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# FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

Year ended:

31 DECEMBER 2014

List no:

564T

Head or Main Office:

130, REGENT ROAD  
LEICESTER  
LE1 7PG

Website address (if available)

www.ascl.org.uk

Has the address changed during the year to which the return relates?

Yes

No

X

(Click the appropriate box)

General Secretary:

MR BRIAN LIGHTMAN

Telephone Number:

0116 2991122

Contact name for queries regarding

MR STEVE KIND

Telephone Number:

0116 2991122

E-mail:

steve.kind@ascl.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

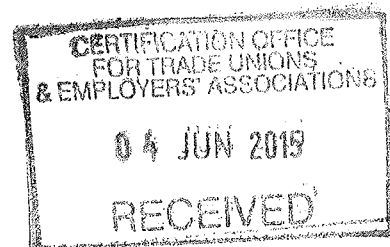
The address to which returns and other documents should be sent are:

**For Unions based in England and Wales:**

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

**For Unions based in Scotland:**

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



(Revised February 2011)

## ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

### Officers

Peter Kent, President  
Ian Bauckham, Immediate Past President  
Allan Foulds, Vice President  
Stephen Brierley, Honorary Treasurer  
Jonathan Fawcett, Membership and Communications Officer  
Carolyn Roberts, Honorary Secretary  
Brian Lightman, General Secretary  
Vicky Bishop, ASCL PD Officer

### Bankers

National Westminster Bank Plc  
Gateway House  
Penman Way  
Grove Park  
Enderby  
Leicestershire  
LE19 1SY

### Auditors

Clement Keys LLP  
Chartered Accountants and Statutory Auditors  
No.8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

### Investment Manager

Veritas Asset Management (UK) Ltd  
90 Long Acre  
London  
WC2E 9RA

### Solicitors

Josiah Hincks  
The Manse  
22 De Montfort Street  
Leicester  
LE1 7GB

Browne Jacobsen  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

Pattinson & Brewer Solicitors  
4th Floor  
11 Pilgrim Street  
London  
EC4V 6RN

# 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	9,489	97	1	65	<b>9,652</b>
FEMALE	8,554	89	0	43	<b>8,686</b>
TOTAL	18,043	186	1	108	A <b>18,338</b>

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

0
---

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

18,338
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## OFFICERS IN POST

(see note 12)

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

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
PRESIDENT	IAN BAUCKHAM	PETER KENT	01/09/2014
VICE PRESIDENT	PETER KENT	ALLAN FOULDS	01/09/2014
IMMEDIATE PAST PRESIDENT	ALLAN FOULDS	IAN BAUCKHAM	01/09/2014

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)

	£	£
<b>INCOME</b>		
<b>From Members:</b> Contributions and Subscriptions		4,344,592
<b>From Members:</b> Other income from members (specify)		
 <b>Total other income from members</b>		
<b>Total of all income from members</b>		4,344,592
<b>Investment income (as at page 12)</b>		64,146
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	1,715,932	
 <b>Total of other income (as at page 4)</b>		1,715,932
	<b>TOTAL INCOME</b>	6,124,670
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>	2,383,610	
<b>Administrative expenses (as at page 10)</b>	4,123,599	
<b>Federation and other bodies (specify)</b>		
 <b>Total expenditure Federation and other bodies</b>		
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	6,507,209
 Surplus (deficit) for year including net investment gains of £156,908		(225,631)
 Amount of general fund at beginning of year		4,061,331
 Amount of general fund at end of year		3,835,700

# ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£	£
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		0
<b>Other income</b>		
Conferencing and commissions	423,720	
Communications	116,474	
Annual Conference	548,169	
Rents received	15,695	
Fees and hire of services	251,311	
Management recharge	172,644	
Other income	87,548	
PPC project grant	45,380	
Education and employers taskforce	25,000	
BIS project grant	29,991	
<b>TOTAL OTHER INCOME</b>		1,715,932
<b>TOTAL OF ALL OTHER INCOME</b>		1,715,932

# ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		<b>brought forward</b>	252,012
		Education and Training services Conferences and seminars	248,337
Representation – Non Employment Related Issues		Negotiated Discount Services	
Communications			
Publications and postage	42,225		
Leader magazine	103,161		
Mailings to members	106,626	Salary Costs	
Advisory Services		Member Support salaries	1,529,670
		Member Support travel & exps	134,259
		Other Benefits and Grants (specify)	
Dispute Benefits		Branch Secretary training	14,987
		Branch expenses	21,366
		Legal Support for Members	182,979
Other Cash Payments			
<b>carried forward</b>		<b>Total (should agree with figure in General Fund)</b>	<b>2,383,610</b>
	252,012		

(See notes 24 and 25)

FUND 2		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

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

(See notes 24 and 25)

FUND 4		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

FUND 5		Fund Account	
Name:		£	£
<b>Income</b>	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		





(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
		Total income	
<b>Expenditure</b>	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		

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		<b>£</b>	<b>£</b>
<b>Income</b>	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	
<b>Expenditure</b>	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)

		£
<b>Administrative Expenses</b>		
Remuneration and expenses of staff		2,076,519
Salaries and Wages included in above	£1,873,629	
Auditors' fees		18,856
Legal and Professional fees		74,441
Occupancy costs		59,000
Stationery, printing, postage, telephone, etc.		123,203
Expenses of Executive Committee (Head Office)		
Expenses of conferences		
Other administrative expenses (specify) various – see Note 4 on pages 8 to 10 of financial statements		1,640,233
 <b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		79,436
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		51,911
Maintenance		
<b>Total</b>		4,123,599
Charged to:		
	General Fund (Page 3)	4,123,599
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
<b>Total</b>		4,123,599



# 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)			56,713
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			7,433
Other investment income (specify)			
			64,146
		Total investment income	64,146
		Credited to:	
		General Fund (Page 3)	64,146
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Fund (Account )	
		Political Fund	
		Total Investment Income	64,146

# BALANCE SHEET as at 31 DEC 2014

(see notes 47 to 50)

Previous Year		£	£
904,388	<b>Fixed Assets</b> (at page 14)		925,762
	<b>Investments</b> (as per analysis on page 15)		
2,703,019	Quoted (Market value £2,888,011)	2,888,011	
1,000	Unquoted	1,000	
	<b>Total Investments</b>		2,889,011
	<b>Other Assets</b>		
	Loans to other trade unions		
473,592	Sundry debtors	469,618	
872,834	Cash at bank and in hand	516,256	
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
	<b>Total of other assets</b>		985,874
<b>4,954,833</b>	<b>TOTAL ASSETS</b>		<b>4,800,647</b>
4,061,331	Fund (Account )		3,835,700
	Fund (Account )		
	Fund (Account )		
	Superannuation Fund (Account )		
	Political Fund (Account )		
	Revaluation Reserve		
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
134,297	Tax payable	127,730	
	Sundry creditors		
581,862	Accrued expenses	624,927	
143,003	Provisions / deferred income	155,989	
34,340	Other liabilities	56,301	
	<b>TOTAL LIABILITIES</b>		964,947
<b>4,954,833</b>	<b>TOTAL ASSETS</b>		<b>4,800,647</b>

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold	Leasehold				
<b>Cost or Valuation</b>						
At start of year	1071985		728,080			1,800,065
Additions			100,810			100,810
Disposals						
Revaluation/Transfers						
At end of year	1071985		828,890			1,900,875
<b>Accumulated Depreciation</b>						
At start of year	299,027		596,650			895,677
Charges for year	14,697		64,739			79,436
Disposals						
Revaluation/Transfers						
At end of year	313,724		661,389			975,113
<b>Net book value at end of year</b>						
	758,261		167,501			925,762
<b>Net book value at end of previous year</b>						
	772,958		131,430			904,388

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

<b>QUOTED</b>	All Funds Except Political Funds £	Political Fund  £
Equities (e.g. Shares)	2,715,843	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Cash held by Investment Fund Manager	172,168	
TOTAL QUOTED (as Balance Sheet)	2,888,011	
Market Value of Quoted Investment	2,888,011	
<b>UNQUOTED</b>		
Equities		
Investment in subsidiary	1,000	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	1,000	
Market Value of Unquoted Investments	2,889,011	



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input checked="" type="checkbox"/> X	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
ASCL Professional Development Ltd	02484662		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input checked="" type="checkbox"/> X	NO <input 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 £
<b>INCOME</b>			
From Members	4,344,592		4,344,592
From Investments	64,146		64,146
Other Income (including increases by revaluation of assets)	1,715,932		1,715,932
<b>Total Income</b>	6,124,670		6,124,670
<b>EXPENDITURE</b> (including decreases by revaluation of assets)			
<b>Total Expenditure</b>	6,507,209		6,507,209
Net Investment gain for year	156,908		156,908
<b>Funds at beginning of year</b> (including reserves)	4,061,331		4,061,331
<b>Funds at end of year</b> (including reserves)	3,835,700		3,835,700
<b>ASSETS</b>			
Fixed Assets			925,762
Investment Assets			2,889,011
Other Assets			985,874
		<b>Total Assets</b>	4,800,647
<b>LIABILITIES</b>		<b>Total Liabilities</b>	964,947
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			3,835,700

# 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.

Please refer to attached annual report and accounts

# ACCOUNTING POLICIES

(see notes 74 and 75)

Please refer to attached annual report and accounts

## 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>B. P. Lightman</i>          </u>  Name: <u>Brian Lightman</u>  Date: <u>15 May 2015</u>	Chairman's Signature: <u>          <i>Steve Kind</i>          </u> (or other official whose position should be stated) Name: <u>Steve Kind, Director of Finance</u>  Date: <u>15 May 2015</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	x <input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? (see Page 2 and Note 12)	YES	x <input checked="" type="checkbox"/>	NO	<input type="checkbox"/>
HAS THE RETURN BEEN SIGNED? (see Pages 19 and 21 and Notes 76 and 77)	YES	x <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	x <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: per Hon. Treasurers Report (see Note 80)	ENCLOSE D	x <input checked="" type="checkbox"/>	TO FOLLOW	<input type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED	YES	x <input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

		<input checked="" type="checkbox"/>		
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# 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)

See attached

Signature(s) of auditor or auditors:

*Simon Atkins*

Name(s):

SIMON ATKINS

Profession(s) or Calling(s):

FCA - ICAEW

Address(es):

8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

Date:

22 May 2015

Contact name and telephone number:

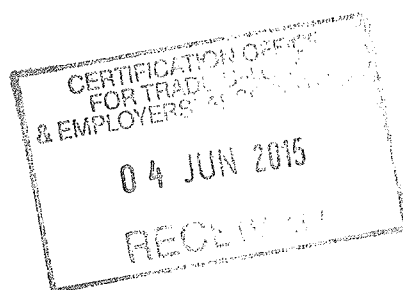
0121 4564456

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

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2014**





# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## Officers

Peter Kent, President  
Ian Bauckham, Immediate Past President  
Allan Foulds, Vice President  
Stephen Brierley, Honorary Treasurer  
Jonathan Fawcett, Membership and Communications Officer  
Carolyn Roberts, Honorary Secretary  
Brian Lightman, General Secretary  
Vicky Bishop, ASCL PD Officer

## Bankers

National Westminster Bank Plc  
Gateway House  
Penman Way  
Grove Park  
Enderby  
Leicestershire  
LE19 1SY

## Auditors

Clement Keys LLP  
Chartered Accountants and Statutory Auditors  
No.8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT

## Investment Manager

Veritas Asset Management (UK) Ltd  
90 Long Acre  
London  
WC2E 9RA

## Solicitors

Josiah Hincks  
The Manse  
22 De Montfort Street  
Leicester  
LE1 7GB

Browne Jacobsen  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

Pattinson & Brewer Solicitors  
4th Floor  
11 Pilgrim Street  
London  
EC4V 6RN

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

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# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## REPORT OF THE OFFICERS

The Association of School and College Leaders is a professional association and a registered trade union serving the leaders of secondary schools and colleges.

### Statement of Officers' Responsibilities

The constitution requires the officers to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association of School and College Leaders and of the income and expenditure of the Association for that period. In preparing those financial statements, the officers are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue.

The Officers are responsible for keeping proper accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association of School and College Leaders and to enable them to ensure that the financial statements comply with the accounting standards. They are also responsible for safeguarding the assets of the Association of School and College Leaders and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and the maintenance of appropriate internal controls.

The Officers are responsible for the maintenance and integrity of the corporate and financial information included on the Association of School and College Leaders' website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the officers are aware at the time the report is approved:

- there is no relevant audit information of which the auditors are unaware; and
- the officers have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Honorary Treasurer's Report

Support for our members remains the keystone of the Association. The budget has enabled a very broad range of activities, advice, guidance and direct member support to be undertaken, as well as continuing to influence national education decisions and shape policies for the benefit of all members.

The auditors were again able to report no concerns for the year and gave a clean audit report. Total expenditure on direct support for members (including legal fees, solicitors, regional and field officers and hotline) has increased substantially during the year by 14% to £2,383,610 (2013: £2,087,493) which is 37% of the total expenditure. This figure excludes the work of the General Secretary and his Policy team in representing the membership at government level or the guidance and publications issued free of charge to members.

The audited accounts for 2014 depicted an operating deficit of £382,539 (2013: £200,416 surplus) with funds earmarked from the previous years' surplus being expended on a wide ranging number of projects during the year. Realised and unrealised gains on the investment portfolio of £156,908 (2013: £318,883) took the total net movement on funds to a net deficit of £225,631 (2013: £519,299 surplus) for the year. The total assets carried forward amounted to £3,835,700 (2013: £4,061,331).

Total membership increased by 2.3% in 2014 to 18,338 although we experienced a high number of resignations and retirements during the year. As well as contributing financially to the Association, ASCL PD continued to support members with excellent and relevant CPD and consultancies. The 2014 year saw strong growth in consultancy revenues and ASCL PD is well placed to diversify and meet the widening professional development needs of members.

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## REPORT OF THE OFFICERS - continued

### Honorary Treasurer's Report (continued)

The Association continues to strive to give a first class service to its members whilst embracing new technology to improve both efficiencies and performance. Within the Balance Sheet, where we are depicting total funds of £3,835,700, we have been able to allocate funds for the on-going and future developments of a new CRM database and finance software system, together with investing in the 'Future Shape of ASCL', regionalisation and the 'Blueprint for a Self-Improving System' projects. The training and updating for all staff remains a priority and during 2014 there was a comprehensive programme of training and CPD which will continue and be developed through-out the 2015 year.

In summary, the Association is in a sound and healthy financial state, which will enable us to continue to give members a high level of service whilst at the same time continuing to hold subscription fees for the fourth consecutive year for 2015.

### Auditors

Clement Keys LLP have indicated their willingness to continue in office.

This report was approved by the Council on 3 July 2015 and signed on its behalf by:

.....

BPL Lightman  
General Secretary

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## INDEPENDENT AUDITORS' REPORT TO MEMBERS OF THE ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

We have audited the financial statements of the Association of School and College Leaders for the year ended 31 December 2014 which comprise the Income and Expenditure Account, the Balance Sheet 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, 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 Association's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the officers and auditors**

As explained more fully in the Statement of Officers' Responsibilities set out on page 1, the officers are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 Association'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.

In addition, we read all the financial and non-financial information in the annual report 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 financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 December 2014 and of its deficit 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.

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**INDEPENDENT AUDITORS' REPORT - continued**

**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 if, in our opinion:

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

**No.8 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1QT**

**CLEMENT KEYS LLP  
Statutory Auditors**

**Date: 3 July 2015**

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>Income</b>			
Subscriptions		4,344,592	4,214,215
Conferencing and commission	2	423,720	442,302
Communications	2	116,474	130,478
Annual Conference		548,169	510,871
Investment income	2	64,146	222,135
Rent received		15,695	18,036
Fees and hire of equipment		251,311	243,026
Management charge		172,644	190,804
Other income		87,548	13,272
PPC Project grant		45,380	93,898
BIS Project grant		29,991	-
Education and employers taskforce		25,000	25,000
		<hr/>	<hr/>
<b>Total incoming resources</b>		6,124,670	6,104,037
		<hr/>	<hr/>
<b>Expenditure</b>			
Staff costs	3	3,403,299	2,982,937
HQ and central services	4	360,895	363,028
Equipment and materials	4	266,734	299,859
Other central expenses	4	597,060	524,764
Support for members	4	853,940	660,143
National meetings	4	395,115	353,460
Annual conference costs		442,892	534,162
Depreciation	5	79,436	59,799
PPC Project grant costs		35,455	93,898
PPC other costs		36,900	31,661
BIS and other project costs		35,483	-
		<hr/>	<hr/>
<b>Total resources expended</b>		6,507,209	5,903,621
		<hr/>	<hr/>
<b>Net (outgoing) / incoming resources before other recognised gains and losses</b>		(382,539)	200,416
<b>Other recognised gains</b>			
Realised and unrealised gains on investments	6	156,908	318,883
		<hr/>	<hr/>
<b>Net movement on funds</b>		(225,631)	519,299
<b>Reconciliation of funds:</b>			
<b>Funds brought forward at 1 January 2014</b>		4,061,331	3,542,032
		<hr/>	<hr/>
<b>Funds carried forward at 31 December 2014</b>		3,835,700	4,061,331
		<hr/> <hr/>	<hr/> <hr/>

Incoming resources and resources expended relate to continuing operations.

There were no other gains and losses for the year other than those recognised above.

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**BALANCE SHEET AS AT 31 DECEMBER 2014**

	Note	31 December 2014		31 December 2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		925,762		904,388
Investments at market value	6		2,888,011		2,703,019
Investment in subsidiary	7		1,000		1,000
			<hr/>		<hr/>
			3,814,773		3,608,407
<b>Current assets</b>					
Cash at bank and in hand		516,256		872,834	
Debtors	8	469,618		473,592	
		<hr/>		<hr/>	
		985,874		1,346,426	
		<hr/>		<hr/>	
<b>Creditors: amounts falling due within one year</b>					
Creditors	9	(964,947)		(893,502)	
		<hr/>		<hr/>	
<b>Net current assets</b>			20,927		452,924
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			<b>3,835,700</b>		<b>4,061,331</b>
			<hr/> <hr/>		<hr/> <hr/>
<b>Funds employed</b>					
Fixed Asset Fund			925,762		904,388
Building Maintenance Fund			40,000		40,000
Database Upgrade Fund			50,000		150,000
IT Development Fund			50,000		50,000
Future Development Fund			100,000		200,000
Staff Contingency Fund			-		30,000
School-led System Taskforce Fund			15,137		25,000
General Fund			154,801		161,943
ASCL Reserve Fund			2,500,000		2,500,000
			<hr/>		<hr/>
<b>Total Funds</b>	10		<b>3,835,700</b>		<b>4,061,331</b>
			<hr/> <hr/>		<hr/> <hr/>

Approved by the Council on 3 July 2015 and signed on their behalf by:

..... **TREASURER**

..... **GENERAL SECRETARY**

The attached notes form an integral part of these financial statements.



# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

### 1 Accounting policies

The principal accounting policies of the Association are set out below:

#### a) Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of quoted investments to market price. The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable accounting standards.

#### b) Fixed assets

Depreciation is charged on the freehold buildings in order to write off their cost over their expected useful lives. The rate used is 2% on cost. No depreciation is provided on land.

Depreciation on other tangible fixed assets is charged so as to write off their full cost less estimated residual value over their expected useful lives at the following rates:

Office furniture and equipment	- 20% of cost per annum
Computer equipment	- 33.3% of cost per annum

#### c) Investments

Investments are valued at mid-market price at the balance sheet date.

#### d) Stock

Stock of publications and goods is valued at the lower of cost and net realisable value.

#### e) Operating leases

Rentals charged on operating leases are written off to the Income and Expenditure Account over the period of the lease.

#### f) Pension costs and liabilities

The amount charged to the Income and Expenditure Account as part of staff costs in respect of the Association's pensions arrangements represents the employer's contributions due for the year. Please see note 17 for details of The Pensions Trust's Growth Plan.

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
<b>2</b>	<b>Income</b>	
	<i>Conferencing and commission</i>	
	Conferences and seminars	243,627
	Commission received	180,093
	<hr/>	<hr/>
	423,720	442,302
	<hr/>	<hr/>
	<i>Communications</i>	
	Leader	58,115
	Website charges	30,539
	Mailings	27,820
	<hr/>	<hr/>
	116,474	130,478
	<hr/>	<hr/>
	<i>Investment income</i>	
	Dividend from ASCL Professional Development	-
	Dividends from investments	56,713
	Bank interest	7,433
	<hr/>	<hr/>
	64,146	222,135
	<hr/>	<hr/>
<b>3</b>	<b>Staff Costs</b>	
	<b>2014 Number</b>	<b>2013 Number</b>
	The average monthly number of persons employed during the year was as follows:	
	Member support	39
	Policy and Directorate	8
	Specialists	13
	Membership and communications	12
	Operations and administration	13
	<hr/>	<hr/>
	85	73
	<hr/>	<hr/>
	Staff costs for the above persons:	
	<b>2014 £</b>	<b>2013 £</b>
	Wages and salaries	2,702,253
	Social security costs	294,867
	Other pension costs	390,780
	<hr/>	<hr/>
	3,387,900	2,956,884
	<hr/>	<hr/>
	Contracted out staffing services	15,399
	<hr/>	<hr/>
	3,403,299	2,982,937
	<hr/>	<hr/>

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	£	£
<b>4 Expenditure</b>		
<i>Headquarters and central services</i>		
Bank and credit card charges	14,642	13,005
Rates, light, heating and cleaning	59,000	56,518
Building maintenance	51,911	85,473
Staff training and development	54,288	53,028
HQ travel expenses	88,871	59,630
Insurance	30,965	32,441
Staff recruitment costs	61,218	62,933
	<hr/>	<hr/>
	360,895	363,028
	<hr/> <hr/>	<hr/> <hr/>
 <i>Equipment and materials</i>		
Hire and maintenance of equipment	93,363	109,499
Postage, telephone and mobile connectivity	77,041	88,132
Website and IT purchase	50,168	51,760
General printing, stationery and books	46,162	50,468
	<hr/>	<hr/>
	266,734	299,859
	<hr/> <hr/>	<hr/> <hr/>

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
<b>4 Expenditure: continued</b>		
<i><b>Other central expenses</b></i>		
Audit, accounting and professional fees	93,297	84,525
Database support and training	203,452	141,291
Donation to Benevolent Fund	15,026	-
Affiliation fees and subscriptions	14,105	11,951
Media and communications	30,152	40,147
Sundry expenses	2,359	2,159
Future Shape of ASCL professional fees	51,055	-
PR strategy and manifesto costs	45,535	21,542
Member recruitment and advertising	79,167	82,350
Exhibition costs	17,873	37,530
Party political conferences	41,407	14,139
Hospitality and sundry expenses	3,632	4,338
Irrecoverable VAT	-	84,702
	<hr/>	<hr/>
	597,060	524,674
	<hr/>	<hr/>
<i><b>Support for members</b></i>		
Conferences and seminars – direct costs	248,337	211,189
Legal support for members	182,979	47,222
Publications and postage	42,225	77,243
Leader	103,161	109,469
Mailings to members	106,626	61,041
Member support travel and expenses	134,259	111,775
Branch secretary training and support	14,987	14,368
Branch expenses	21,366	27,836
	<hr/>	<hr/>
	853,940	660,143
	<hr/>	<hr/>
<i><b>National meetings and working groups</b></i>		
Presidential support	133,095	54,733
Council meetings (accommodation and travel)	121,317	159,720
Panels and working groups	15,307	13,350
Subscriptions	8,892	14,847
Travel expenses	39,612	34,849
Specialists travel expenses	74,407	40,300
National and district elections	2,485	35,661
	<hr/>	<hr/>
	395,115	353,460
	<hr/>	<hr/>

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

**5 Fixed Assets**

	Freehold Land & buildings £	Computer equipment £	Office Furniture & equipment £	Total £
<b>Cost</b>				
At 1 January 2014	1,071,985	545,738	182,342	1,800,065
Additions	-	74,917	25,893	100,810
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	1,071,985	620,655	208,235	1,900,875
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2014	299,027	476,810	119,840	895,677
Charge for the year	14,697	43,050	21,689	79,436
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	313,724	519,860	141,529	975,113
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2014	758,261	100,795	66,706	925,762
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2013	772,958	68,928	62,502	904,388
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**6 Investments**

	2014 £	2013 £
Market value at 1 January 2014	2,703,019	2,295,304
Additions	622,807	282,924
Disposal proceeds	(463,420)	(327,098)
Movement in cash	(131,303)	133,006
Net investment gain	156,908	318,883
	<hr/>	<hr/>
Market value at 31 December 2014	2,888,011	2,703,019
	<hr/> <hr/>	<hr/> <hr/>

	Market Value		Cost	
	2014 £	2013 £	2014 £	2013 £
Other listed investments	2,715,843	2,399,548	2,016,831	1,727,953
Cash on deposit	172,168	303,471	172,168	303,471
	<hr/>	<hr/>	<hr/>	<hr/>
	2,888,011	2,703,019	2,188,999	2,031,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Investments are valued at mid-market value at the year end.

**ASSOCIATION OF SCHOOL AND COLLEGE LEADERS**

**NOTES TO THE ACCOUNTS  
YEAR ENDED 31 DECEMBER 2014**

**7 Investment in subsidiary**

The Association's investment at the balance sheet date in the share capital of unlisted companies is as follows:

**Subsidiary Undertaking:** ASCL Professional Development Limited  
**Nature of business:** Provider of professional development for ASCL members and other members of school and college leadership teams

**Class of shares held:** 1,000 Ordinary shares  
**% held:** 100%

Net assets as at 31 December 2014: £306,839 (2013: £294,266)

Profit after tax for the year ended 31 December 2014: £12,573 (2013: £76,657)

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>8 Debtors</b>		
Sales ledger balances	190,900	267,820
Other sundry debtors and prepayments	111,606	68,130
Subscriptions in arrears	-	1,226
Accrued income	34,797	5,414
Amount due from subsidiary undertaking	119,572	120,780
Amount due (to)/from Benevolent Fund	(3,136)	905
Amount due from ASCL Educational Development Trust	15,879	9,317
	<hr/>	<hr/>
	469,618	473,592
	<hr/>	<hr/>
<b>9 Creditors</b>		
PAYE and NIC	98,680	110,704
SWPF and other pensions	56,301	34,340
Other sundry creditors and accruals	624,927	581,862
Subscriptions in advance	41,539	34,148
Subscriptions for lifetime members	57,863	53,703
Commission in advance	56,587	55,152
VAT	29,050	23,593
	<hr/>	<hr/>
	964,947	893,502
	<hr/>	<hr/>

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

### 10 Analysis of funds

	At 1.1.2014	Income	Expenditure	Transfers	Investment gain	At 31.12.2014
	£	£	£	£	£	£
Fixed Asset Fund	904,388	-	(79,436)	100,810	-	925,762
Building Maintenance Fund	40,000	-	-	-	-	40,000
Database Upgrade Fund	150,000	-	(145,452)	45,452	-	50,000
IT Development Fund	50,000	-	-	-	-	50,000
Future Development Fund	200,000	-	(43,332)	(56,668)	-	100,000
Staff Contingency Fund	30,000	-	(30,000)	-	-	-
School-led System Taskforce Fund	25,000	-	(9,863)	-	-	15,137
General Fund	161,943	6,124,670	(6,199,126)	67,314	-	154,801
ASCL Reserve Fund	2,500,000	-	-	(156,908)	156,908	2,500,000
	<u>4,061,331</u>	<u>6,124,670</u>	<u>(6,507,209)</u>	<u>-</u>	<u>156,908</u>	<u>3,835,700</u>

#### **Fixed asset Fund**

The purpose of this fund is to fund the future depreciation of fixed assets.

#### **Building Maintenance Fund**

The purpose of this fund is for the external decoration and maintenance of the property occupied by the Association in Leicester.

#### **Database Upgrade Fund**

The purpose of this fund is to cover the development costs to a new membership database including a new finance software system.

#### **IT Development Fund**

The purpose of this fund is to cover the costs of future IT development.

#### **Future Development Fund**

The purpose of this fund is to develop the strategy in relation to 'The Future Shape of ASCL' including the second phase of the regionalisation pilot projects in England.

#### **School-led System Taskforce Fund**

The purpose of this fund is to fund a new initiative in relation to developing a blueprint for a school-led system.

#### **ASCL Reserve Fund**

The purpose of this fund is to cover any extraordinary costs (including legal defence) that may arise in future years. The Officers have established a policy whereby the Fund should be maintained within a range of £2,250,000 and £2,500,000 with any shortfall or excess being transferred from or to the General Fund.

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

### 11 Taxation

The Association is exempt from corporation tax on income which is not trading income.

### 12 Contingent liabilities

At 31 December 2014 there were no contingent liabilities.

### 13 Branch funds

These accounts exclude any funds relating to Branches of the Association. The known funds of these branches at 31 December 2014 are £29,740 (2013: £14,775).

### 14 Subsidiary undertaking

The Association has a 100% shareholding in ASCL Professional Development Limited, which is a private company registered in England.

### 15 Related party transactions

During the year, The Association paid for expenses on behalf of ASCL Professional Development Limited totalling £749,667 (2013: £769,354).

In addition, during the year net purchases of £69,400 (2013: £79,948) were made from ASCL Professional Development Limited.

The balance due to The Association from ASCL Professional Development Limited as at the year ended 31 December 2014 was:

Trade debtors	£119,572	(2013: £120,780)
---------------	----------	------------------

A number of the Association's officers are also Trustees of The ASCL Educational Development Trust, from whom £15,879 (2013: £9,317 liability) was due at the year end.

### 16 Capital Commitments

The Association had capital commitments totalling £16,205 as at 31 December 2014 (2013: £Nil).

### 17 Pensions Trust Growth Plan

1. The Association of School and College Leaders participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.
2. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.
3. The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.
4. The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.
5. The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.



# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

6. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.
7. The rules of the Plan state that the proportion of obligatory contributions to be borne by the member and the member's employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.
8. The Association of School and College Leaders paid contributions at the rate of 14.1% during the accounting period. Members paid contributions at the rate of 6.2% during the accounting period.
9. As at the balance sheet date there were 55 (2013: 29) active members of the Plan employed by The Association of School and College Leaders. The Association of School and College Leaders continues to offer membership of the Plan to its employees.
10. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the assets are co-mingled for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.
11. The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.
12. The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% p.a.
Rate of return pre-retirement	4.9
Rate of return post retirement:	
Active/Deferred Pensioners	4.2
Bonuses on accrued benefits	4.2
Inflation: Retail Prices Index (RPI)	0.0
Inflation: Consumer Prices Index (CPI)	2.9
	2.4

13. In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.
14. If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.
15. The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

# ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

## NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2014

16. Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. (Our recent correspondence to all employers refers.) The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.
17. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.
18. The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.