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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:

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

Year ended:

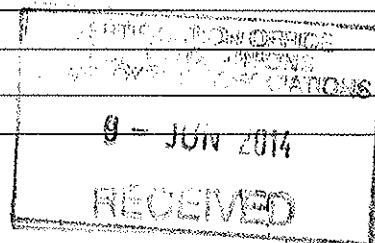
31 DECEMBER 2013

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

(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
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)

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	9,342	96	1	64	9,503
FEMALE	8,279	88	0	42	8,409
TOTAL	17,621	184	1	106	17,912

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

17,912

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	MIKE GRIFFITHS	IAN BAUCKHAM	01/09/2013
VICE PRESIDENT	IAN BAUCKHAM	PETER KENT	01/09/2013
IMMEDIATE VICE PRESIDENT	JOAN McVITTIE	MIKE GRIFFITHS	01/09/2013

State whether the union is:

a. A branch of another trade union?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If yes, state the name of that other union:

b. A federation of trade unions?

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
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If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		4,214,215
From Members: Other income from members (specify)		
 Total other income from members		
Total of all income from members		4,214,215
Investment income (as at page 12)		222,135
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	1,667,687	
 Total of other income (as at page 4)		1,667,687
	TOTAL INCOME	6,104,037
EXPENDITURE		
Benefits to members (as at page 5)		2,087,493
Administrative expenses (as at page 10)		3,816,128
Federation and other bodies (specify)		
 Total expenditure Federation and other bodies		
Taxation		
	TOTAL EXPENDITURE	5,903,621
 Surplus for year including net investment gains of £318,883		519,299
 Amount of general fund at beginning of year		3,542,032
 Amount of general fund at end of year		4,061,331

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		
Conferencing and commission	442,302	
Communications	130,478	
Annual conference	510,871	
Rents received	18,036	
Fees and hire of equipment	243,026	
Management recharge	190,804	
Other income	13,272	
PPC Project grant	93,898	
Education and employers taskforce	25,000	
TOTAL OTHER INCOME		1,667,687
TOTAL OF ALL OTHER INCOME		1,667,687

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation – Employment Related Issues		brought forward	247,753
		Education and Training services	
		Conferences and seminars	211,189
Representation – Non Employment Related Issues			
		Negotiated Discount Services	
Communications			
Publications and postage	77,243		
Leader magazine	109,469		
Mailings to members	61,041	Salary Costs	
		Member Support services	1,427,350
Advisory Services		Member Support travel and exps	111,775
		Other Benefits and Grants (specify)	
Dispute Benefits		Branch Secretary training & support	14,368
		Branch expenses	27,836
		Legal support for Members	47,222
Other Cash Payments			
carried forward		Total (should agree with figure in General Fund)	2,087,493
	247,753		

(See notes 24 and 25)

FUND 2		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 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 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		1,690,366
Salaries and Wages included in above	£1,555,587	
Auditors' fees		12,194
Legal and Professional fees		72,331
Occupancy costs		56,518
Stationery, printing, postage, telephone, etc.		138,600
Expenses of Executive Committee (Head Office)		
Expenses of conferences		
Other administrative expenses (specify)		
Various – see Note 4 to the annual accounts (excluding Support for Members) on pages 8 to 10		1,700,847
Other Outgoings		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		59,799
Taxation		
Outgoings on land and buildings (specify)		
Maintenance		85,473
Other outgoings (specify)		
Total		3,816,128
Charged to:		
General Fund (Page 3)		3,816,128
Fund (Account)		
Fund (Account)		
Fund (Account)		
Fund (Account)		
Total		3,816,128

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	123,132	15,938	20,364	Private health ins	1,550	160,984

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)			54,735
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			17,400
Other investment income (specify)			
Dividend from subsidiary undertaking			150,000
			222,135
		Total investment income	222,135
		Credited to:	
		General Fund (Page 3)	222,135
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	222,135

BALANCE SHEET as at 31 Dec 2013

(see notes 47 to 50)

Previous Year		£	£
892,856	Fixed Assets (at page 14)		904,388
	Investments (as per analysis on page 15)		
2,295,304	Quoted (Market value £)		2,703,019
1,000	Unquoted		1,000
	Total Investments		3,608,407
	Other Assets		
	Loans to other trade unions		
402,638	Sundry debtors		473,592
926,111	Cash at bank and in hand		872,834
	Income tax to be recovered		
	Stocks of goods		
	Others (specify)		
	Total of other assets		1,346,426
4,517,909	TOTAL ASSETS		4,954,833
3,542,032	Fund (Account)		4,061,331
	Fund (Account)		
	Fund (Account)		
	Superannuation Fund (Account)		
	Political Fund (Account)		
	Revaluation Reserve		
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
125,591	Tax payable		134,297
	Sundry creditors		
652,275	Accrued expenses		581,862
151,675	Provisions/Deferred Income		143,003
46,336	Other liabilities - pensions		34,340
	TOTAL LIABILITIES		893,502
4,517,909	TOTAL ASSETS		4,954,833

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	1071985		656,749			1,728,734
Additions			71,331			71,331
Disposals						
Revaluation/Transfer s						
At end of year	1071985		728,080			1,800,065
Accumulated Depreciation						
At start of year	284,331		551,547			835,878
Charges for year	14,696		45,103			59,799
Disposals						
Revaluation/Transfer s						
At end of year	299,027		596,650			895,677
Net book value at end of year						
	772,958		131,430			904,388
Net book value at end of previous year						
	787,654		105,202			892,856

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	2,399,548	
Government Securities (Gilts)		
Other quoted securities (to be specified)		
Cash held by investment fund manager	303,471	
TOTAL QUOTED (as Balance Sheet)	2,703,019	
Market Value of Quoted Investment	2,703,019	
UNQUOTED		
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	1,000	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<p>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</p>	YES <input checked="" type="checkbox"/> X	NO <input type="checkbox"/>
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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

<p>Are the shares which are controlled by the union registered in the names of the union's trustees?</p>	YES <input checked="" type="checkbox"/> X	NO <input type="checkbox"/>
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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	4,214,215		4,214,215
From Investments	222,135		222,135
Other Income (including increases by revaluation of assets)	1,667,687 1,986,570		1,667,687 1,986,570
Total Income	6,104,037 6,422,910		6,104,037 6,422,910
EXPENDITURE (including decreases by revaluation of			
Total Expenditure	5,903,621		5,903,621
Funds at beginning of year (including reserves)	3,542,032		3,542,032
Funds at end of year (including reserves)	4,061,331		4,061,331
ASSETS			
Fixed Assets			904,388
Investment Assets			2,704,019
Other Assets			1,346,426
		Total Assets	4,954,833
LIABILITIES		Total Liabilities	893,502
NET ASSETS (Total Assets less Total Liabilities)			4,061,331

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 accounts

ACCOUNTING POLICIES

(see notes 74 and 75)

Please refer to attached 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>B.P. Lightman</u> Name: <u>Brian</u> Lightman _____ Date: <u>23</u> May 2014	Chairman's Signature: <u>[Signature]</u> (or other official whose position should be stated) Name: <u>Steve Kind, Director of Finance &</u> Operations _____ Date: <u>23</u> May 2014
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CHECK LIST

(see notes 78 to 80)

(please tick as appropriate)

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

AUDITOR'S REPORT

(see notes 81 to 86)

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

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

YES

If "No" please explain below.

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

YES

If "No" please explain below.

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

YES

If "No" please explain below.

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

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 2013 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 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 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
Chartered Accountants
Statutory Auditors

Date: 13 June 2014

AUDITOR'S REPORT (continued)

See attached

Signature(s) of auditor or auditors:

Clement Keys LLP

Name(s):

Simon Atkins

Profession(s) or Calling(s):

FCA - ICAEW

Address(es):

8, Calthorpe Road
Edgbaston
Birmingham
B15 1QT

Date:

May 2014

Contact name and telephone number:

Simon Atkins
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 2013



ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

Officers

Ian Bauckham, President
Mike Griffiths, Immediate Past President
Peter Kent, Vice President
Stephen Brierley, Honorary Treasurer
Sue Moore, Membership and Communications Officer
Allan Foulds, 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
Elizabeth House
39 York Road
London
SE1 7NQ

Solicitors

Reynolds Porter Chamberlain LLP
Chichester House
278 High Holborn
London
WC1V 7HA

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

CONTENTS

	Page
Report of the Officers	1
Report of the Independent Auditors	3
Income and Expenditure Account	5
Balance Sheet	6
Notes to the Financial Statements	7

COMPARATIVE FIGURES: Note that the comparative figures in the income and expenditure account have been reanalysed across the different cost categories in order to provide a like for like comparison with the analysis of costs as at 31 December 2013.

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 carried out, as well as continuing to influence national education decisions and policies for the benefit of all members.

The accountants and auditors were again able to report no concerns and gave a clean audit report. The spend on direct support for members (legal fees, solicitors, regional and field officers, hotline) increased by 3% to £2,087,493 (2012: £2,025,534) which is 35% of the total expenditure without taking into account 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 2013 depicted a surplus of £200,416 (2012: £358,796). Realised and unrealised gains on the investment portfolio of £318,883 (2012: £165,005) took the total net movement on funds to a surplus of £519,299 (2012: £523,801) for the year. The total assets carried forward amounted to £4,061,331 (2012: £3,542,032).

The surplus was mainly due to a continued increase in membership and the successful trading performance of ASCL Professional Development Limited which had another good year. As well as contributing financially to the Association, ASCL PD continued to support members with excellent and relevant CPD and consultancies. The 2013 year saw major growth in both short courses and consultancy revenues and was supplemented by the issue of new series of DVD's covering a wide range of topics and themes.

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 now depicting total funds of £4,061,331 (an increase of 15% during the year) we have been able to allocate funds for both on-going and future developments including the new CRM database which is due to be launched later this year. The year to December 2013 also saw the launch of a new website for the Association which has been positively received, with further upgrades planned for the 2014 year. The training and updating for all staff remains a priority and during 2013 there was a comprehensive programme of training and CPD which will continue and be developed through-out the 2014 year.

In summary, the Association is in an extremely 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 once again for the 2014 year.

Auditors

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

This report was approved by the Council on 13 June 2014 and signed on its behalf by:

.....

B 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 2013 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 2013 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 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
Chartered Accountants
Statutory Auditors**

Date: 13 June 2014

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Income			
Subscriptions		4,214,215	4,059,827
Conferencing and commission	2	442,302	344,722
Communications	2	130,478	130,560
Annual Conference		510,871	402,289
Investment income	2	222,135	65,508
Rent received		18,036	16,806
Fees and hire of equipment		243,026	250,141
ASCL SFM software tool		-	1,800
Management recharge		190,804	199,235
Other income		13,272	-
PPC Project grant		93,898	-
Education and employers taskforce		25,000	-
		<hr/>	<hr/>
Total incoming resources		6,104,037	5,470,888
		<hr/>	<hr/>
Expenditure			
Staff costs	3	2,982,937	2,702,536
HQ and central services	4	363,028	274,544
Equipment and materials	4	299,859	226,943
Other central expenses	4	524,764	301,526
Support for members	4	660,143	703,381
National meetings and working groups	4	353,460	350,467
Annual conference costs		534,162	455,565
Depreciation	5	59,799	52,443
PPC Project grant costs		93,898	-
PPC other costs		31,661	44,687
		<hr/>	<hr/>
Total resources expended		5,903,621	5,112,092
		<hr/>	<hr/>
Net incoming resources before other recognised gains and losses		200,416	358,796
Other recognised gains			
Realised and unrealised gains on investments	6	318,883	165,005
		<hr/>	<hr/>
Net movement on funds		519,299	523,801
Reconciliation of funds:			
Funds brought forward at 1 January 2013		3,542,032	3,018,231
		<hr/>	<hr/>
Funds carried forward at 31 December 2013		4,061,331	3,542,032
		<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 2013

	Note	31 December 2013		31 December 2012	
		£	£	£	£
Fixed assets					
Tangible assets	5		904,388		892,856
Investments at market value	6		2,703,019		2,295,304
Investment in subsidiary	7		1,000		1,000
			<hr/>		<hr/>
			3,608,407		3,189,160
 Current assets					
Cash at bank and in hand		872,834		926,111	
Debtors	8		473,592		402,638
			<hr/>		<hr/>
		1,346,426		1,328,749	
			<hr/>		<hr/>
 Creditors: amounts falling due within one year					
Creditors	9	(893,502)		(975,877)	
			<hr/>		<hr/>
Net current assets			452,924		352,872
			<hr/>		<hr/>
Total assets less current liabilities			4,061,331		3,542,032
			<hr/> <hr/>		<hr/> <hr/>
 Funds employed					
Fixed Asset Fund			904,388		892,856
Building Maintenance Fund			40,000		40,000
Database Upgrade Fund			150,000		202,000
Member Support Staff, Development and Training Fund			-		2,597
IT Development Fund			50,000		35,000
Future Development Fund			200,000		-
Staff Contingency Fund			30,000		-
School-led System Taskforce Fund			25,000		-
General Fund			161,943		74,275
ASCL Reserve Fund			2,500,000		2,295,304
			<hr/>		<hr/>
Total Funds	10		4,061,331		3,542,032
			<hr/> <hr/>		<hr/> <hr/>

Approved by the Council on 13 June 2014 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 2013

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	- 25% of net book value 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 16 for details of The Pensions Trust's Growth Plan.

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	£	£
2		
Income		
<i>Conferencing and commission</i>		
Conferences and seminars	244,590	208,255
Commission received	197,212	134,067
Writing and speaking fees	500	2,400
	<hr/>	<hr/>
	442,302	344,722
	<hr/> <hr/>	<hr/> <hr/>
<i>Communications</i>		
Leader	43,490	54,004
Website charges	26,060	26,293
Publications and postage recharge	60,928	50,263
	<hr/>	<hr/>
	130,478	130,560
	<hr/> <hr/>	<hr/> <hr/>
<i>Investment income</i>		
Dividend from ASCL Professional Development	150,000	-
Dividends from investments	54,735	55,076
Bank interest	17,400	10,432
	<hr/>	<hr/>
	222,135	65,508
	<hr/> <hr/>	<hr/> <hr/>
3		
Staff Costs	2013	2012
	Number	Number
The average monthly number of persons employed during the year was as follows:		
Member support	37	35
Policy and Directorate	8	7
Specialists	8	7
Membership and communications	11	11
Operations and administration	9	8
	<hr/>	<hr/>
	73	68
	<hr/> <hr/>	<hr/> <hr/>
Staff costs for the above persons:	2013	2012
	£	£
Wages and salaries	2,559,799	2,333,743
Social security costs	267,085	241,059
Other pension costs	130,000	108,998
	<hr/>	<hr/>
	2,956,884	2,683,800
	<hr/> <hr/>	<hr/> <hr/>
Contracted out staffing services	26,053	18,736
	<hr/>	<hr/>
	2,982,937	2,702,536
	<hr/> <hr/>	<hr/> <hr/>

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
4 Expenditure		
<i>Headquarters and central services</i>		
Bank and credit card charges	13,005	12,929
Rates, light, heating and cleaning	56,518	69,021
Building maintenance	85,473	45,652
Staff training	53,028	64,298
HQ travel expenses	59,630	48,181
Insurance	32,441	27,911
Staff recruitment costs	62,933	6,552
	<hr/>	<hr/>
	363,028	274,544
	<hr/> <hr/>	<hr/> <hr/>
 <i>Equipment and materials</i>		
Hire and maintenance of equipment	109,499	84,870
Postage, telephone and mobile connectivity	88,132	92,313
Website and IT purchase	51,760	7,146
General printing, stationery and books	50,468	42,614
	<hr/>	<hr/>
	299,859	226,943
	<hr/> <hr/>	<hr/> <hr/>

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
4 Expenditure: continued		
<i>Other central expenses</i>		
Audit, accounting and professional fees	84,525	49,413
Database support and training	141,291	38,592
Professional support computers	-	2,036
Affiliation fees and subscriptions	11,951	10,191
Media and communications	40,147	34,973
Sundry expenses	2,159	8,007
Research and development	21,542	13,979
Member recruitment and advertising	82,350	76,847
Exhibition costs	37,530	26,714
Party political conferences	14,139	10,212
Hospitality and sundry expenses	4,338	4,090
Bad debts written off	-	7,000
Irrecoverable VAT	84,702	19,472
	<hr/>	<hr/>
	524,674	301,526
	<hr/>	<hr/>
<i>Support for members</i>		
Conferences and seminars – direct costs	211,189	138,276
Legal support for members	47,222	183,915
Publications and postage	77,243	92,173
Leader	109,469	116,306
Mailings to members	61,041	47,209
Member support travel and expenses	111,775	98,346
Branch secretary training and support	14,368	8,185
Branch expenses	27,836	18,971
	<hr/>	<hr/>
	660,143	703,381
	<hr/>	<hr/>
<i>National meetings and working groups</i>		
Presidential support	54,733	85,000
Council meetings (accommodation and travel)	159,720	148,207
Panels and working groups	13,350	22,752
Subscriptions	14,847	14,469
Travel expenses	34,849	27,951
Specialists HQ travel expenses	40,300	31,409
National and district elections	35,661	20,679
	<hr/>	<hr/>
	353,460	350,467
	<hr/>	<hr/>

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

**NOTES TO THE ACCOUNTS
YEAR ENDED 31 DECEMBER 2013**

5 Fixed Assets

	Freehold land & buildings £	Computer equipment £	Office furniture & equipment £	Total £
Cost				
At 1 January 2013	1,071,985	493,193	163,556	1,728,734
Additions	-	52,545	18,786	71,331
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	1,071,985	545,738	182,342	1,800,065
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2013	284,331	448,323	103,224	835,878
Charge for the year	14,696	28,487	16,616	59,799
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2013	299,027	476,810	119,840	895,677
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2013	772,958	68,928	62,502	904,388
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	787,654	44,870	60,332	892,856
	<hr/>	<hr/>	<hr/>	<hr/>

6 Investments

		2013 £	2012 £
Market value at 1 January 2013		2,295,304	2,051,949
Additions		282,924	434,300
Disposal proceeds		(327,098)	(489,546)
Movement in cash		133,006	133,596
Net investment gain		318,883	165,005
		<hr/>	<hr/>
Market value at 31 December 2013		2,703,019	2,295,304
		<hr/>	<hr/>
	Market Value		Cost
	2013	2012	2013
	£	£	£
Other listed investments	2,399,548	2,124,839	1,727,953
Cash on deposit	303,471	170,465	303,471
	<hr/>	<hr/>	<hr/>
	2,703,019	2,295,304	2,031,424
	<hr/>	<hr/>	<hr/>
			1,845,863
			<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 2013**

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 2013: £294,267 (2012: £358,832)

Profit after tax for the year ended 31 December 2013: £76,657 (2012: £297,046)

	2013 £	2012 £
8 Debtors		
Sales ledger balances	267,820	159,179
Other sundry debtors and prepayments	68,130	112,387
Subscriptions in arrears	1,226	9,418
Accrued income	5,414	5,736
Amount due from subsidiary undertaking	120,780	87,396
Amount due from Benevolent Fund	905	10,422
Amount due from ASCL Educational Development Trust	9,317	18,100
	<hr/>	<hr/>
	473,592	402,638
	<hr/>	<hr/>
9 Creditors		
PAYE and NIC	110,704	96,221
SWPF and other pensions	34,340	46,336
Other sundry creditors and accruals	581,862	652,275
Subscriptions in advance	34,148	45,267
Subscriptions for lifetime members	53,703	52,615
Commission in advance	55,152	53,793
VAT	23,593	29,370
	<hr/>	<hr/>
	893,502	975,877
	<hr/>	<hr/>

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

10 Analysis of funds

	At 1.1.2013	Income	Expenditure	Transfers	Investment gain	At 31.12.2013
	£	£	£	£	£	£
Fixed Asset Fund	892,856	-	(59,799)	71,331	-	904,388
Building Maintenance Fund	40,000	-	(40,000)	40,000	-	40,000
Database Upgrade Fund	202,000	-	(141,291)	89,291	-	150,000
Member Support Staff Development & Training Fund	2,597	-	(2,597)	-	-	-
IT Development Fund	35,000	-	-	15,000	-	50,000
Future Development Fund	-	-	-	200,000	-	200,000
Staff Contingency Fund	-	-	-	30,000	-	30,000
School-led System Taskforce Fund	-	-	-	25,000	-	25,000
General Fund	74,275	6,104,037	(5,659,934)	(301,435)	-	161,943
ASCL Reserve Fund	2,295,304	-	-	(114,187)	318,883	2,500,000
	<u>3,542,032</u>	<u>6,104,037</u>	<u>5,903,621</u>	<u>-</u>	<u>318,883</u>	<u>4,061,331</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.

Member Support Staff Development and Training Fund

The purpose of this fund is for development and training within the Member Support department

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 second phase of the regionalisation pilot project in England.

Staff Contingency Fund

The purpose of this fund is to cover additional staffing resource on specific projects.

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 2013

11 Taxation

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

12 Contingent liabilities

At 31 December 2013 there were no contingent liabilities.

13 Branch funds

These accounts exclude any funds relating to Branches of the Association. The funds of these branches at 31 December 2013 are £14,775 (2012: £31,956).

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 £769,354 (2012: £895,549). The balance due to The Association from ASCL Professional Development Limited as at the year ended 31 December 2013 was:

Trade debtors	£120,780	(2012: £87,396)
---------------	----------	-----------------

A number of the Association's officers are also Trustees of The ASCL Educational Development Trust, from whom £9,317 (2012: £18,100 liability) was due at the year end.

16 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.
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.

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

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 29 (2012: 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
	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Prices Index (CPI)	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.
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.

ASSOCIATION OF SCHOOL AND COLLEGE LEADERS

NOTES TO THE ACCOUNTS YEAR ENDED 31 DECEMBER 2013

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.