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- PRINT ON ONE SIDE ONLY

# FORM AR21

To be used for reporting years starting on or after 6 April 2015

Trade Union and Labour Relations (Consolidation) Act 1992

## ANNUAL RETURN FOR A TRADE UNION

Name of Trade Union:

National Association of Head Teachers

Year ended:

31 December 2016

List no:

350T

Head or Main Office:

1 Heath Square  
Boltro Road  
Haywards Heath  
West Sussex  
RH16 1BL

Website address (if available)

<http://naht.org.uk>

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

Yes

No

(Click the appropriate box)

General Secretary:

Russell Hobby

Telephone Number:

01444 472472

Contact name for queries regarding

Orla Davy-Shields

Telephone Number:

01444 472496

E-mail:

[orla.davy-shields@naht.org.uk](mailto:orla.davy-shields@naht.org.uk)

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

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

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

For Unions based in England and Wales:

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

For Unions based in Scotland:

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



(Revised February 2017)

## LIST OF OFFICERS IN PLACE AS AT 31 DECEMBER 2016

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President  
Vice President  
Immediate Past President  
National Treasurer  
General Secretary

Kim Johnson  
Colm Davis  
Anthony Draper  
Judith Stott  
Russell Hobby

# RETURN OF MEMBERS

(see notes 10 and 11)

NUMBER OF MEMBERS AT THE END OF THE YEAR					
	Great Britain	Northern Ireland	Irish Republic	Elsewhere Abroad (including Channel Islands)	TOTALS
MALE	12,970	400	Nil	298	<b>13,668</b>
FEMALE	27,146	532	Nil	682	<b>28,360</b>
TOTAL	40,116	932	Nil	980	A <b>42,028</b>

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

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

29,138
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## OFFICERS IN POST

(see note 12)

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

## RETURN OF CHANGE OF OFFICERS

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

Title of Office	Name of Officer ceasing to hold office	Name of Officer Appointed	Date
President	Anthony Draper	Kim Johnson	29/04/2016
Vice President	Kim Johnson	Colm Davis	29/04/2016
Immediate Past President	Gail Larkin	Anthony Draper	29/04/2016
Vice President	Colm Davis	Anne Lyons	23/01/2017

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
<b>INCOME</b>		
<b>From Members: Contributions and Subscriptions</b>		8,991
<b>From Members: Other income from members (specify)</b>		
Region and Branch Income	374	
Membership Activity	494	
<b>Total other income from members</b>		9,859
<b>Total of all income from members</b>		
<b>Investment income (as at page 12)</b>		32
<b>Other Income</b>		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	481	
<b>Total of other income (as at page 4)</b>		513
	<b>TOTAL INCOME</b>	<b>10,372</b>
<b>EXPENDITURE</b>		
<b>Benefits to members (as at page 5)</b>		4,511
<b>Administrative expenses (as at page 10)</b>		7,285
<b>Federation and other bodies (specify)</b>		
<b>Total expenditure Federation and other bodies</b>		
<b>Taxation</b>		
	<b>TOTAL EXPENDITURE</b>	<b>11,796</b>
		<b>(1,424)</b>
Amount of general fund at beginning of year		6,596
Amount of general fund at end of year		5,172

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

(see notes 19 and 20)

DESCRIPTION	£'000	£'000
<b>Federation and other bodies</b>		
<b>TOTAL FEDERATION AND OTHER BODIES</b>		
<b>Other income</b>		
Commission received	86	
Miscellaneous	98	
VAT refund	50	
School development initiatives	105	
Publication contracts income	142	
<b>TOTAL OTHER INCOME</b>		<b>481</b>
<b>TOTAL OF ALL OTHER INCOME</b>		<b>481</b>

## ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£'000		£'000
Representation – Employment Related Issues Legal Representation	215	<b>brought forward</b>  Education and Training services Branch support/training Training and conferences	1,262   1 614
Representation – Non Employment Related Issues		Negotiated Discount Services Members insurance	145
Communications Printing and distribution of Publications Website Design and Maintenance	379 34	Salary Costs Legal Representation Professional advice GS Unit Website and publications	289 1,349 620 230
Advisory Services		Other Benefits and Grants (specify) Services to Schools Set-Up- Costs	1
Dispute Benefits			
Other Cash Payments Membership recruitment costs Subscriptions and affiliations Marketing Members' claims	470 159 3 2		
<b>carried forward</b>	1,262	<b>Total (should agree with figure in General Fund)</b>	4,511

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	Legal Fund	£'000	£'000
<b>Income</b>			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		1,000
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		1,000
	<b>Number of members contributing at end of year</b>		n/a

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

**Number of members contributing at end of year**

(See notes 24 and 25)

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

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



Number of members contributing at end of year

(See notes 24 and 25)

<b>FUND 6</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>			
From members			
Investment income (as at page 12)			
Other income (specify)			
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		
	<b>Number of members contributing at end of year</b>		

<b>FUND 7</b>		<b>Fund Account</b>	
<b>Name:</b>		<b>£</b>	<b>£</b>
<b>Income</b>			
From members			
Investment income (as at page 12)			
Other income (specify)			
	<b>Total other income as specified</b>		
	<b>Total Income</b>		
<b>Expenditure</b>			
Benefits to members			
Administrative expenses and other expenditure (as at page 10)			
	<b>Total Expenditure</b>		
	<b>Surplus (Deficit) for the year</b>		
	<b>Amount of fund at beginning of year</b>		
	<b>Amount of fund at the end of year (as Balance Sheet)</b>		

**Number of members contributing at end of year**

(see notes 26 to 31)

<b>POLITICAL FUND ACCOUNT 1</b>		<b>To be completed by trade unions which maintain their own fund</b>	
		£	£
<b>Income</b>	Members contributions and levies		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
		Total income	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
		Total expenditure	
	Surplus (deficit) for year		
	Amount of political fund at beginning of year		
	Amount of political fund at the end of year (as Balance Sheet)		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

<b>POLITICAL FUND ACCOUNT 2</b>		<b>To be completed by trade unions which act as components of a central trade union</b>	
		£	£
<b>Income</b>	Contributions and levies collected from members on behalf of central political fund		
	Funds received back from central political fund		
	Other income (specify)		
	Total other income as specified		
		Total income	
<b>Expenditure</b>	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
		Total expenditure	
	Surplus (deficit) for year		
	Amount held on behalf of trade union political fund at beginning of year		
	Amount remitted to central political fund		
	Amount held on behalf of central political fund at end of year		
	Number of members at end of year contributing to the political fund		
	Number of members at end of the year not contributing to the political fund		
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		

# ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

Administrative Expenses		£'000
Remuneration and expenses of staff		3,459
Salaries and Wages included in above	3,094	
Auditors' fees		35
Legal and Professional fees		42
Occupancy costs		238
Stationery, printing, postage, telephone, etc.		130
Expenses of Executive Committee (Head Office)		287
Expenses of conferences		399
Other administrative expenses (specify)		
Regional expenses		989
Miscellaneous		238
Edge expenditure		182
<b>Other Outgoings</b>		
Interest payable:		
Bank loans (including overdrafts)		
Mortgages		
Other loans		
Depreciation		221
Taxation		
Outgoings on land and buildings (specify)		
Loss on disposal of fixed assets		32
Other outgoings (specify)		
Bank charges		35
Net pension cost in the year		1,139
Net revaluation gains in the year		(141)
	<b>Total</b>	7,285
Charged to:	General Fund (Page 3)	7,285
	Fund (Account )	
	Fund (Account )	
	<b>Total</b>	7,285

# ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

Office held	Gross Salary £	Employers N.I. contributions £	Pension Contributions s £	Benefits		Total £
				Other Benefits		
				Description	Value £	
General Secretary	138,214	17,957	15,203	Car	4,679	179,505
				Health Insurance	3,452	

# 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)		29
Interest (gross) from:		
Government securities (Gilts)		2
Mortgages		
Local Authority Bonds		
Bank and Building Societies		1
Other investment income (specify)		
<b>Total investment income</b>		<b>32</b>
Credited to:		
	General Fund (Page 3)	32
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Fund (Account )	
	Political Fund	
<b>Total Investment Income</b>		<b>32</b>

# BALANCE SHEET as at 31 December 2016

(see notes 47 to 50)

Previous Year		£'000	£'000
2,732	<b>Fixed Assets</b> (at page 14)		2,493
	<b>Investments</b> (as per analysis on page 15)		
1,816	Quoted (Market value £ 1,344)		1,344
	Unquoted		
4,548	<b>Total Investments</b>		3,837
	<b>Other Assets</b>		
	Loans to other trade unions		
372	Sundry debtors	269	
4	Cash at bank and in hand	454	
	Income tax to be recovered		
	Stocks of goods		
379	Others (specify) Branch Current Accounts	347	
1,888	Others (specify) Net Pension Scheme Asset	749	
2,643	<b>Total of other assets</b>		1,819
7,191	<b>TOTAL ASSETS</b>		5,656
	Fund (Account General)		3,702
	Fund (Account Legal)		1,000
	Superannuation Fund (Account )		
	Political Fund (Account )		
	Revaluation Reserve		470
	<b>LIABILITIES</b>		
	Amount held on behalf of central trade union political fund		
	Loans: From other trade unions		
	Loans: Other		
	Bank overdraft		
	Tax payable		
	Sundry creditors		484
	Accrued expenses		
	Provisions		
	Other liabilities		
	<b>TOTAL LIABILITIES</b>		484
	<b>TOTAL ASSETS</b>		5,656

# FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings Freehold /Leasehold		Furniture and Equipment £'000	Motor Vehicles £'000	Not used for union business £'000	Total £'000
	£'000	£'000				
<b>Cost or Valuation</b>						
At start of year	1,607	300	2,981			4,888
Additions			52			52
Disposals			(241)			(241)
Revaluation/Transfer s						
At end of year	1,607	300	2,792			4,699
<b>Accumulated Depreciation</b>						
At start of year			2,156			2,156
Charges for year	30	6	218			254
Disposals			(204)			(204)
Revaluation/Transfer s						
At end of year	30	6	2,170			2,206
<b>Net book value at end of year</b>	1,577	294	622			2,493
<b>Net book value at end of previous year</b>	1,607	300	822			2,732

# ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

<b>QUOTED</b>	All Funds Except Political Funds £'000	Political Fund  £'000
Equities (e.g. Shares)		
Equities	1,199	
Government Securities (Gilts)		
Gilts	121	
Other quoted securities (to be specified)		
Cash awaiting investment	24	
<b>TOTAL QUOTED (as Balance Sheet)</b>	<b>1,344</b>	
Market Value of Quoted Investment	1,344	
<b>UNQUOTED</b>		
Equities		
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
<b>TOTAL UNQUOTED (as Balance Sheet)</b>		
Market Value of Unquoted Investments		



# ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

<b>Does the union, or any constituent part of the union, have a controlling interest in any limited company?</b>		YES <input 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)		
<b>Are the shares which are controlled by the union registered in the names of the union's trustees?</b>		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		

# SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £'000	Political Funds £'000	Total Funds £000
<b>INCOME</b>			
From Members	9,859		9,859
From Investments	32		32
Other Income (including increases by revaluation of assets)	481		481
<b>Total Income</b>	10,372		10,372
<b>EXPENDITURE</b> (including decreases by revaluation of			
<b>Total Expenditure</b>	11,796		11,796
<b>Funds at beginning of year</b> (including reserves)	6,596		6,596
<b>Funds at end of year</b> (including reserves)	5,172		5,172
<b>ASSETS</b>			
Fixed Assets			2,493
Investment Assets			1,344
Other Assets			1,819
<b>Total Assets</b>			5,656
<b>LIABILITIES</b>			
<b>Total Liabilities</b>			484
<b>NET ASSETS (Total Assets less Total Liabilities)</b>			5,172

# NOTES TO THE ACCOUNTS

(see notes 72 and 73)

**All notes to the accounts must be entered on or attached to this part of the return.**

Notes to the accounts are attached to this return.

# ACCOUNTING POLICIES


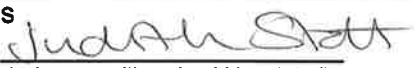
(see notes 74 and 75)

The accounting policies are attached to this return.

## SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: <u>24/5/17 R HOBBY</u> Date: <u>24/5/17</u>	Chairman's Signature: <u></u> (or other official whose position should be stated) Name: <u>JUDITH STOTT</u> Date: <u>17.5.17</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"/>
IS A MEMBERSHIP AUDIT CERTIFICATE PROVIDED (See Pages 23 and 24 and Notes 88 to 94)	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)

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE NATIONAL ASSOCIATION OF HEAD TEACHERS YEAR ENDED 31 DECEMBER 2016

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We have audited the financial statements of the National Association of Head Teachers for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Accounting Policies and the related notes numbered 1 to 21. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the 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 4, the Association's National Executive is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under section 33 of the Trade Union and Labour Relations Act 1992 and report in accordance with Section 36 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 2016 and of its transactions for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations Act 1992.

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

**YEAR ENDED 31 DECEMBER 2016**

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**Matters on which we are required to report by exception**

We have nothing to report to you in respect of the following matters where the Trade Union and Labour Relations Act 1992 require us to report to you if, in our opinion:

- proper accounting records have not been kept;
- a satisfactory system of control over its accounting records, cash holdings and receipts and remittances has not been maintained; or
- the financial statements are not in agreement with the accounting records or returns.

*Crowe Clark Whitehill LLP*

**Crowe Clark Whitehill LLP**

Statutory Auditor

London

*31 May 2017*

# AUDITOR'S REPORT (section one)

The auditor's report is attached to this return.

Signature(s) of auditor or auditors:

*Crowe Clark  
Whitehill LLP*

Name(s):

Crowe Clark Whitehill  
LLP

Profession(s) or Calling(s):

Statutory Auditor

Address(es):

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date:

*31 May 2017*

Contact name and telephone number:

Tina Allison  
020 7842 7276

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



# MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the  
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

**YES**

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

## MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

*For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to  
appoint an independent assurer*

5. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

**YES**

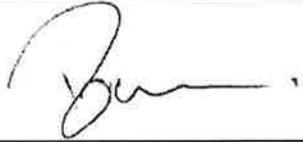
6. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

**YES**

If the answer to **either** questions 5 or 6 is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

# MEMBERSHIP AUDIT CERTIFICATE (continued)

Signature of assurer	
Name	Ian Robinson
Address	Electoral Reform Services Ltd The Election Centre 33 Clarendon Road London N8 0NW
Date	22.05.17
Contact name and telephone number	Ian Robinson, Director and Head of Quality Control 020 8365 8909

## ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

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### **BASIS OF FINANCIAL STATEMENTS**

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

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

The financial statements are prepared in Sterling (£).

### **GOING CONCERN**

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

### **CONTRIBUTION INCOME**

Contribution income is accounted for on an accruals basis.

### **EXPENDITURE**

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

### **FIXED ASSETS AND DEPRECIATION**

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

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

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

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

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

### **INVESTMENTS**

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

### **CORPORATION TAX**

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

## ACCOUNTING POLICIES

YEAR ENDED 31 DECEMBER 2016

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### PENSION COSTS

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

The current and past service costs, interest costs and administrative costs are included within the statement of comprehensive income. Actuarial gains and losses are recognised in the statement of comprehensive income as a credit or charge to the general fund, as appropriate. Pension scheme assets are measured at fair value and pension scheme liabilities are measured using the Projected Unit Method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

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

### OPERATING LEASES

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

### SIGNIFICANT JUDGEMENTS AND ESTIMATES

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

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

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

# NATIONAL ASSOCIATION OF HEAD TEACHERS



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

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<b>1</b>	<b>OTHER INCOME</b>	<b>2016</b> £'000	<b>2015</b> £'000
	Investment income	32	37
	Profit on disposal of investments	-	15
	Commissions received	86	114
	VAT refund	50	211
	School development initiatives	105	-
	Miscellaneous	98	98
		<hr/>	<hr/>
		371	475
		<hr/>	<hr/>
<b>2</b>	<b>REGION AND BRANCH SUPPORT</b>	<b>2016</b> £'000	<b>2015</b> £'000
	Region, branch and local association costs	673	709
	Regional Officers' salaries and expenses	1,932	1,725
	Regional Offices	316	265
		<hr/>	<hr/>
		2,921	2,699
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

<b>3 MEMBERSHIP ACTIVITY</b>	<b>2016</b>	<b>2015</b>
	£'000	£'000
Legal representation (including staff costs)	504	560
Costs recovered in respect of legal cases	-	(15)
Training and conferences	614	643
Support services - events	-	14
Staff costs: GS Unit	620	586
Staff costs: professional advice	1,349	1,108
Printing and distribution of publications	379	251
Web site design and maintenance	34	8
Staff costs: web site and publications	230	229
Membership recruitment costs	470	257
Branch Support/Training	1	45
Marketing	3	4
Members insurance	145	92
Services to Schools set-up costs	1	1
Members' claims	2	1
Subscriptions and affiliations	159	129
	<hr/>	<hr/>
	4,511	3,913
	<hr/> <hr/>	<hr/> <hr/>
 <b>4 EXECUTIVE ACTIVITY</b>	 <b>2016</b>	 <b>2015</b>
	£'000	£'000
Executive meetings	151	180
Executive - Other Business	35	39
Sector groups and committees	44	51
Instead	57	-
	<hr/>	<hr/>
	287	270
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2016**

<b>5</b>	<b>PROPERTY AND EQUIPMENT COSTS</b>	<b>2016</b> £'000	<b>2015</b> £'000
	Rent, rates, utilities and cleaning	135	158
	Property repairs	27	30
	Hire and maintenance of equipment	76	72
	Depreciation	221	172
		459	432
		459	432
<b>6</b>	<b>COMMUNICATION AND ADMINISTRATION COSTS</b>	<b>2016</b> £'000	<b>2015</b> £'000
	Staff costs	1,357	1,572
	Staff recruitment and training	89	220
	Telephone	97	85
	Printing, postage and stationery	33	53
	Staff travel	93	102
	Software maintenance	67	99
	Media functions	28	89
	Miscellaneous administrative expenses	50	115
		1,814	2,335
		1,814	2,335
<b>7</b>	<b>PROFESSIONAL COSTS</b>	<b>2016</b> £'000	<b>2015</b> £'000
	Bank charges and interest	35	31
	Professional fees	42	53
	Audit and accountancy	35	30
		112	114
		112	114

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

8 STAFF COSTS	2016 £'000	2015 £'000
Salaries	5,167	5,042
National Insurance	523	384
Pension costs	703	648
Pension deficit	-	450
Recruitment and training	89	220
	6,482	6,744
	6,482	6,744

Key management personnel comprise members of the Senior Leadership Team of NAHT. During the year a total of £968,454 was paid to these individuals (2015 – £1,034,214). Included in the total staff cost figures above are termination payments made during the year totalling £99,089 (2015 - £125,948). There were no unpaid amounts at 31 December 2016 (2015 – none).

Allocated to :	Note		
Regional officers and other regional staff	2	1,958	1,754
Legal representation	3	289	288
Recruitment and branch support	3	319	132
Training and conferences	3	287	283
Professional advice, salaries and pensions	3	1,350	1,158
GS Unit	3	620	586
Web site and publications	3	230	229
Annual conference		-	49
Communications and administration			
- staff costs	6	1,249	1,298
- Edge		91	297
- staff recruitment and training	6	89	220
		6,482	6,294
Pension deficit funding		-	450
		6,482	6,744
		6,482	6,744



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

9	FIXED ASSETS	Land and Buildings		Furniture And equipment £'000	Total £'000
		Freehold £'000	Long Leasehold £'000		
	<b>Cost or valuation</b>				
	At 1 January 2016	1,607	300	2,981	4,888
	Additions	-	-	52	52
	Disposals	-	-	(241)	(241)
	<b>At 31 December 2016</b>	<b>1,607</b>	<b>300</b>	<b>2,792</b>	<b>4,699</b>
	<b>Depreciation</b>				
	At 1 January 2016	-	-	2,156	2,156
	Charge for the year	30	6	218	254
	Disposals	-	-	(204)	(204)
	<b>At 31 December 2016</b>	<b>30</b>	<b>6</b>	<b>2,170</b>	<b>2,206</b>
	<b>Net book value</b>				
	<b>At 31 December 2016</b>	<b>1,577</b>	<b>294</b>	<b>622</b>	<b>2,493</b>
	<i>At 31 December 2015</i>	<i>1,607</i>	<i>300</i>	<i>822</i>	<i>2,732</i>

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

**9 FIXED ASSETS (continued)**  
**Comparable historical cost for revalued land and buildings**

	Freehold £'000	Leasehold £'000	Total £'000
<b>Cost</b>			
At 1 January 2016	1,598	704	2,302
<b>At 31 December 2016</b>	<b>1,598</b>	<b>704</b>	<b>2,302</b>
<b>Depreciation</b>			
At 1 January 2016	297	141	438
Charge for the year	30	6	36
<b>At 31 December 2016</b>	<b>327</b>	<b>147</b>	<b>474</b>
<b>Net book value</b>			
<b>At 31 December 2016</b>	<b>1,271</b>	<b>557</b>	<b>1,828</b>
<i>At 31 December 2015</i>	<i>1,301</i>	<i>563</i>	<i>1,864</i>

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

<b>10 INVESTMENTS</b>	<b>2016</b>	<b>2015</b>
	£'000	£'000
<b>Listed Investments at Market Value</b>		
At 1 January 2016	1,708	1,745
Additions	246	119
Disposals	(784)	(183)
Unrealised gains	150	27
	<hr/>	<hr/>
Listed Investments at 31 December 2016	1,320	1,708
Cash held by investment managers	24	108
	<hr/>	<hr/>
<b>Total investments at 31 December 2016</b>	<b>1,344</b>	<b>1,816</b>
	<hr/>	<hr/>

The historic cost of the listed investments at 31 December 2016 was £872,592 (2015: £1,162,671).

<b>11 DEBTORS</b>	<b>2016</b>	<b>2015</b>
	£'000	£'000
Trade debtors	89	84
Prepayments	16	109
Other debtors	164	179
	<hr/>	<hr/>
	269	372
	<hr/>	<hr/>

<b>12 CREDITORS</b>	<b>2016</b>	<b>2015</b>
	£'000	£'000
Trade creditors	79	185
Social security and other taxes	157	149
Accruals	141	202
Other creditors	107	59
	<hr/>	<hr/>
	484	595
	<hr/>	<hr/>

# NATIONAL ASSOCIATION OF HEAD TEACHERS



## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

### 13 LEGAL FUND

£'000

At 1 January 2016 and at 31 December 2016

1,000

### 14 REVALUATION RESERVE

£'000

At 1 January 2016

470

Movement during the year

-

At 31 December 2016

470

### 15 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

2016  
£'000

2015  
£'000

Net operating result for the year

(426)

(844)

Dividend and interest income receivable

(32)

(37)

Depreciation

254

192

Loss on sale of fixed assets

32

-

Loss/(profit) on disposal of investments

13

(15)

Movements in:

Debtors and prepayments

103

(95)

Creditors and accruals

(111)

(200)

Net cash (outflow) inflow from Operating Activities

(175)

(999)

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

### 16 MOVEMENT IN CASH

	At 1 January 2016 £'000	Cashflow £'000	At 31 December 2016 £'000
Investment cash	108	(84)	24
Cash at bank	4	450	454
Branch current accounts	379	(32)	347
	491	334	825
	491	334	825

### 17 CONTINGENT LIABILITIES

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

### 18 OPERATING LEASE COMMITMENTS

At 31 December 2016 there were total future minimum operating lease payments as set out below:

	Motor Vehicles		Office Equipment	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Operating leases which expire:				
Within one year	35	16	-	-
In the second to fifth years inclusive	17	80	-	35
More than five years	-	-	-	25
	52	96	-	60
	52	96	-	60

## **19 STAFF PENSION SCHEME**

The Association operates two pension schemes:

(1) A defined contribution scheme introduced from 1 January 2009. The Association contributes a matched amount to that contributed by the members to a maximum of 20%. The pension cost in the year amounted to £484,064 (2015: £349,419).

(2) A defined benefit scheme, closed to new members, which provides benefits based on final pensionable salary. The pension cost in the year amounted to £219,052.

### Actuarial valuation

A full actuarial valuation is being carried out as at 1 April 2016 and is in the process of being finalised. The initial results show that the fair value of the assets as at 1 April 2016 was £11.7m and the estimated actuarial value of the liabilities was £13.1m, representing an actuarial deficit of £1.4m. These initial results indicated a funding level of 89%, which is observed by comparing the assets to the projected liabilities.

The recovery plan detailing the amount and timing of the contributions required to recover the deficit as at 1 April 2016 has not been agreed but is due to be finalised before 30 June 2017. In the meantime, the contributions detailed in the recovery plan agreed at the 1 April 2013 valuation have been paid and remain valid.

In line with the 2013 recovery plan, additional deficit contributions of £450,000 were paid up to 31 December 2015. Hence, no additional deficit contribution payments were made during the year (2015: £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 2017 are £714,000 (2016: £708,203).

The results of the actuarial valuation carried out as at 1 April 2016 have been updated by the Association's actuaries to take account of FRS 102 in order to assess the liabilities of the scheme as at 31 December 2016. The scheme assets are stated at their market value as at 31 December 2016.

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016

### 19 STAFF PENSION SCHEME (continued)

The major assumptions used by the actuary were:

	2016	2015	2014
Rate of increase in pensionable salaries	3.5%	3.7%	3.5%
Rate of increase to pensions in payment			
Pre-2010	3.4%	3.2%	3.0%
Post-2010	2.3%	2.2%	2.2%
Discount rate	2.8%	3.9%	3.7%
Rate of inflation			
RPI	3.5%	3.3%	3.1%
CPI	2.5%	2.8%	2.6%
Mortality table	SAPS CMI 2014	SAPS CMI 2014	SAPS CMI 2012

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

	2016 £'000	2015 £'000	2014 £'000
Total market value of assets	13,277	11,793	10,978
Present value of liabilities	<u>(12,528)</u>	<u>(9,905)</u>	<u>(9,754)</u>
Net pension asset	749	1,888	1,224

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

	2016 £'000	2015 £'000
Scheme liabilities at start of period	9,905	9,754
Current service cost	152	215
Interest cost	388	361
Contributions by members	104	121
Benefits paid	(229)	(304)
Actuarial losses/(gains)	<u>2,208</u>	<u>(242)</u>
Scheme liabilities at end of period	<u>12,528</u>	<u>9,905</u>

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2016**

**19 STAFF PENSION SCHEME (continued)**

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

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Fair value of scheme assets at start of period	11,793	10,978
Interest income	460	414
Actuarial gains/(losses)	1,027	(36)
Contributions by employer	219	708
Contributions by scheme participants	104	121
Benefits paid	(229)	(304)
Non-investment expenses	(97)	(88)
	<u>13,277</u>	<u>11,793</u>

**Movement in surplus in the year**

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Surplus at 1 January 2016	1,888	1,224
Current service cost	(249)	(303)
Contributions	219	708
Net finance income	72	53
Actuarial (losses)/gains	(1,181)	206
	<u>749</u>	<u>1,888</u>

**Total income recognised in the statement of comprehensive income**

	<b>2016</b>	<b>2015</b>
	£'000	£'000
Interest income	460	414
Interest on pension scheme liabilities	(388)	(361)
	<u>72</u>	<u>53</u>
Current service cost	(249)	(303)
Employer contributions	219	708
	<u>(30)</u>	<u>405</u>



## 19 STAFF PENSION SCHEME (continued)

### Analysis of amount recognised in the income and expenditure account

	2016 £'000	2015 £'000
Actual return less expected return on pension scheme assets	1,027	(36)
Experience gains and losses arising on the scheme liabilities	-	-
Changes in assumptions underlying the present value of the scheme liabilities	<u>(2,208)</u>	<u>242</u>
Actuarial (losses)/gains	<u>(1,181)</u>	<u>206</u>

## 20 FINANCIAL RISK MANAGEMENT

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

### Liquidity risk

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

## 21 FINANCIAL ASSETS AND LIABILITIES

	2016 £'000	2015 £'000
Financial assets measured at fair value through profit or loss:		
• Investments in liquid equity instruments	1,320	1,816
Financial assets measured at amortised cost:		
• Trade debtors	89	84
• Cash	478	383
Financial liabilities measured at amortised cost:		
• Trade and other creditors	<u>327</u>	<u>446</u>

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