>28/5/15</u>

CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

YES NO

If "No" please explain below.

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

YES NO

If "No" please explain below.

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

YES NO

If "No" please explain below.

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts to which this AR21 relates. The report is to set out the basis upon which the audit has been conducted and/or such other statement as the auditor considers appropriate. Such a statement may be provided as a separate document.
(See note 85)

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	Morse Stephens LLP	
Name(s):	MORSE STEPHENS LLP (formerly Chambers Vellios DFE LLP)	
Profession(s) or Calling(s):	CHARTERED ACCOUNTANTS	
Address(es):	RUSSELLS SQUARE HOUSE 10-12 RUSSELLS SQUARE LONDON WC1B 5LF	
Date:	28 May 2015	
Contact name and telephone number:	Philip Clark 0207 905 9305	

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

National Union of Teachers

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL UNION OF TEACHERS

We have audited the financial statements of the National Union of Teachers for the year ended 31 December 2014 which comprise the Consolidated and Union Income and Expenditure Accounts, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Statement of Historical Surpluses and Deficits, the Consolidated and Union Balance Sheets, the Consolidated Cash Flow, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of the Union's Executive and auditor

As explained more fully in the Executive's Responsibilities Statement, the Executive Council is responsible for the preparation of the financial statements, which have been prepared in accordance with applicable law and accounting standards and for being satisfied that they give a true and fair view.

We have been appointed as auditors and our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditor.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Executive Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Examiner to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 December 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

National Union of Teachers

Independent auditor's report

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Trade Union and Labour Relations (Consolidation) Act 1992 requires us to report to you by, if in our opinion:

- The Union has not kept proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- A satisfactory system of control over transactions has not been maintained.
- The accounts are not in agreement with accounting records.
- We have not received all the information and explanations we require for our audit.

Chantrey Vellacott DFC LLP

CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON
Date: 26 February 2015