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- PRINT ON ONE SIDE ONLY

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:

31st December 2013

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"/>
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General Secretary:

Russell Hobby

Telephone Number:

01444 472472

Contact name for queries
regarding

Sailesh P Mehta

Telephone Number:

020 7388 7000

E-mail:

smehta@hwfisher.co.uk

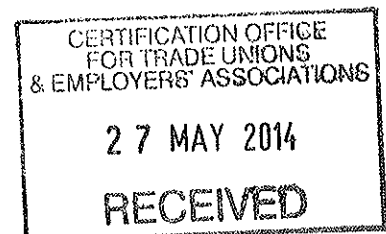
PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

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)

National Association of Head Teachers

Schedule of Officers as at 31 December 2013

Bernadette Hunter	President
Gail Larkin	Vice President
Steve Iredale	Immediate Past President
Stephen Watkins	National Treasurer
Russell Hobby	General Secretary

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	12,819	411		376	13,606
FEMALE	25,152	485		906	26,543
TOTAL	37,971	896		1,282	A 40,149

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

Nil
28,482

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	Steve Iredale	Bernadette Hunter	17/05/2013
Vice President	Bernadette Hunter	Gail Larkin	17/05/2013
Immediate Past President	Chris Harrison	Steve Iredale	17/05/2013
National Treasurer	Jack Hatch	Stephen Watkins	17/05/2013

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)

	£'000	£'000
INCOME		
From Members: Contributions and Subscriptions		8,717
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		8,717
Investment income (as at page 12)		43
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	1,630	
Total of other income (as at page 4)		1,630
	TOTAL INCOME	10,390
EXPENDITURE		
Benefits to members (as at page 5)		2,896
Administrative expenses (as at page 10)		5,566
Federation and other bodies (specify)		
Total expenditure Federation and other bodies		
Taxation		
	TOTAL EXPENDITURE	8,462
Surplus (deficit) for year		1,928
Amount of general fund at beginning of year		3,706
Amount of general fund at end of year		5,634

ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
Federation and other bodies		
TOTAL FEDERATION AND OTHER BODIES		
Other income		
Commissions received	136	
Miscellaneous	126	
Profit from the sale of investments	11	
Pension scheme actuarial gain	1,357	
TOTAL OTHER INCOME		1,630
TOTAL OF ALL OTHER INCOME		1,630

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues		brought forward	983
Legal representation	319	Education and Training services	
		Branch Support/Training	30
		Support services- events (net)	4
		Training and conferences (net)	(3)
Representation – Non Employment Related Issues		Negotiated Discount Services	
		Members' insurance	79
Communications			
Printing and distribution of publications	195		
Web site design and maintenance	20		
Advisory Services		Salary Costs	
		Legal representation	339
		Professional advice	1,013
		GS Unit	304
		Communications	131
Dispute Benefits		Other Benefits and Grants (specify)	
		Services to Schools set-up costs	15
		Members' Claims	1
Other Cash Payments			
Membership recruitment	211		
Research and development	138		
Subscriptions and affiliations	35		
Marketing	26		
Campaigns	39		
carried forward	983	Total (should agree with figure in General Fund)	2,896

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Legal Fund	£'000	£'000
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:		£	£
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 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		

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)

	£'000
Administrative Expenses	
Remuneration and expenses of staff	3,291
Salaries and Wages included in above	£2,535,000
Auditors' fees	34
Legal and Professional fees	60
Occupancy costs	190
Stationery, printing, postage, telephone, etc.	166
Expenses of Executive Committee (Head Office)	
Expenses of conferences	393
Other administrative expenses (specify)	
Executive Activity	353
Regional and Branch costs	581
Miscellaneous	264
Other Outgoings	
Interest payable:	
Bank loans (including overdrafts)	
Mortgages	
Other loans	
Depreciation	208
Taxation	
Outgoings on land and buildings (specify)	
Other outgoings (specify)	
Bank charges	26
Total	5,566
Charged to:	
General Fund (Page 3)	5,566
Fund (Account)	
Fund (Account)	
Fund (Account)	
Fund (Account)	
Total	5,566

ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contributions £	Benefits		Total £
				Other Benefits		
				Description	Value £	
General Secretary	117,645	15,182	16,923	Medical Insurance	2,483	
				Car	4,879	
				Sub-total	7,362	157,112

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £'000	Other Fund(s) £'000
Rent from land and buildings		
Dividends (gross) from:		
Equities (e.g. shares)		33
Interest (gross) from:		
Government securities (Gilts)		2
Mortgages		
Local Authority Bonds		
Bank and Building Societies		
Other investment income (specify)		
Other interest receivable		8
		43
Total investment income		43
Credited to:		
General Fund (Page 3)		43
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Political Fund		
Total Investment Income		43

BALANCE SHEET as at 31 December 2013

(see notes 47 to 50)

Previous Year		£'000	£'000
2,182	Fixed Assets (at page 14)		2,104
	Investments (as per analysis on page 15)		
1,220	Quoted (Market value £1,763,000)	1,201	
	Unquoted		
1,220	Total Investments		1,201
	Other Assets		
	Loans to other trade unions		
347	Sundry debtors	345	
1,508	Cash at bank and in hand	1,689	
	Income tax to be recovered		
	Stocks of goods		
403	Others (specify) Branch bank accounts	328	
0	Net pension scheme asset	1,736	
2,258	Total of other assets		4,098
5,660	TOTAL ASSETS		7,403
3,706	Fund (Account 1)		5,634
1,000	Fund (Account 2)		1,000
	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		
585	Sundry creditors	493	
	Accrued expenses		
	Provisions		
93	Net pension scheme liability	0	
678	TOTAL LIABILITIES		493
5,660	TOTAL ASSETS		7,403

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Furniture and Equipment £'000	Motor Vehicles £	Not used for union business £	Total £'000
	Freehold £'000	Leasehold £'000				
Cost or Valuation						
At start of year	1,250	669	2,042			3,961
Additions	-	-	156			156
Disposals	-	-	(160)			(160)
Revaluation/Transfer s						
At end of year	1,250	669	2,038			3,957
Accumulated Depreciation						
At start of year	70	57	1,652			1,779
Charges for year	23	12	199			234
Disposals	-	-	(160)			(160)
Revaluation/Transfer s						
At end of year	93	69	1,691			1,853
Net book value at end of year	1,157	600	347			2,104
Net book value at end of previous year	1,180	612	390			2,182

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £'000	Political Fund £
Equities (e.g. Shares)	1,081	
Government Securities (Gilts)	78	
Other quoted securities (to be specified)		
Hedge funds	42	
TOTAL QUOTED (as Balance Sheet)	1,201	
Market Value of Quoted Investment	1,763	
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 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 £'000	Political Funds £'000	Total Funds £'000
INCOME			
From Members	8,717	-	8,717
From Investments	43	-	43
Other Income (including increases by revaluation of assets)	1,630	-	1,630
Total Income	10,390	-	10,390
EXPENDITURE (including decreases by revaluation of assets)			
Total Expenditure	8,462	-	8,462
Funds at beginning of year (including reserves)	4,982	-	4,982
Funds at end of year (including reserves)	6,910	-	6,910
ASSETS			
Fixed Assets			2,104
Investment Assets			1,201
Other Assets			4,098
Total Assets			7,403
LIABILITIES			
Total Liabilities			493
NET ASSETS (Total Assets less Total Liabilities)			6,910

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.

See attached notes to the financial statements.

ACCOUNTING POLICIES


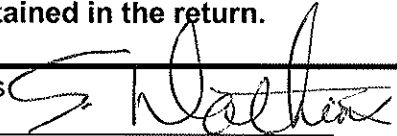
(see notes 74 and 75)

See attached notes to the financial statements.

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>9 MAY 2014</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>STEPHEN WATKINS</u> Date: <u>9 MAY 2014</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)	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

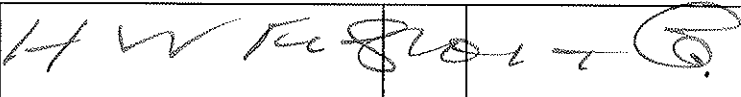
3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting 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 auditor's report attached.

AUDITOR'S REPORT (continued)

Signature(s) of auditor or auditors:		
Name(s):	HW Fisher & Company	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	Acre House 11 – 15 William Road London NW1 3ER	
Date:	16 May 2014	
Contact name and telephone number:	Sailesh P Mehta 0207 388 7000	

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

NATIONAL ASSOCIATION OF HEAD TEACHERS

ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2013

ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention, modified to include the revaluation of land and buildings. With the exception of the departure from certain requirements of FRS17, as described under "Pension Costs" below, the financial statements follow all applicable accounting standards.

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.

The increase in the present value of the Association's defined benefit pension liabilities expected to arise from employee service in the period is charged to the income and expenditure account. The Association's contributions to the pension scheme are included within operating expenditure, analysed between annual staff costs and "Additional payments to the pension scheme" as appropriate. The adjustment necessary to arrive at the current service cost, from the Association's contributions for the year, is disclosed as "Net pension scheme charges" and presented after the operating surplus or deficit for the year. This is a departure from one of the requirements of Financial Reporting Standard No. 17 "Retirement Benefits", to present current service cost for the year within operating results. As the service cost varies depending on periodic actuarial assumptions relating to the expected liabilities of the scheme, the Association considers that it does not give a true and fair view of its annual pension obligations to present this figure within its operating activities and has instead chosen to present the elements of the charge separately, on the basis described above.

The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in "Other finance expenditure".

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 2013

1	OTHER INCOME	2013 £'000	2012 £'000
	Investment income	43	39
	Profit/(loss) on disposal of investments	11	(3)
	Commissions received	136	131
	Miscellaneous	126	32
		316	199
2	REGION AND BRANCH SUPPORT	2013 £'000	2012 £'000
	Region, branch and local association costs:		
	Remitted from Headquarters	209	233
	Decrease/(increase) in cash balances	76	(118)
	Regional Officers' salaries and expenses	1,726	1,654
	Provision for tax on branch payments	(31)	46
	Regional Offices	369	350
		2,349	2,165
3	MEMBERSHIP ACTIVITY	2013 £'000	2012 £'000
	Legal representation (including staff costs)	664	517
	Costs recovered in respect of legal cases	(6)	(3)
	Training and conferences	509	600
	Training and conferences income	(512)	(587)
	Support services - events	95	-
	Roadshows income	(91)	-
	Staff costs: GS Unit	304	306
	Staff costs: professional advice	1,013	991
	Printing and distribution of publications	195	204
	Web site design and maintenance	20	22
	Staff costs: web site and publications	131	204
	Membership recruitment costs	211	327
	Branch Support/Training	30	-
	Marketing	26	62
	Election costs	-	2
	Members insurance	79	86
	Campaigns	39	38
	Research and development	138	31
	Services to Schools set-up costs	15	32
	Members' claims	1	-
	Subscriptions and affiliations	35	40
		2,896	2,872

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

4	EXECUTIVE ACTIVITY	2013 £'000	2012 £'000
	Executive meetings	236	183
	Executive - Other Business	71	85
	Sector groups and committees	46	35
		<hr/> 353	<hr/> 303
		<hr/> <hr/>	<hr/> <hr/>
5	PROPERTY AND EQUIPMENT COSTS	2013 £'000	2012 £'000
	Rent, rates, utilities and cleaning	115	118
	Property repairs	50	22
	Hire and maintenance of equipment	83	94
	Insurance	25	23
	Depreciation	234	226
	Depreciation reallocated to Regional Offices	(26)	(27)
		<hr/> 481	<hr/> 456
		<hr/> <hr/>	<hr/> <hr/>
6	COMMUNICATION AND ADMINISTRATION COSTS	2013 £'000	2012 £'000
	Staff costs	1,434	1,097
	Staff recruitment and training	111	71
	Telephone	109	101
	Printing, postage and stationery	57	53
	Staff travel	65	73
	Software maintenance	93	69
	Media functions	24	25
	Miscellaneous administrative expenses	48	35
		<hr/> 1,941	<hr/> 1,524
		<hr/> <hr/>	<hr/> <hr/>
7	PROFESSIONAL COSTS	2013 £'000	2012 £'000
	Bank charges and interest	26	25
	Professional fees	56	92
	Audit and accountancy	34	36
		<hr/> 116	<hr/> 153
		<hr/> <hr/>	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

8	STAFF COSTS	2013 £'000	2012 £'000
	Salaries	4,223	3,870
	National Insurance	420	391
	Pension costs	691	669
	Pension regulatory levy	4	8
	Pension deficit	450	450
	Recruitment and training	111	71
		<hr/>	<hr/>
		5,899	5,459
		<hr/> <hr/>	<hr/> <hr/>
	Allocated to :		
		Note	
	Regional officers and other regional staff	2	1,768
	Legal representation	3	339
	Recruitment and branch support	3	69
	Training and conferences	3	221
	Professional advice, salaries and pensions	3	1,013
	GS Unit	3	304
	Web site and publications	3	131
	Annual conference		55
	Communications and administration		
	- staff costs	6	1,434
	- staff recruitment and training	6	111
			<hr/>
		5,445	5,001
			<hr/>
	Pension regulatory levy	4	8
	Pension deficit	450	450
		<hr/>	<hr/>
		5,899	5,459
		<hr/> <hr/>	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9 FIXED ASSETS

	Land and Buildings		Furniture and equipment £'000	Total £'000
	Freehold £'000	Long Leasehold £'000		
Cost or valuation				
At 1 January 2013	1,250	669	2,042	3,961
Additions	-	-	156	156
Disposals	-	-	(160)	(160)
At 31 December 2013	1,250	669	2,038	3,957
Depreciation				
At 1 January 2013	70	57	1,652	1,779
Charge for the year	23	12	199	234
Disposals	-	-	(160)	(160)
At 31 December 2013	93	69	1,691	1,853
Net book value				
At 31 December 2013	1,157	600	347	2,104
<i>At 31 December 2012</i>	<i>1,180</i>	<i>612</i>	<i>390</i>	<i>2,182</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.

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9 FIXED ASSETS (continued)

Comparable historical cost for revalued land and buildings

	Freehold £'000	Leasehold £'000	Total £'000
Cost			
At 1 January 2013	1,579	704	2,283
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2013	1,579	704	2,283
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2013	229	105	334
Charge for the year	22	12	34
	<hr/>	<hr/>	<hr/>
At 31 December 2013	251	117	368
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2013	1,328	587	1,915
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>At 31 December 2012</i>	<i>1,350</i>	<i>599</i>	<i>1,949</i>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

10 INVESTMENTS

	Listed Investments £'000
Cost and Net Book Value	
At 1 January 2013	1,220
Additions	79
Disposals	(98)
	<hr/>
At 31 December 2013	1,201
	<hr/>

The market value of the listed investments at 31 December 2013 was £1,763,000 (2012: £1,524,000).

11 LEGAL FUND

	£'000
At 1 January 2013 and at 31 December 2013	1,000
	<hr/> <hr/>

12 REVALUATION RESERVE

	£'000
At 1 January 2013 and at 31 December 2013	276
	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

13 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Operating surplus for the year	99	92
Dividend and interest income receivable	(43)	(39)
Depreciation	234	226
(Profit)/loss on disposal of investments	(11)	3
Movements in:		
Debtors and prepayments	2	(55)
Creditors and accruals	(92)	111
	<hr/>	<hr/>
Net cash inflow from Operating Activities	189	338
	<hr/> <hr/>	<hr/> <hr/>

14 INCREASE IN CASH

	At 1 January 2013 £'000	Cashflow £'000	At 31 December 2013 £'000
Cash at bank	1,508	181	1,689
Branch current accounts	403	(74)	329
	<hr/>	<hr/>	<hr/>
	1,911	107	2,018
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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 that they may not be successful.

16 OPERATING LEASE COMMITMENTS

At 31 December 2013 there were annual commitments under non-cancellable operating leases as set out below:

	Motor Vehicles		Office Equipment	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	19	10	9	13
In the second to fifth years inclusive	29	41	-	5
More than five years	-	-	5	-
	<hr/>	<hr/>	<hr/>	<hr/>
	48	51	14	18
	<hr/>	<hr/>	<hr/>	<hr/>

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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 £232,000 (2012: £158,000).

(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 (2012: £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 2014 are £800,000 (2013: £866,000).

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 2013. The scheme assets are stated at their market value as at 31 December 2013.

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

17 STAFF PENSION SCHEME (continued)

The main financial assumptions, used in preparing the 2013 valuation under FRS 17, were:

	2013	2012	2011
Rate of increase in pensionable salaries	3.9%	3.9%	4.0%
Rate of increase to pensions in payment (pre-2010/post-2010)	3.4%/2.3%	2.8%/2.5%	2.9%/n/a
Discount rate	4.5%	4.6%	4.7%
Rate of inflation (RPI/CPI)	3.5%/3.0%	2.9%/n/a	3%/n/a
Mortality table	SAPS CMI 2012 Projections	PNxA00 Medium cohort	PNxA00 Medium cohort

Net assets/(liabilities) of the scheme

The fair value of the assets in the scheme and the expected rate of return at 31 December 2013 were:

	Long term rate of return per annum			Values		
	2013	2012	2011	2013 £'000	2012 £'000	2011 £'000
Equities	7.0%	4.7%	4.8%	7,276	5,458	5,243
Bonds	4.1%	2.2%	1.8%	1,012	2,034	1,995
Other	6.5%	2.2%	1.8%	927	954	1,544
Cash	0.5%	n/a	n/a	724	-	-
Total market value of assets				9,939	8,446	8,782
Present value of liabilities				(8,203)	(8,539)	(8,989)
Net pension asset/(liability)				1,736	(93)	(207)

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

	2013 £'000	2012 £'000	2011 £'000
Scheme liabilities at start of period	8,539	8,989	7,947
Current service cost	288	282	281
Interest cost	388	384	435
Contributions by scheme participants	162	227	220
Actuarial (gains) /losses	(497)	791	389
Benefits paid, death in service insurance premiums and expenses	(677)	(2,134)	(283)
Scheme liabilities at end of period	8,203	8,539	8,989

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

17 STAFF PENSION SCHEME (continued)

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

	2013	2012
	£'000	£'000
Fair value of scheme assets at start of period	8,446	8,782
Expected return on scheme assets	328	299
Actuarial gains	860	344
Contributions by employer	820	928
Contributions by scheme participants	162	227
Benefits paid, death in service insurance premiums and expenses	(677)	(2,134)
Fair value of scheme assets at end of year	9,939	8,446

Total expense recognised in income and expenditure account

	2013	2012
	£'000	£'000
Contributions by employer	820	928
Net pension scheme charges	(532)	(646)
Current service cost	288	282
Interest cost	388	384
Expected return on scheme assets	(328)	(299)
Total expense recognised	348	367

Analysis of the amount charged to other finance expenditure

	2013	2012
	£'000	£'000
Expected return on pension scheme assets	328	299
Interest on pension scheme liabilities	(388)	(384)
Net expense	(60)	(85)

NATIONAL ASSOCIATION OF HEAD TEACHERS

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

17 STAFF PENSION SCHEME (continued)

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

	2013 £'000	2012 £'000
Actual return less expected return on pension scheme assets	860	344
Experience gains and losses arising on the scheme liabilities	1,131	(765)
Changes in assumptions underlying the present value of the scheme liabilities	<u>(634)</u>	<u>(26)</u>
Actuarial gains/(losses)	<u>1,357</u>	<u>(447)</u>

Movement in the FRS 17 surplus/ (deficit) during the year

	2013 £'000	2012 £'000
Movement in year:		
Current service cost	(288)	(282)
Contributions	<u>820</u>	<u>928</u>
	532	646
Other finance expenditure	(60)	(85)
Actuarial gain/(loss)	<u>1,357</u>	<u>(447)</u>
	1,829	114
Deficit in the scheme at the beginning of the year	<u>(93)</u>	<u>(207)</u>
Surplus/(deficit) in the scheme at the end of the year	<u>1,736</u>	<u>(93)</u>

History of experience gains and losses

	2013	2012	2011
Difference between the expected and actual return on scheme assets:			
Amount (£'000s)	860	344	(963)
Percentage of scheme assets	9%	4%	(11%)
Experience gains and losses on scheme liabilities:			
Amount (£'000s)	1,131	(765)	116
Percentage of the present value of the scheme liabilities	14%	(9%)	1%
Changes in assumptions underlying the present value of the scheme liabilities:			
Amount (£'000s)	(634)	(26)	(505)
Percentage of the present value of the scheme liabilities	(8%)	(0%)	(6%)
Total amount recognised in the STRGL			
Amount (£'000s)	1,357	(447)	(1,352)
Percentage of the present value of the scheme liabilities	<u>17%</u>	<u>(5%)</u>	<u>(15%)</u>



TO THE MEMBERS OF THE

NATIONAL ASSOCIATION OF HEAD TEACHERS

**HW Fisher
& Company**

We have audited the financial statements of the National Association of Head Teachers for the year ended 31 December 2013, set out on pages 7 to 23. 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 Association's members, as a body. 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 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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Association's National Executive and auditors

As explained more fully in the Statement of Responsibilities of the National Executive on page 5, the Association's National Executive is responsible for the preparation of financial statements which 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 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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Association's National Executive; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the National Treasurer's 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 2013 and of its income and expenditure for the year then ended.

Matters on which we are required to report by exception

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to report to you by exception in respect of the following matters if, in our opinion:

- A satisfactory system of control over transactions has not been maintained.
- The Association has not kept proper accounting records.
- The financial statements are not in agreement with the books of account.
- We have not received all the information and explanations we need for our audit.

We have nothing to report to you in respect of the above matters.

H W FISHER & COMPANY
Chartered Accountants
Statutory Auditor

Dated: 26 February 2014

Acre House
11 – 15 William Road
London NW1 3ER
United Kingdom