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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 2014
List no:	350T
Head or Main Office:	1 Heath Square Boltro Road Haywards Heath West Sussex RH16 1BL
Website address (if available)	http://www.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

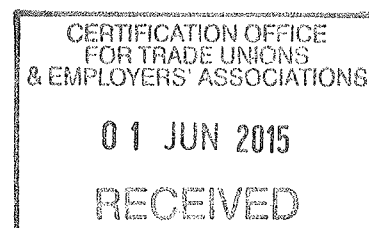
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

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 2014

President
Vice President
Immediate Past President
National Treasurer
General Secretary

Gail Larkin
Anthony Draper
Bernadette Hunter
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	12,958	398	n/a	345	13,701
FEMALE	26,270	489	n/a	816	27,575
TOTAL	39,228	887	n/a	1,161	A 41,276

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

Nil
29,261

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

OFFICERS IN POST

(see note 12)

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

RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	Bernadette Hunter	Gail Larkin	03/05/2014
Vice President	Gail Larkin	Anthony Draper	03/05/2014
Immediate Past President	Steve Iredale	Bernadette Hunter	03/05/2014

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions	8,794	
From Members: Other income from members (specify)		
Membership Activity	984	
Region and Branch Income	398	
Total other income from members		10,176
Total of all income from members		
Investment income (as at page 12)		42
Other Income		
Income from Federations and other bodies (as at page 4)	-	
Income from any other sources (as at page 4)	302	
Total of other income (as at page 4)		302
		344
		TOTAL INCOME
		10,520
EXPENDITURE		
Benefits to members (as at page 5)		3,703
Administrative expenses (as at page 10)		7,763
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		
		TOTAL EXPENDITURE
		11,466
		(946)
Amount of general fund at beginning of year		5,634
Amount of general fund at end of year		4,688

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		
Commissions received	115	
Miscellaneous	106	
VAT refund	74	
Profit on disposal of investments	7	
TOTAL OTHER INCOME		302
TOTAL OF ALL OTHER INCOME		302

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues Legal Representation	298	brought forward Education and Training services Brand Support Support Services – Events Training and Conferences	873 38 2 631
Representation – Non Employment Related Issues		Negotiated Discount Services Members Insurance	78
Communications Printing and Distribution of Publications	203		
Website Design and Maintenance	20	Salary Costs Legal Representation	281
Advisory Services		Professional Advice GS Unit Website and Publications	1,051 532 211
Dispute Benefits		Other Benefits and Grants (specify) Services to Schools Set-Up- Costs	6
Other Cash Payments Membership Recruitment Costs Subscriptions and Affiliations Marketing	280 62 10		
carried forward	873	Total (should agree with figure in General Fund)	3,703

(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		3,932
Salaries and Wages included in above	£2,374	
Auditors' fees		34
Legal and Professional fees		210
Occupancy costs		193
Stationery, printing, postage, telephone, etc.		172
Expenses of Executive Committee (Head Office)		371
Expenses of conferences		355
Other administrative expenses (specify)		
Regional expenses		898
Miscellaneous		482
Edge		275
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		306
Taxation		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Bank charges		24
Net pension costs for the year		512
	Total	7,763
Charged to:	General Fund (Page 3)	7,763
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Fund (Account)	
	Total	7,763

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	124,325	16,089	13,676	Car & Health Insurance	7,491	161,581

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		7
Other investment income (specify)		
Total investment income		42
Credited to:		
General Fund (Page 3)		42
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Political Fund		
Total Investment Income		42

BALANCE SHEET as at 31 Dec 2014

(see notes 47 to 50)

Previous Year		£	£
2,104	Fixed Assets (at page 14)		2,363
	Investments (as per analysis on page 15)		
1,201	Quoted (Market value £1,793,116)		1,163
	Unquoted		
3,305	Total Investments		3,526
	Other Assets		
	Loans to other trade unions		
345	Sundry debtors	275	
1,689	Cash at bank and in hand	1,310	
	Income tax to be recovered		
	Stocks of goods		
328	Others (specify) Branch Current Accounts	424	
1,736	Net Pension Scheme Asset	1,224	
4,098	Total of other assets		3,233
7,403	TOTAL ASSETS		6,759
5,634	Fund (Account)		4,688
1,000	Fund (Account)		1,000
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
276	Revaluation Reserve		276
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
493	Sundry creditors		795
	Accrued expenses		
	Provisions		
493	TOTAL LIABILITIES		795
7,403	TOTAL ASSETS		6,759

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	1,250	669	2,038			3,957
Additions	-	-	615			615
Disposals	-	-	(1)			(1)
Revaluation/Transfers	-	-	-			-
At end of year	1,250	669	2,652			4,571
Accumulated Depreciation						
At start of year	93	69	1,691			1,853
Charges for year	24	12	319			355
Disposals	-	-	-			-
Revaluation/Transfers	-	-	-			-
At end of year	117	81	2,010			2,208
Net book value at end of year	1,133	588	642			2,363
Net book value at end of previous year	1,157	600	347			2,104

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	1,070	
Government Securities (Gilts)	78	
Other quoted securities (to be specified)		
Hedge Funds	15	
TOTAL QUOTED (as Balance Sheet)	1,163	
Market Value of Quoted Investment	1,793	
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	10,176		10,176
From Investments	42		42
Other Income (including increases by revaluation of assets)	302		302
Total Income	10,520		10,520
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	11,466		11,466
Funds at beginning of year (including reserves)	6,910		6,910
Funds at end of year (including reserves)	5,964		5,964
ASSETS			
Fixed Assets			2,363
Investment Assets			1,163
Other Assets			3,233
		Total Assets	6,759
LIABILITIES		Total Liabilities	795
NET ASSETS (Total Assets less Total Liabilities)			5,964

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: Name: Russell Hobby Date: 26 May 2015	 Chairman's Signature: (or other official whose position should be stated) Name: Stephen Watkins Date: 26 May 2015
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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)	ENCLOSED	<input type="checkbox"/>	TO FOLLOW	<input checked="" type="checkbox"/>
HAS THE SUMMARY SHEET BEEN COMPLETED (see Page 17 and Notes 7 and 59)	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>

AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES

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

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

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)

Copy of audit report attached to the 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 2014 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 2014 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.

- 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

27 May 2015

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>27 MAY 2015</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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings.

CONTRIBUTION INCOME

Contribution income is accounted for on an accruals basis.

EXPENDITURE

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

DEPRECIATION

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	2% Straight line	Furniture	10% Straight line
Equipment	25% Straight line	Long leasehold property	2% Straight line

CORPORATION TAX

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

INVESTMENTS

Investments are stated at cost. Provisions are considered on a portfolio basis and made where the market value of the portfolio as a whole indicates an impairment to its value.

PENSION COSTS

Pension scheme assets are measured using market values. 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. Actuarial gains and losses are recognised in the statement of total recognised gains and losses as a credit or charge to the general fund, as appropriate.

OPERATING LEASES

Rental payments in respect of operating leases are charged to the income and expenditure account.

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

1	OTHER INCOME	2014	2013
		£'000	Restated £'000
	Investment income	42	43
	Profit on disposal of investments	7	11
	Commissions received	115	136
	VAT refund	74	49
	Miscellaneous	106	126
		<hr/>	<hr/>
		344	365
		<hr/>	<hr/>
2	REGION AND BRANCH SUPPORT	2014	2013
		£'000	Restated £'000
	Region, branch and local association costs	559	558
	Regional Officers' salaries and expenses	1,684	1,726
	Provision for tax on branch payments	-	(31)
	Regional Offices	366	369
		<hr/>	<hr/>
		2,609	2,622
		<hr/>	<hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

3	MEMBERSHIP ACTIVITY	2014	2013
		£'000	Restated £'000
	Legal representation (including staff costs)	581	664
	Costs recovered in respect of legal cases	(2)	(6)
	Training and conferences	631	509
	Support services - events	2	95
	Staff costs: GS Unit	532	304
	Staff costs: professional advice	1,051	1,013
	Printing and distribution of publications	203	195
	Web site design and maintenance	20	20
	Staff costs: web site and publications	211	131
	Membership recruitment costs	280	211
	Branch Support/Training	38	30
	Marketing	10	26
	Members insurance	78	79
	Campaigns	-	39
	Research and development	-	138
	Services to Schools set-up costs	6	15
	Members' claims	-	1
	Subscriptions and affiliations	62	35
		3,703	3,499
		3,703	3,499
4	EXECUTIVE ACTIVITY	2014	2013
		£'000	Restated £'000
	Executive meetings	225	236
	Executive - Other Business	88	71
	Sector groups and committees	58	46
		371	353
		371	353

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

5	PROPERTY AND EQUIPMENT COSTS	2014	2013
		£'000	Restated £'000
	Rent, rates, utilities and cleaning	126	115
	Property repairs	42	50
	Hire and maintenance of equipment	67	83
	Insurance	25	25
	Depreciation	306	234
	Depreciation reallocated to Regional Offices	-	(26)
		<hr/> 566	<hr/> 481
		<hr/> <hr/>	<hr/> <hr/>
6	COMMUNICATION AND ADMINISTRATION COSTS	2014	2013
		£'000	Restated £'000
	Staff costs	1,404	1,434
	Staff recruitment and training	125	111
	Telephone	122	109
	Printing, postage and stationery	50	57
	Staff travel	90	65
	Software maintenance	137	93
	Media functions	82	24
	Miscellaneous administrative expenses	89	48
		<hr/> 2,099	<hr/> 1,941
		<hr/> <hr/>	<hr/> <hr/>
7	PROFESSIONAL COSTS	2014	2013
		£'000	Restated £'000
	Bank charges and interest	24	26
	Professional fees	210	196
	Audit and accountancy	34	34
		<hr/> 268	<hr/> 256
		<hr/> <hr/>	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

8 STAFF COSTS		2014	2013
		£'000	Restated £'000
Salaries		4,513	4,223
National Insurance		459	420
Pension costs		759	691
Pension regulatory levy		-	4
Pension deficit		450	450
Recruitment and training		125	112
		6,306	5,900
		6,306	5,900
Allocated to :	Note		
Regional officers and other regional staff	2	1,711	1,768
Legal representation	3	281	339
Recruitment and branch support	3	103	69
Training and conferences	3	196	221
Professional advice, salaries and pensions	3	1,052	1,013
GS Unit	3	532	304
Web site and publications	3	211	131
Annual conference		49	56
Communications and administration			
- staff costs	6	1,387	1,434
- Edge		209	-
- staff recruitment and training	6	125	111
		5,856	5,446
Pension regulatory levy		-	4
Pension deficit		450	450
		6,306	5,900
		6,306	5,900

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

9 FIXED ASSETS

	Land and Buildings		Furniture And equipment £'000	Total £'000
	Freehold £'000	Long Leasehold £'000		
Cost or valuation				
At 1 January 2014	1,250	669	2,038	3,957
Additions	-	-	615	615
Disposals	-	-	(1)	(1)
At 31 December 2014	1,250	669	2,652	4,571
Depreciation				
At 1 January 2014	93	69	1,691	1,853
Charge for the year	23	12	319	354
Disposals	-	-	-	-
At 31 December 2014	117	81	2,010	2,207
Net book value				
At 31 December 2014	1,133	588	642	2,363
<i>At 31 December 2013</i>	<i>1,157</i>	<i>600</i>	<i>347</i>	<i>2,104</i>

The freehold properties were revalued in December 2010 by Clifford Dann, 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 August 2011 by Colliers International, 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.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

9 FIXED ASSETS (continued)

Comparable historical cost for revalued land and buildings

	Freehold £'000	Leasehold £'000	Total £'000
Cost			
At 1 January 2014	1,579	704	2,283
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2014	1,579	704	2,283
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2014	251	117	368
Charge for the year	23	12	35
	<hr/>	<hr/>	<hr/>
At 31 December 2014	274	129	403
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2014	1,305	575	1,880
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>At 31 December 2013</i>	<i>1,328</i>	<i>587</i>	<i>1,915</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

10	INVESTMENTS	Listed Investments £'000
	Cost and Net Book Value	
	At 1 January 2014	1,201
	Additions	135
	Disposals	(173)
		1,163
	At 31 December 2014	1,163

The market value of the listed investments at 31 December 2014 was £1,793,116 (2013: £1,763,000).

11	LEGAL FUND	£'000
	At 1 January 2014 and at 31 December 2014	1,000
		1,000

12	REVALUATION RESERVE	£'000
	At 1 January 2014 and at 31 December 2014	276
		276

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

13 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£'000	Restated £'000
Net result for the year before pension scheme adjustments	(434)	99
Dividend and interest income receivable	(42)	(43)
Depreciation	354	234
Loss/ (profit) on disposal of investments	7	(11)
Movements in:		
Debtors and prepayments	70	2
Creditors and accruals	299	(92)
	<hr/>	<hr/>
Net cash inflow from Operating Activities	254	189
	<hr/> <hr/>	<hr/> <hr/>

14 (DECREASE)/INCREASE IN CASH

	At		At
	1		31
	January	Cashflow	December
	2014	2014	2014
	£'000	£'000	£'000
Cash at bank	1,689	(379)	1,310
Branch current accounts	329	95	424
	<hr/>	<hr/>	<hr/>
	2,018	(284)	1,734
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

15 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.

16 OPERATING LEASE COMMITMENTS

At 31 December 2014 there were annual commitments under non-cancellable operating leases as set out below:

	Motor Vehicles		Office Equipment	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Operating leases which expire:				
Within one year	8	19	-	9
In the second to fifth years inclusive	47	29	14	-
More than five years	-	-	2	5
	<u>55</u>	<u>48</u>	<u>16</u>	<u>14</u>

17 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 £319,000 (2013: £232,000).

(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 (2013: £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 2015 are £749,000 (2014: £772,000).

FRS17

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 17 in order to assess the liabilities of the scheme as at 31 December 2014. The scheme assets are stated at their market value as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

17 STAFF PENSION SCHEME (continued)

The major assumptions used by the actuary were:

	2014	2013	2012
Rate of increase in pensionable salaries	3.5%	3.9%	3.9%
Rate of increase to pensions in payment			
Pre-2010	3.0%	3.4%	2.8%
Post-2010	2.2%	2.3%	2.5%
Discount rate	3.7%	4.5%	4.6%
Rate of inflation			
RPI	3.1%	3.5%	2.9%
CPI	2.6%	3.0%	n/a
Mortality table	SAPS CMI 2012	SAPS CMI 2012	PNxA00 Medium cohort

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

	2014 %	2013 %	2012 %	2014 £'000	2013 £'000	2012 £'000
Equities	7.0%	7.0%	4.7%	7,947	7,276	5,458
Bonds	4.1%	4.1%	2.2%	1,197	1,012	2,034
Other	6.5%	6.5%	2.2%	653	927	954
Cash	0.5%	0.5%	n/a	1,181	724	-
Total market value of assets				10,978	9,939	8,446
Present value of liabilities				(9,754)	(8,203)	(8,539)
Net pension asset/(liability)				1,224	1,736	(93)

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

	2014 £'000	2013 £'000
Scheme liabilities at start of period	8,203	8,539
Current service cost	350	450
Interest cost	371	388
Benefits paid	(359)	(677)
Actuarial losses	1,189	497
Scheme liabilities at end of period	9,754	8,203

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2014

17 STAFF PENSION SCHEME (continued)

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

	2014	2013
	£'000	£'000
Fair value of scheme assets at start of period	9,939	8,446
Expected return on scheme assets	632	328
Actuarial gains	(146)	860
Contributions by employer	772	820
Contributions by scheme participants	140	162
Benefits paid	(359)	(677)
	<hr/>	<hr/>
Fair value of scheme assets at end of year	10,978	9,939
	<hr/> <hr/>	<hr/> <hr/>

Movement in surplus/(deficit) in the year

	2014	2013
	£'000	£'000
Surplus/(deficit) at 1 January 2014	1,736	(93)
Current service cost	(210)	(288)
Contributions	772	820
Net finance income/(cost)	261	(60)
Actuarial gains/(losses)	(1,335)	1,357
	<hr/>	<hr/>
Surplus at 31 December 2014	1,224	1,736
	<hr/> <hr/>	<hr/> <hr/>

Total (income)/expenditure recognised in the income and expenditure account

	2014	2013
	£'000	£'000
Expected return on pension scheme assets	632	328
Interest on pension scheme liabilities	(371)	(388)
	<hr/>	<hr/>
Net finance income/(expenditure)	261	(60)
	<hr/> <hr/>	<hr/> <hr/>
Current service cost	(210)	(288)
Employer contributions	772	820
	<hr/>	<hr/>
Net pension scheme income	562	532
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

17 STAFF PENSION SCHEME (continued)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2014	2013
	£'000	£'000
Actual return less expected return on pension scheme assets	(146)	860
Experience gains and losses arising on the scheme liabilities	0	1,131
Changes in assumptions underlying the present value of the scheme liabilities	<u>(1,189)</u>	<u>(634)</u>
Actuarial (losses)/ gains	<u>(1,335)</u>	<u>1,357</u>

History of experience gains and losses

	2014	2013	2012
Difference between the expected and actual return on scheme assets:			
Amount (£'000s)	(146)	860	344
Percentage of scheme assets	1.3%	9%	4%
Experience gains and losses on scheme liabilities:			
Amount (£'000s)	0	1,131	(765)
Percentage of the present value of the scheme liabilities	0%	14%	(9%)
Changes in assumptions underlying the present value of the scheme liabilities:			
Amount (£'000s)	(1,189)	(634)	(26)
Percentage of the present value of the scheme liabilities	12.2%	(8%)	(0%)
Total amount recognised in the STRGL			
Amount (£'000s)	(1,335)	1,357	(447)
Percentage of the present value of the scheme liabilities	<u>(13.7%)</u>	<u>17%</u>	<u>(5%)</u>