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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 Association of Head Teachers		
Year ended:	31 December 2015		
List no:	350T		
Head or Main Office:	1 Heath Square Boltro Rd Haywards Heath West Sussex RH16 1BL		
Website address (if available)	http://naht.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:	Russell Hobby		
Telephone Number:	01444 472472		
Contact name for queries regarding	Orla Davy		
Telephone Number:	01444 472496		
E-mail:	Orla.davy@naht.org.uk		

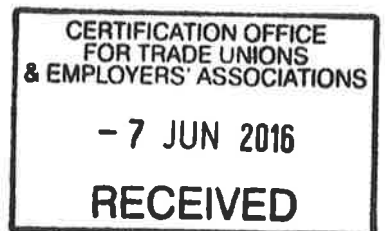
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

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

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

For Unions based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
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)

LIST OF OFFICERS IN PLACE AS AT 31 DECEMBER 2015

President
Vice President
Immediate Past President
National Treasurer
General Secretary

Anthony Draper
Kim Johnson
Gail Larkin
Stephen Watkins
Russell Hobby

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	12,816	399	Nil	315	13,530
FEMALE	26,380	496	Nil	747	27,623
TOTAL	39,196	895	Nil	1,062	A 41,153

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

Nil

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

28,855

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	Gail Larkin	Anthony Draper	02/05/2015
Vice President	Anthony Draper	Kim Johnson	02/05/2015
Immediate Past President	Bernadette Hunter	Gail Larkin	02/05/2015

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	8,785	
From Members: Other income from members (specify)		
Membership Activity	640	
Region and Branch Income	477	
Total other income from members		9,902
Total of all income from members		
Investment income (as at page 12)		37
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	465	488
Total of other income (as at page 4)		465 488
		502 475
	TOTAL INCOME	10,404 10,377
EXPENDITURE		
Benefits to members (as at page 5)		3,913
Administrative expenses (as at page 10)		6,644
Federation and other bodies (specify)		6,414
Total expenditure Federation and other bodies		
Taxation		
	TOTAL EXPENDITURE	10,557 10,327
Surplus (deficit) for year		(153) -50
Amount of general fund at beginning of year		5,270 5,546
Amount of general fund at end of year		5,117 5,596

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		
Commission received	114	
Miscellaneous	98	
VAT refund	211	
Profit on disposal of investments	15	
<i>Change in fair value of investments</i>	27	
TOTAL OTHER INCOME		465 438
TOTAL OF ALL OTHER INCOME		465 438

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal Representation	257	brought forward Education and Training services Brand Support Support services – Events Training and conferences	907 45 14 643
Representation – Non Employment Related Issues		Negotiated Discount Services Members insurance	 92
Communications Printing and distribution of Publications	251		
Website Design and Maintenance	8		
Advisory Services		Salary Costs Legal representation Professional advice GS Unit Website and publications	 288 1,108 586 229
Dispute Benefits		Other Benefits and Grants (specify) Services to Schools Set-Up- Costs	 1
Other Cash Payments Membership Recruitment costs Subscriptions and Affiliations Marketing Members' claims	257 129 4 1		
carried forward	907	Total (should agree with figure in General Fund)	3,913

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Legal Fund	£	£
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		1,000
	Amount of fund at the end of year (as Balance Sheet)		1,000
	Number of members contributing at end of year		n/a

FUND 3		Fund Account	
Name:	Revaluation Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Revaluation gain		203
	Total other income as specified		203
	Total Income		203
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		-
	Total Expenditure		-
	Surplus (Deficit) for the year		203
	Amount of fund at beginning of year		276
	Amount of fund at the end of year (as Balance Sheet)		479
	Number of members contributing at end of year		-

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
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		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 5		Fund Account	
Name:		£	£
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		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

(See notes 24 and 25)

FUND 6		Fund Account	
Name:		£	£
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		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

FUND 7		Fund Account	
Name:		£	£
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		
	Amount of fund at the end of year (as Balance Sheet)		
	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		
	Investment income (as at page 12)		
	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 of political fund at beginning of year	
		Amount of political fund at the end of year (as Balance Sheet)	
		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	

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	4,313
Salaries and Wages included in above	£2,626
Auditors' fees	30
Legal and Professional fees	53
Occupancy costs	230
Stationery, printing, postage, telephone, etc.	138
Expenses of Executive Committee (Head Office)	270
Expenses of conferences	389
Other administrative expenses (specify)	
Regional expenses	974
Miscellaneous	435
Edge	273
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	
Mortgages	
Other loans	
Depreciation	172
Taxation	
Outgoings on land and buildings (specify)	
Bank charges	31
Other outgoings (specify)	
Net pension gains in the year	(664)
Net revaluation gains in the year	(230)
Total	6,644 6,414
Charged to:	6,644 6,414
General Fund (Page 3)	
Fund (Account)	
Fund (Account)	
Fund (Account)	
Total	6,644 6,414

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Benefits			Total £
			Pension Contribution s £	Other Benefits		
				Description	Value £	
General Secretary	128,686	16,649	14,156	Car 5,472 Health Insurance 2,588	167,556	

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			
Dividends (gross) from:			
Equities (e.g. shares)			33
Interest (gross) from:			
Government securities (Gilts)			3
Mortgages			
Local Authority Bonds			
Bank and Building Societies			1
Other investment income (specify)			
		Total investment income	37
		Credited to:	
		General Fund (Page 3)	37
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	37

BALANCE SHEET as at

31 Dec 2015

(see notes 47 to 50)

Previous Year		£	£
2,363	Fixed Assets (at page 14)		2,732
	Investments (as per analysis on page 15)		
1,793	Quoted (Market value £ 1,816,000)		1,816
	Unquoted		
4,156	Total Investments		4,548
	Other Assets		
	Loans to other trade unions		
275	Sundry debtors	372	
1,262	Cash at bank and in hand	4	
	Income tax to be recovered		
	Stocks of goods		
424	Others (specify) Branch Current Accounts	379	
1,224	Net Pension Scheme Asset	1,888	
3,185	Total of other assets		2,643
7,341	TOTAL ASSETS		7,191
5,270	Fund (Account)		5,126
1,000	Fund (Account)		1,000
	Fund (Account)		
	Political Fund (Account)		
276	Revaluation Reserve		479 479
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
795	Sundry creditors		1 595
	Accrued expenses		
	Provisions		
	Other liabilities		
795	TOTAL LIABILITIES		595
7,341	TOTAL ASSETS		7,191

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	1,259		669	2,652		4,571
Additions	19			338		357
Disposals				(9)		(9)
Revaluation	338		(369)			(31)
At end of year	1,607		300	2,981		4,888
Accumulated Depreciation						
At start of year	117		81	2,010		2,208
Charges for year	23		12	157		192
Disposals	-		-	(9)		(9)
Revaluation	(140)		(93)	-		-
At end of year	-		-	2,156		2,156
Net book value at end of year	1,607		300	882		2,732
Net book value at end of previous year	1,133		588	642		2,363

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)		
Equities	1,416	
Government Securities (Gilts)		
Gilts	157	
Other quoted securities (to be specified)		
Property funds	81	
Absolute Return Funds	48	
Cash	114	
TOTAL QUOTED (as Balance Sheet)	1,816	
Market Value of Quoted Investment	1,816	
UNQUOTED		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)		
Market Value of Unquoted Investments		

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 type="checkbox"/>	NO <input checked="" type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Total Funds £
INCOME			
From Members	9,902		9,902
From Investments	37		37
Other Income (including increases by revaluation of assets)	668 438		668 438
Total Income	10,607 10,377		10,607 10,377
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	10,557 10,327		10,557 10,327
Funds at beginning of year (including reserves)	6,546		6,546
Funds at end of year (including reserves)	6,596		6,596
ASSETS			
Fixed Assets			2,732
Investment Assets			1,816
Other Assets			2,643
		Total Assets	7,191
LIABILITIES			
		Total Liabilities	595
NET ASSETS (Total Assets less Total Liabilities)			6,596

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.

Notes to the accounts are attached to this return.

ACCOUNTING POLICIES


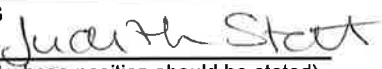
(see notes 74 and 75)

The accounting policies are attached to this return.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>RUSSELL HOBBY</u> Date: <u>31/5/16</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>JUDITH STOTT</u> Date: <u>26.5.16</u>
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

If "No" please explain below.

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

YES

If "No" please explain below.

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

YES

If "No" please explain below.

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

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:	<i>Crowe Clark Whitehill LLP</i>	
Name(s):	Crowe Clark Whitehill LLP	
Profession(s) or Calling(s):	Statutory Auditors	
Address(es):	St Bride's House 10 Salisbury Square London EC4Y 8EH	
Date:	<i>26 May 2016</i>	
Contact name and telephone number:	James Boyd 020 7842 7220	

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

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF HEAD TEACHERS

We have audited the financial statements of The National Association of Head Teachers for the year ended 31 December 2015 which comprise the income and expenditure, balance sheet and related notes included within the AR21 as set out on pages 3 to 19 of the AR21. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to The National Association of Head Teachers' members, as a body. Our audit work has been undertaken so that we might state to The National Association of Head Teachers 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 National Association of Head Teachers and The National Association of Head Teachers' members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Officers and Auditors for the Financial Statements

The Trade Union and Labour Relations (Consolidation) Act 1992 and the Trade Union Reform and Employment Rights Act 1993 requires the officers of The National Association of Head Teachers to keep proper accounting records which give a true and fair view of the state of affairs of The National Association of Head Teachers and explain 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 revenue account and balance sheet and provide members of The National Association of Head Teachers with a statement of income and expenditure for the year.

We have been appointed as auditor under section 33 of the Trade Union and Labour Relations (Consolidation) Act 1992 and report in accordance with Section 36 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the union's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the officers; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the financial statements 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 on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of The National Association of Head Teachers' affairs as at 31 December 2015 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.

Matters on which we 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 systems 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 or returns.

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP
Statutory Auditors
London

26 May 2016

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

BASIS OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS102’) and the Trade Union and Labour Relations Act 1992.

The financial statements are prepared on the historical cost basis except for the modification to a fair value basis for land and buildings and investments.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 22 for an explanation of the transition.

The financial statements are prepared in Sterling (£).

GOING CONCERN

After reviewing the forecasts and projections of NAHT, the members of the National Executive have a reasonable expectation that NAHT has adequate resources to continue in operational existence for the foreseeable future. We believe that there are no material uncertainties that call in doubt NAHT’s ability to continue. NAHT therefore continues to adopt the going concern principle in preparing its financial statements.

CONTRIBUTION INCOME

Contribution income is accounted for on an accruals basis.

EXPENDITURE

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

FIXED ASSETS AND DEPRECIATION

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

Depreciation is provided on all tangible fixed assets, except freehold land, at rates estimated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Freehold property	50 years (straight line)
Long leasehold property	50 years (straight line)
Furniture	10 years (straight line)
Equipment	4 – 7 years (straight line)

Freehold and leasehold properties are measured under the revaluation model in which valuations of these properties are made with sufficient regularity to ensure that the carrying amount does not differ materially to the fair value of the properties at the year end. Revaluation surpluses or deficits are transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the statement of comprehensive income.

The capitalisation threshold for inclusion as a fixed asset is £2,000.

INVESTMENTS

Listed investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains (or losses) are included in the statement of comprehensive income in the year in which they arise.

CORPORATION TAX

Corporation tax is payable on investment income and chargeable gains but only to the extent that these exceed provident benefit expenditure.

PENSION COSTS

NAHT operates a defined benefit pension scheme. The disclosures required to be made under the provisions of FRS 102 are made in the notes to the financial statements.

The current and past service costs, interest costs and administrative costs are included within the statement of comprehensive income. Actuarial gains and losses are recognised in the statement of comprehensive income as a credit or charge to the general fund, as appropriate. Pension scheme assets are measured at fair value and 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 to the liability.

Full actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit scheme asset is shown separately on the face of the balance sheet.

OPERATING LEASES

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements requires management to make significant judgements and estimates. The areas in the financial statements where estimations have been made include:

- Pension Scheme – the actuarial assumptions used in calculating scheme assets and liabilities
- Tangible Assets – the basis of calculation and indices assumptions used to perform revaluations
- Tangible Assets – the useful economic life of assets used in calculating depreciation
- Contingent liabilities – the inclusion of provisions for ongoing legal cases where there is an element of uncertainty in the outcomes of the cases

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

1	OTHER INCOME	2015	2014
		£'000	£'000
	Investment income	37	42
	Profit on disposal of investments	15	7
	Commissions received	114	115
	VAT refund	211	74
	Miscellaneous	98	106
		<hr/>	<hr/>
		475	344
		<hr/>	<hr/>
2	REGION AND BRANCH SUPPORT	2015	2014
		£'000	Restated
			£'000
	Region, branch and local association costs	709	676
	Regional Officers' salaries and expenses	1,725	1,684
	Regional Offices	265	366
		<hr/>	<hr/>
		2,699	2,726
		<hr/>	<hr/>

In addition to the changes noted above under FFRS 102, operating income and expenditure have been restated to include income and expenditure previously netted off in the previous financial statements. Region and Branch income and Region, Branch and local association costs have been increased by £117,000 in 2014.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

3 MEMBERSHIP ACTIVITY	2015	2014
	£'000	£'000
Legal representation (including staff costs)	560	581
Costs recovered in respect of legal cases	(15)	(2)
Training and conferences	643	631
Support services - events	14	2
Staff costs: GS Unit	586	532
Staff costs: professional advice	1,108	1,051
Printing and distribution of publications	251	203
Web site design and maintenance	8	20
Staff costs: web site and publications	229	211
Membership recruitment costs	257	280
Branch Support/Training	45	38
Marketing	4	10
Members insurance	92	78
Services to Schools set-up costs	1	6
Members' claims	1	-
Subscriptions and affiliations	129	62
	<hr/>	<hr/>
	3,913	3,703
	<hr/> <hr/>	<hr/> <hr/>
4 EXECUTIVE ACTIVITY	2015	2014
	£'000	£'000
Executive meetings	180	225
Executive - Other Business	39	88
Sector groups and committees	51	58
	<hr/>	<hr/>
	270	371
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

5	PROPERTY AND EQUIPMENT COSTS	2015 £'000	2014 £'000
	Rent, rates, utilities and cleaning	158	126
	Property repairs	30	42
	Hire and maintenance of equipment	72	67
	Insurance	-	25
	Depreciation	172	306
		<hr/>	<hr/>
		432	566
		<hr/>	<hr/>
6	COMMUNICATION AND ADMINISTRATION COSTS	2015 £'000	2014 £'000
	Staff costs	1,572	1,404
	Staff recruitment and training	220	125
	Telephone	85	122
	Printing, postage and stationery	53	50
	Staff travel	102	90
	Software maintenance	99	137
	Media functions	89	82
	Miscellaneous administrative expenses	115	89
		<hr/>	<hr/>
		2,335	2,099
		<hr/>	<hr/>
7	PROFESSIONAL COSTS	2015 £'000	2014 £'000
	Bank charges and interest	31	24
	Professional fees	53	210
	Audit and accountancy	30	34
		<hr/>	<hr/>
		114	268
		<hr/>	<hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

8 STAFF COSTS		2015 £'000	2014 £'000
Salaries		5,042	4,513
National Insurance		384	459
Pension costs		648	759
Pension deficit		450	450
Recruitment and training		220	125
		6,744	6,306
		6,744	6,306
Allocated to :	Note		
Regional officers and other regional staff	2	1,754	1,711
Legal representation	3	288	281
Recruitment and branch support	3	132	103
Training and conferences	3	283	196
Professional advice, salaries and pensions	3	1,158	1,052
GS Unit	3	586	532
Web site and publications	3	229	211
Annual conference		49	49
Communications and administration			
- staff costs	6	1,298	1,387
- Edge		297	209
- staff recruitment and training	6	220	125
		6,294	5,856
Pension deficit funding		450	450
		6,744	6,306
		6,744	6,306

Key management personnel comprise members of the Senior Leadership Team of NAHT. During the year a total of £1,034,214 was paid to these individuals (2014: £896,229).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

9 FIXED ASSETS

	Land and Buildings		Furniture	Total
	Freehold	Long	And	
	£'000	Leasehold	equipment	£'000
		£'000	£'000	
Cost or valuation				
At 1 January 2015	1,250	669	2,652	4,571
Additions	19	-	338	357
Disposals	-	-	(9)	(9)
Revaluation	338	(369)	-	(31)
At 31 December 2015	1,607	300	2,981	4,888
Depreciation				
At 1 January 2015	117	81	2,008	2,207
Charge for the year	23	12	157	192
Disposals	-	-	(9)	(9)
Revaluation	(140)	(93)	-	(233)
At 31 December 2015	-	-	2,156	2,156
Net book value				
At 31 December 2015	1,607	300	822	2,732
<i>At 31 December 2014</i>	<i>1,133</i>	<i>588</i>	<i>644</i>	<i>2,363</i>

The freehold properties were revalued in June 2015 by Graves Jenkins, Chartered Surveyors. Their valuation was prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors, on an Open Market Value basis. The Belfast office, a leasehold property, was revalued in October 2015 by Linsey (NI) Ltd, Chartered Surveyors. The Cardiff office, also a leasehold property, was revalued in October 2015 by Cooke & Arkwright, Chartered Surveyors. Both leasehold valuations were prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors, on an Open Market Value basis.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

9 FIXED ASSETS (continued)

Comparable historical cost for revalued land and buildings

	Freehold £'000	Leasehold £'000	Total £'000
Cost			
At 1 January 2015	1,579	704	2,283
Additions	19	-	19
	<hr/>	<hr/>	<hr/>
At 31 December 2015	1,598	704	2,302
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2015	274	129	403
Charge for the year	23	12	35
	<hr/>	<hr/>	<hr/>
At 31 December 2015	297	141	438
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2015	1,301	563	1,864
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>At 31 December 2014</i>	<i>1,305</i>	<i>575</i>	<i>1,880</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

10 INVESTMENTS	2015	2014
	£'000	Restated £'000
Listed Investments at Market Value		
At 1 January 2015	1,745	1,746
Additions	119	135
Disposals	(183)	(156)
Unrealised gains	27	20
	<hr/>	<hr/>
Listed Investments at 31 December 2015	1,708	1,745
Cash held by investment managers	108	48
	<hr/>	<hr/>
Total investments at 31 December 2015	<hr/> 1,816 <hr/>	<hr/> 1,793 <hr/>

The historic cost of the listed investments at 31 December 2015 was £1,162,671 (2014: £1,163,000).

11 DEBTORS	2015	2014
	£'000	£'000
Trade debtors	84	71
Prepayments	109	17
Other debtors	179	187
	<hr/>	<hr/>
	372	275
	<hr/>	<hr/>

12 CREDITORS	2015	2014
	£'000	£'000
Trade creditors	185	176
Social security and other taxes	149	143
Accruals	202	179
Other creditors	59	297
	<hr/>	<hr/>
	595	795
	<hr/>	<hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

13 LEGAL FUND

£'000

At 1 January 2015 and at 31 December 2015

1,000

14 REVALUATION RESERVE

£'000

At 1 January 2015

276

Movement during the year

194

At 31 December 2015

470

15 NET CASH INFLOW FROM OPERATING ACTIVITIES

2015
£'000

2014
£'000

Net operating result for the year

(844)

(434)

Dividend and interest income receivable

(37)

(42)

Depreciation

192

354

(Profit)/loss on disposal of investments

(15)

7

Movements in:

Debtors and prepayments

(95)

70

Creditors and accruals

(200)

299

Net cash (outflow) inflow from Operating Activities

(999)

254

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

16 MOVEMENT IN CASH

	At 1 January 2015 £'000	Cashflow £'000	At 31 December 2015 £'000
Investment cash	48	60	108
Cash at bank	1,262	(1,258)	4
Branch current accounts	424	(45)	379
	1,734	(1,243)	491
	1,734	(1,243)	491

17 CONTINGENT LIABILITIES

The Association is involved in numerous ongoing legal cases on behalf of its members, the outcome of which is uncertain. Provision has been made for the estimated costs where the Association considers it possible that they may not be successful.

18 OPERATING LEASE COMMITMENTS

At 31 December 2015 there were total future minimum operating lease payments as set out below:

	Motor Vehicles		Office Equipment	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Operating leases which expire:				
Within one year	16	3	-	-
In the second to fifth years inclusive	80	74	35	50
More than five years	-	-	25	14
	96	77	60	64
	96	77	60	64

19 STAFF PENSION SCHEME

The Association operates two pension schemes:

(1) A defined contribution scheme introduced from 1 January 2009. The Association contributes a matched amount to that contributed by the members to a maximum of 20%. The pension cost in the year amounted to £349,419 (2014: £319,000).

(2) A defined benefit scheme, closed to new members, which provides benefits based on final pensionable salary.

Actuarial valuation

A full actuarial valuation has been carried out as at 1 April 2013 and shows that the fair value of the assets at 1 April 2013 was £9,099,000. The estimated actuarial value of the liabilities was assessed as being £11,184,000, which represents an actuarial deficit of £2,085,000. This results in a funding level of 81% comparing the assets to the projected liabilities.

The recovery plan agreed following the April 2013 actuarial valuation takes into account events subsequent to 1 April 2013 and as a result is based on a reduced actuarial deficit of £422,000, representing a funding level of 96%. Under the 2013 recovery plan the additional contributions of £450,000 will continue until 31 December 2015, at which point it is estimated that the scheme deficit will be made good. Additional payments made in the year amounted to £450,000 (2014: £450,000).

The Association continues to fund future service at 20% of pensionable pay.

The employee contributes 9.5% of pensionable pay.

Expected employer contributions for the year to 31 December 2016 are £708,203 (2015: £749,000).

The results of the actuarial valuation carried out as at 1 April 2013 have been updated by the Association's actuaries to take account of FRS 102 in order to assess the liabilities of the scheme as at 31 December 2015. The scheme assets are stated at their market value as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

19 STAFF PENSION SCHEME (continued)

The major assumptions used by the actuary were:

	2015	2014	2013
Rate of increase in pensionable salaries	3.7%	3.5%	3.9%
Rate of increase to pensions in payment			
Pre-2010	3.2%	3.0%	3.4%
Post-2010	2.2%	2.2%	2.3%
Discount rate	3.9%	3.7%	4.5%
Rate of inflation			
RPI	3.3%	3.1%	
CPI	2.8%	2.6%	
Mortality table	SAPS CMI 2014	SAPS CMI 2012	SAPS CMI 2012

The assets of the scheme and the weighted average expected rate of return were:

	2015 £'000	2014 £'000	2013 £'000
Total market value of assets	11,793	10,978	9,939
Present value of liabilities	<u>(9,905)</u>	<u>(9,754)</u>	<u>(8,203)</u>
Net pension asset	<u>1,888</u>	<u>1,224</u>	<u>1,736</u>

Reconciliation of opening and closing balances of the fair value of scheme liabilities

	2015 £'000	2014 £'000
Scheme liabilities at start of period	9,754	8,203
Current service cost	336	350
Interest cost	361	371
Benefits paid	(304)	(359)
Actuarial losses	<u>(242)</u>	<u>1,189</u>
Scheme liabilities at end of period	<u>9,905</u>	<u>9,754</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

19 STAFF PENSION SCHEME (continued)

Reconciliation of opening and closing balances of the fair value of scheme assets

	2015	2014
	£'000	£'000
Fair value of scheme assets at start of period	10,978	9,939
Interest income	414	447
Actuarial gains	(36)	107
Contributions by employer	708	772
Contributions by scheme participants	121	140
Benefits paid	(304)	(359)
Non-investment expenses	(88)	(68)
	<u>11,793</u>	<u>10,978</u>

Movement in surplus in the year

	2015	2014
	£'000	£'000
Surplus at 1 January 2015	1,224	1,736
Current service cost	(303)	(278)
Contributions	708	772
Net finance income	53	76
Actuarial gains/(losses)	206	(1,082)
	<u>1,888</u>	<u>1,224</u>

Total income recognised in the statement of comprehensive income

	2015	2014
	£'000	£'000
Interest income	414	447
Interest on pension scheme liabilities	(361)	(371)
	<u>53</u>	<u>76</u>
Current service cost	(303)	(278)
Employer contributions	708	772
	<u>405</u>	<u>494</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

19 STAFF PENSION SCHEME (continued)

Analysis of amount recognised in the income and expenditure account

	2015	2014
	£'000	£'000
Actual return less expected return on pension scheme assets	(36)	107
Experience gains and losses arising on the scheme liabilities	-	-
Changes in assumptions underlying the present value of the scheme liabilities	<u>242</u>	<u>(1,189)</u>
Actuarial gains/(losses)	<u>206</u>	<u>(1,082)</u>

20 FINANCIAL RISK MANAGEMENT

NAHT has exposure to one main area of risk – liquidity risk.

Liquidity risk

The objective of NAHT in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. NAHT expects to meet its financial obligations through operating cash flows. In the event that operating cash flows would not cover all the financial obligations, NAHT has investment reserves which could be utilised. However, NAHT is currently in a position to meet its commitments and obligations as they arise.

21 FINANCIAL ASSETS AND LIABILITIES

	2015	2014
	£'000	£'000
Financial assets measured at fair value through profit or loss:		
• Investments in liquid equity instruments	1,816	1,793
Financial assets measured at amortised cost:		
• Trade debtors	84	71
• Cash	383	1,686
Financial liabilities measured at amortised cost:		
• Trade and other creditors	<u>446</u>	<u>652</u>

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2015

22 TRANSITION TO FRS 102

NAHT has adopted FRS 102 for the year ended 31 December 2015 and has restated the comparative prior year amounts.

Explanations

Investments are now valued at market value at the year end with any gains or losses accounted for through the statement of comprehensive income, whether on disposal or due to market value fluctuation. Previously these were carried at cost only.

Restated Funds	1 January 2014 £'000	31 December 2014 £'000
Original total funds	6,910	5,964
Investments stated at market value	562	582
	<hr/>	<hr/>
Restated total funds	7,472	6,546
	<hr/>	<hr/>
 Restated Statement of comprehensive income		2014
		£'000
Original deficit for the year		(946)
Change in fair value of investments		20
		<hr/>
		(926)
		<hr/>