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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 UNION OF TEACHERS
Year ended:	31 AUGUST 2017
List no:	235
Head or Main Office:	HAMILTON HOUSE MABLEDON PLACE LONDON WC1H 9BD
Website address (if available)	www.teachers.org.uk
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> (Click the appropriate box)
General Secretary:	KEVIN COURTNEY
Telephone Number:	020 7388 6191
Contact name for queries regarding	KEITH WILLIAMS
Telephone Number:	020 7388 6191
E-mail:	k.williams@nut.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 2017)

EXECUTIVE MEMBERS AT 31 AUGUST 2017

**JACKIE BAKER
MARILYN BATER
PAULINA BLACKSTOCK
CHRIS BROOKSBANK
DOMINIC BYRNE
PHIL CLARKE
HAZEL DANSON
BETH DAVIES
JESS EDWARDS
NEIL FODEN
JERRY GLAZIER
PETER GLOVER
LINDA GOODWIN
IAN GRAYSON
DAVE HARVEY
PHILIPA HARVEY
ROBIN HEAD
MANDY HUDSON
ROB ILLINGWORTH
ANGELA JARDINE
SIMON JONES
ALEX KENNY
ROGER KING
ANNE LEMON
GAWAIN LITTLE
AMANDA MARTIN
HEATHER MACKENZIE
IAN MURCH
SIMON MURCH
PATRICK MURPHY
JANE NELLIST
JOHN PEMBERTHY
BETH PURNELL
ANNETTE PRYCE
BARBARA REAGAN
LOUISE REGAN
KEN RUSTIDGE
CATHY SMITH
SETFAN SIMMS
ANNE SWIFT
DAWN TAYLOR
KIRI TUNKS
GRAHAN WHITE
NICK WIGMORE
JOSEPH WYGLENDACZ**

PAST PRESIDENT

TREASURER

PRESIDENT

EX PRESIDENT

SENIOR VICE PRESIDENT

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	79,906			341	80,247
FEMALE	256,999			787	257,786
TOTAL	336,905			1,128	A 338,033

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

601

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

318,643

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	A. Swift	L Regan	14 April 2017
Senior VP	L Regan	K Tunks	14 April 2017
Ex-President	P. Harvey	A Swift	14 April 2017
Junior VP	K Tunks	-	
Past President	-	P Harvey	14 April 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:

GENERAL FUND

(see notes 13 to 18)

	£	£
INCOME		
From Members: Contributions and Subscriptions		22,207,540
From Members: Other income from members (specify)		
Total other income from members		22,207,540
Total of all income from members		
Investment income (as at page 15)		1,186,621
Other Income		
Income from Federations and other bodies (as at page 5)		
Income from any other sources (as at page 5)	956,492	
Total of other income (as at page 5)		956,492
		24,350,653
EXPENDITURE		
Benefits to members (as at page 6)		13,847,831
Administrative expenses (as at page 12)		8,534,907
Federation and other bodies (specify)		
TUC	632,933	
EI/TUC	373,320	
Transfer to Branches	221,793	
Pension Reserve	(854,000)	
Total expenditure Federation and other bodies		✓ 374,046
Taxation		82,710
		22,839,494
Surplus (deficit) for year		1,511,159
Amount of general fund at beginning of year		66,885,942
Amount of general fund at end of year		68,397,101

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		
Teachers Advertising	173,579	
Commission	270,215	
Legal Income	5,718	
Web-site advertising	6,150	
Profit on Sale of Investments	6,148	
Donations	10	
Other Income	68,931	
TOTAL OTHER INCOME		530,751
Increase in the market value of investments		425,741
TOTAL OF ALL OTHER INCOME		956,492

ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

	£		£
Representation –		brought forward	977,850
Employment Related Issues		Education and Training Services Training	445,383
Representation – Non Employment Related Issues		Negotiated Discount Services Discount Card	170,500
Communications The Teacher	829,937	Salary Costs	9,964,058
Website	102,349	Property Costs	792,152
Advisory Services (incl Advice Line) Regional Council	22,025 23,539	Other Benefits and Grants (specify)	
		Insurance of Members	151,594
		Professional Development	320,073
		Professional Unity	543
		Travel & Subsistence	792,414
Dispute Benefits		Subscriptions	233,264
Other Cash Payments			
carried forward	977,850	Total (should agree with figure in General Fund)	13,847,831

(See notes 24 and 25)

FUND 2		Fund Account	
Name:	SUSTENTATION FUND	£	£
Income			
	From members		289,931
	Investment income (as at page 15)		71,222
	Other income (specify)		
	Profit on sale of investments	361,419	
	Total other income as specified		361,419
	Total Income		722,572
Expenditure			
	Benefits to members		100,608
	Administrative expenses and other expenditure (as at page 12)		7,126
	Decrease in market value of investments		179,934
	Total Expenditure		287,668
	Surplus (Deficit) for the year		434,904
	Amount of fund at beginning of year		6,706,336
	Amount of fund at the end of year (as Balance Sheet)		7,141,240
	Number of members contributing at end of year		318,643

FUND 3		Fund Account	
Name:	Legacy	£	£
Income			
	From members		
	Investment income (as at page 15)		
	Other income (specify)		
	Total other income as specified		
	Total Income		-
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 12)		
	Total Expenditure		-
	Surplus (Deficit) for the year		-
	Amount of fund at beginning of year		14,248
	Amount of fund at the end of year (as Balance Sheet)		14,248
	Number of members contributing at end of year		-

(See notes 24 and 25)

FUND 4		Fund Account	
Name:	INTERNATIONAL SOLIDARITY FUND	£	£
Income			
	From members		202,952
	Investment income (as at page 15)		
	Other income (specify)		
	Total other income as specified		-
	Total Income		202,952
Expenditure			
	Benefits to members		-
	Administrative expenses and other expenditure (as at page 12)		158,855
	Total Expenditure		158,855
	Surplus (Deficit) for the year		44,097
	Amount of fund at beginning of year		204,535
	Amount of fund at the end of year (as Balance Sheet)		248,632
	Number of members contributing at end of year		318,643

FUND 5		Fund Account	
Name:	PENSION RESERVE (FRS 102)	£	£
Income			
	From members		
	Investment income (as at page 15)		
	Other income (specify)		
	Transfer from General Fund		(854,000)
	Total other income as specified		
	Total Income		(854,000)
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 12)		(1,445,000)
	Total Expenditure		(1,445,000)
	Surplus (Deficit) for the year		(2,299,000)
	Amount of fund at beginning of year		(22,989,000)
	Amount of fund at the end of year (as Balance Sheet)		(25,288,000)
	Number of members contributing at end of year		-

(See notes 24 and 25)

FUND 6		Fund Account	
Name:	Associations and Divisions	£	£
Income			
	From members		3,190,784
	Investment income		1,307
	Other income (specify)		
	Donations	20,710	
	Diaries Sold	-	
	From Gen Fund	219,998	
	Transfer from Political Fund	-	
	Total other income as specified		240,707
	Total Income		3,432,798
Expenditure			
	Benefits to members	809,045	
	Administrative expenses and other expenditure (as at page 12)	2,508,855	
	Total Expenditure		3,317,900
	Surplus (Deficit) for the year		114,898
	Amount of fund at beginning of year		6,989,113
	Amount of fund at the end of year (as Balance Sheet)		7,104,011
	Number of members contributing at end of year		-

FUND 7		Fund Account	
Name:	BENEVOLENT FUND	£	£
Income			
	From members		60,860
	Investment income (as at page 12)		
	Other income (specify)		
	Donations	23,094	
	Total other income as specified		23,094
	Total Income		83,954
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 12)		53,989
	Total Expenditure		53,989
	Surplus (Deficit) for the year		29,965
	Amount of fund at beginning of year		99,195
	Amount of fund at the end of year (as Balance Sheet)		129,160
	Number of members contributing at end of year		3,971

(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		352,866
	Investment income (as at page 12)		
	Other income (specify)		
	Donations		80
	Total other income as specified		-
	Total income		352,946
Expenditure	Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify)		292,740
	Administration expenses in connection with political objects (specify)		
	Non-political expenditure		
	Total expenditure		292,740
	Surplus (deficit) for year		60,206
	Amount of political fund at beginning of year		890,442
	Amount of political fund at the end of year (as Balance Sheet)		950,648
	Number of members at end of year contributing to the political fund		267,633
	Number of members at end of the year not contributing to the political fund		70,400 49,017
	Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund		1,993

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	
Salaries and Wages included in above	2,910,177
Auditors' fees	94,972
Legal and Professional fees	121,558
Occupancy costs	1,134,572
Stationery, printing, postage, telephone, etc.	461,074
Expenses of Executive Committee (Head Office)	220,108
Expenses of conferences	1,267,884
Other administration expenses	158,030
Computer costs	632,679
Research Fees	51,255
Campaign & action	1,195,727
Sundry costs from sale of Stoke Rochford	56,636
Grants	53,989
Staff recruitment	241,921
Subscriptions & Donations	2,500
Badges	18,905
Recruitment	324,052
Expenses of committees /other outside bodies	325,075
Net interest on pension liabilities (FRS102)	437,000
Health & Safety	12,259
Costs of amalgamation with ATL	1,166,481
Other Outgoings	
Bank Charges	36,215
Depreciation	372,406
Taxation	12,392
Executive IT	4,087
Loss on disposal of assets	8,413
Actuarial Loss	1,445,000
Total	12,765,368
Charged to:	
General Fund (Page 3)	8,534,907
Sus Fund (Account 2)	7,126
Pension Reserve (Account 5)	1,445,000
Assoc & Div Fund (Account6)	2,508,855
Benevolent Fund (Account 7)	53,989
Stoke Fund (Account – 8)	56,636
International Solidarity Fund ((Fund 4)	158,855
Total	12,765,368

EXECUTIVE IT GRANTS

FORENAME	SURNAME	IT GRANT
Alex	Kenny	639.00
Neil	Foden	463.99
Jerry	Glazier	581.47
Roger	King	699.99
Mary	Hudson	460.05
Cathy	Smith	569.97
Beth	Purnell	672.47
Total		4,086.94

ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			908,138
Dividends (gross) from:			
Equities (e.g. shares)			79,850
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			269,855
Other investment income (specify)			
Associations and Divisions			1,307
		Total investment income	1,259,150
		Credited to:	
		General Fund (Page 3)	1,186,621
		Sustentation Fund (Account 2)	71,222
		Association and Division (Account 5)	1,307
		Fund (Account)	
		Fund (Account)	
		Fund (Account)	
		Political Fund	
		Total Investment Income	1,259,150

BALANCE SHEET as at 31 AUGUST 2017

(see notes 47 to 50)

Previous Year		£	£
35,108,330	Fixed Assets (at page 17)		35,024,338
	Investments (as per analysis on page 18)		
9,614,400	Quoted (Market value £ 9,614,400)	13,573,585	
505,000	Unquoted	505,001	
	Total Investments		49,102,924
	Other Assets		
1,470,179	Sundry debtors	1,728,711	
28,224,857	Short term deposits	28,310,309	
9,276,673	Cash at bank and in hand	13,642,581	
-	Stocks of goods		
153,772	Others (specify) Short term loans	82,262	
39,125,481	Total of other assets		43,763,863
84,353,211	TOTAL ASSETS		92,866,787
66,885,942	General Fund (Account 1)		68,397,101
6,706,336	Sustentation Fund (Account 2)		7,141,240
14,248	Legacy Fund (Account 3)		14,248
6,989,114	Assoc & Div Fund (Account 6)		7,104,011
204,535	International Sol . Fund (Account 4)		248,632
(22,989,000)	Superannuation Fund (Account 5)		(25,288,000)
(1,237,850)	Stoke Rochford (Account 8)		(1,294,486)
99,195	Benevolent Fund (Account 7)		129,160
890,442	Political Fund (Account 1)		950,648
57,562,962			57,402,554
	LIABILITIES		
	Amount held on behalf of central trade union political fund		
1,370,678	Sundry creditors		1,883,597
416,609	Deferred Income		6,299,998
22,989,000	Pension Liability		25,288,000
2,013,962	Deferred tax		1,992,638
26,790,249	TOTAL LIABILITIES		35,464,233
84,353,211	TOTAL ASSETS		92,866,787

FIXED ASSETS ACCOUNT

(see notes 51 to 55)

	Land and Buildings		Investment Property £	Furniture and Equipment £	Motor Vehicles £	Total £
	Freehold £	Leasehold£				
Cost or Valuation						
At start of year	17,689,016	4,837,267	15,000,000	4,052,097	-	41,578,380
Additions	92,580	-	-	204,252	-	296,832
Disposals	-	-	-	(1,372,132)	-	(1,372,132)
Revaluation/Transfers	-	-	-	-	-	
At end of year	17,781,596	4,837,267	15,000,000	2,884,217	-	40,503,080
Accumulated Depreciation						
At start of year	2,589,492	507,908	-	3,372,627	-	6,470,027
Charges for year	135,898	59,261	-	177,247	-	372,406
Disposals	-	-	-	(1,363,691)	-	(1,363,691)
Revaluation/Transfers	-	-	-	-	-	-
At end of year	2,725,390	567,169	-	2,186,183	-	5,478,742
Net book value at end of year	15,056,206	4,270,098	15,000,000	698,034	-	35,024,338
Net book value at end of previous year	15,099,524	4,329,359	15,000,000	679,447	-	35,108,330

ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

QUOTED	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	6,141,796	
Government Securities (Gilts)	205,488	
Corporate Bonds	3,518,036	
Corp Bond Fund	3,389,881	
Other quoted securities (to be specified)		
Alternatives	318,384	
TOTAL QUOTED (as Balance Sheet)	13,573,585	
Market Value of Quoted Investment	13,573,585	
UNQUOTED		
Equities	505,001	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
TOTAL UNQUOTED (as Balance Sheet)	505,001	
Market Value of Unquoted Investments	505,001	

ANALYSIS OF INVESTMENT INCOME (CONTROLLING INTERESTS)

(see notes 58 and 59)

Does the union, or any constituent part of the union, have a controlling interest in any limited company?		YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
If YES name the relevant companies:			
COMPANY NAME	COMPANY REGISTRATION NUMBER (if not registered in England & Wales, state where registered)		
Stoke Rochford Management Limited (100%)	1361390		
Teachers Publishing Company (100%) (dormant)	102549		
Are the shares which are controlled by the union registered in the names of the union's trustees?		YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>
If NO, state the names of the persons in whom the shares controlled by the union are registered.			
COMPANY NAME	NAMES OF SHAREHOLDERS		
Teacher Publishing Company Ltd	Kevin Courtney		

SUMMARY SHEET

(see notes 60 to 71)

	All funds except Political Funds £	Political Funds £	Consolidation Adj	Total Funds £
INCOME				
From Members	25,952,067	352,866		26,304,933
From Investments	1,259,150			1,259,150
Other Income (including increases by revaluation	727,713	80		727,793
Total Income	27,938,930	352,946		28,291,876
EXPENDITURE (including decreases by revaluation of assets)				
Pension reserve	1,445,000			1,445,000
Capital Reserve				
Total Expenditure	28,159,542	292,740		28,452,282
Funds at beginning of year	56,672,521	890,442		57,562,962
Funds at end of year (including reserves)	56,451,906	950,648		57,402,554
ASSETS				
Fixed Assets				35,024,338
Investment Assets				14,078,586
Other Assets				43,763,863
Total Assets				92,866,787
LIABILITIES				
				(35,464,233)
NET ASSETS (Total Assets less Total Liabilities)				57,402,554

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.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements
for the year period 31 August 2017 (*continued*)

30 Related Party Transactions

Ten members of the Executive sit on the National Council of the Teachers' Support Network (a company limited by guarantee with charitable status whose objects are to provide support, advice and practical help to all members of the teaching profession and their families regardless of age, length of service or Union affiliation). Of these ten members of the Executive, two sit on the board of Trustees and are directors of the charitable company.

A summary of the transactions undertaken between the National Union of Teachers and its local associations is set out below.

- (c) The National Union of Teachers consists of Headquarters, Regional and Wales offices, associations and divisions. The Financial Statements disclose the net assets and transactions of Headquarters and the Regional and Wales offices. As explained in Note 1(a), they do not reflect the assets, liabilities and transactions of local associations and divisions other than those transactions with the Union's Headquarters or Regional and Wales offices. The AR21 return to the Certification Officer of Trade Unions consolidates the assets, liabilities and transactions of the National Union and its associations and divisions.

The following transactions with associations and divisions are reflected in these accounts:

- payment of grants to associations and divisions £ 221,793 (2016 - £329,595);
- subscriptions collected on behalf of associations and divisions and remitted to them amounted to £ 3,190,781 (2016 - £4,299,467). These payments are reflected in the accounts by netting them off against Subscription Income.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the period ended 31 August 2017 (continued)

31 Pension Costs

Consolidated and Union

Employees of the Union who are 17 years old and over are eligible to join the National Union of Teachers' Staff Superannuation Fund, which is a funded defined Benefit Scheme. The Scheme is open to new entrants and to future accrual. Members of the Fund contribute 8.7% (those opted out of salary exchange pay 9.5%) of pensionable earnings whilst the participating employer's contribution varies in accordance with the terms of the trust instrument governing the Fund and the recommendation of the Fund's actuary.

The employer expects to contribute £2,600,000 for the year ended 31 December 2018. The current arrangements as regards to contribution rates are described in a Schedule of Contributions, dated 9 February 2017. The anticipated pension contribution shown above has been estimated on the basis of total salaries of £9,229,000 and allowance has been made for death in service insurance premium payments. Administration expenses and PPF levies are met by the employer.

During the year, the Fund had 301 (2016 274) active members, paid pensions to 213 (2016 213) retired members and recognised additional future pension commitments in respect of 139 (2016- 137) deferred pensioners.

The Fund is subject to triennial valuations by an independent actuary. The most recent formal valuation to have been completed was carried out as at 31 December 2014. The valuation was prepared using the projected unit method and was based on the following principal assumptions:

Rate of discount pre-retirement	4.2% p.a.
Rate of discount post retirement	4.2% p.a.
Rate of pay escalation	3.2% p.a.
Rate of pension payment increase	2.5% p.a.

The valuation showed that, on an on-going basis, the Fund's assets amounted to 86% of the value of the accrued benefits, allowing for expected future increases in earnings.

The market value of the Fund's assets per the triennial actuarial valuation at 31 December 2014 amounted to £74.3m.

The following disclosures have been prepared to comply with FRS 102.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the period ended 31 August 2017 (continued)

31 Pension Costs (continued)

The information required to comply with FRS 102 was generated by the Scheme's Actuary. It is based on the full actuarial valuation, which was carried out at 31 December 2014 and updated to 31 August 2017 by a qualified independent actuary, using approximate actuarial techniques and available information.

Under Financial Reporting Standard 102, the net pension deficit or surplus (measured in accordance with the requirements of the standard) are reflected on the Union's Statement of Financial Position as a pension liability or asset. Movements on the Pension Scheme asset or liability during the year are reflected through the Income Statement to the extent that they arise from the employer's current service cost and expected return on the Scheme's assets, net of interest on Pension Scheme liabilities. Movements arising from the interest on scheme assets and liabilities and gains and losses on the Scheme's liabilities are reflected through the Statement of Comprehensive Income.

The FRS 102 current service costs of pensions amounts to £2,883,000 (2016 - £2,904,000). The interest on Pension liabilities will exceed the interest on Pension Scheme Assets interest by £437,000 (2016 - £367,000), resulting in a net charge reflected through the Income Statement of £3,320,000 (2016 - £3,291,000).

In addition, in the current year an actuarial loss of £1,445,000 (2016 - loss of £12,835,000) is reflected through the Statement of Comprehensive Income.

	Value at 31 August 2017 £'000	Value at 31 December 2016 £'000	Value at 31 December 2015 £'000
Present value of funded obligations	113,453	108,751	86,705
Fair value of Scheme assets	(88,165)	(85,762)	(76,034)
	<hr/>	<hr/>	<hr/>
Net liability	25,288	22,989	10,671
	<hr/>	<hr/>	<hr/>

The Union does not benefit generally from tax relief on employee remuneration. Therefore there are no deferred tax implications to Pension Scheme deficits or surpluses.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the period ended 31 August 2017 (continued)

31 Pension Costs (continued)

The principal assumptions used by the actuary to calculate the present value of the Scheme's liabilities were as follows:

	At 31 August 2017 (per annum)	At 31 December 2016 (per annum)	At 31 December 2015 (per annum)
Financial Assumptions			
Rate of increase in salaries	2.60%	2.75%	1.75% to 2015, 1.5% to 2017, 3.0% thereafter
Rate of increase of pensions in payment	2.10%	2.25%	2.0%
Rate of revaluation of deferred pensions in excess of GMP			1.9%
Discount rate	2.65%	2.85%	3.8%
Inflation assumption (RPI)	3.10%	3.25%	3.0%
Inflation assumption (CPI)	2.10%	2.25%	2.0%

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the period ended 31 August 2017 (continued)

31 Pension Costs (continued)

	At 31 August 2017 (per annum)	At 31 December 2016 (per annum)	At 31 December 2015 (per annum)
Demographic Assumptions			
Post retirement mortality for non-pension members (male/female)	95% (males) / 95% (females) of S2PxA	95% (males) / 95% (females) of S2PxA	90% (males) / 95% (females) of S2PxA
Post retirement mortality for pension members (male/female)	95% (males) / 95% (females) of S2PxA	95% (males) / 95% (females) of S2PxA	90% (males) / 95% (females) of S2PxA
Life expectancy at age 60 for someone who is currently a pensioner	Male 87.0 years Female 89.2 years	Male 87.0 years Female 89.1 years	Male 87.3 years Female 89.2 years
Life expectancy at age 60 for someone who is currently aged 40	Male 88.5 years Female 90.7 years	Male 88.4 years Female 90.6 years	Male 88.8 years Female 89.2 years
Cash commutation allowance	No	No	No
Withdrawal allowances	No	No	No

Fair Value of Assets

	Value at 31 August 2017 £'000	Proportion at 31 August 2017 %	Value at 31 December 2016 £'000	Proportion at 31 December 2016 %	Value at 31 December 2015 £'000	Proportion at 31 December 2015 %
Corporate Bonds	-	-	-	-	37,570	49%
Diversified growth	59,723	68%	58,626	68%	37,642	50%
Liability Driven Investments	27,631	31%	26,368	31%	-	-
Cash	811	1%	768	1%	822	1%
Total value of assets	88,165	100%	85,762	100%	76,034	100%

The Scheme assets do not include investments issued by the National Union of Teachers nor any property occupied by the National Union of Teachers.

National Union of Teachers

Notes forming part of the Consolidated Financial Statements
for the period ended 31 August 2017 (continued)

31 Pension Costs (continued)

	2017 £'000	2016 £'000	2015 £'000
Actual Return on Plan Assets	2,200	9,980	938

Income Statement Impact

	Value at 31 August 2017 £'000	Value at 31 December 2016 £'000
Current service cost	2,883	2,904
Net interest cost	437	387
	3,320	3,291

Amount Recognised in the Total Comprehensive Income Statement

	Value at 31 August 2017 £'000	Value at 31 December 2016 £'000	Value at 31 December 2015 £'000
Net actuarial losses recognised in year	(1,445)	(12,835)	(5,860)
Net cumulative actuarial losses	(33,477)	(32,032)	(19,197)

National Union of Teachers

Notes forming part of the Consolidated Financial Statements for the period ended 31 August 2017 (continued)

31 Pension Costs (continued)

Change in the present value of the defined benefit obligation

	Value at 31 August 2017 £'000	Value at 31 December 2016 £'000	Value at 31 December 2015 £'000
Opening defined benefit obligations	108,751	86,705	80,299
Service cost	2,883	2,904	2,463
Interest cost	2,056	3,272	2,959
Employees' contributions	11	58	58
Actuarial losses	2,026	19,930	4,033
Benefits paid	(2,274)	(4,118)	(3,107)
	<hr/>	<hr/>	<hr/>
Closing defined benefit obligation	113,453	108,751	86,705
	<hr/>	<hr/>	<hr/>

Change in the Fair Value of Plan Assets

Opening fair value of plan assets	85,762	76,034	74,349
Interest Income	1,619	2,885	2,765
Actuarial gains / (losses)	581	7,095	(1,827)
Contributions by employer	2,466	3,808	3,796
Contributions by plan participants	11	58	58
Benefits paid	(2,274)	(4,118)	(3,107)
	<hr/>	<hr/>	<hr/>
Closing fair value of plan assets	88,165	85,762	76,034
	<hr/>	<hr/>	<hr/>

1 Accounting Policies

(a) Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention, as modified by revaluation of fixed assets investments, and are in accordance with Financial Reporting Standard 102. The accounts do not include any autonomous local associations or division funds and related financial transactions. Information relating to those groups and branches are included in the Annual Return for 2017 which is submitted to the Certification Officer for Trade Union and Employers' Associations

The National Union of Teachers became a Section of the National Education Union on the 1st September 2017 and was deregistered as a separate union with the Certification Office from this date. As all the assets and liabilities of the Union will be transferred to the National Education Union to form the opening position from the amalgamation date and the Union's activities are continuing without interruption, the accounts have therefore been prepared on a going concern basis and the Executive Council consider that there are no material uncertainties about the Union's ability to continue as a going concern.

(b) Consolidated financial statements

The group accounts consolidate the accounts the National Union of Teachers and its subsidiary undertakings. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method. Separate Financial Statements for Stoke Rochford Management Limited and The Teacher Publishing

Co. Limited are available from Companies House.

Where a subsidiary company has a financial year end which is different to that of the National Union of Teachers, provided that the year/period end falls within three months prior to that of the National Union of Teachers, the financial results of the subsidiaries to be included in the consolidated Financial Statements are based on the subsidiaries' Financial Statements. Consolidation adjustments are made, where appropriate, to align the subsidiaries' transactions and balances with other group entities.

(c) **Income recognition**

The Financial Statements are prepared on an accruals basis, whilst commissions are accounted for when the Union is notified of the sum due. Grants receivable for specific purposes are credited to the Income Statement to match the expenditure incurred on these projects to date. The balance is deferred.

(d) **Designated funds**

All Income and Expenditure is credited/ (charged) to the Income Statement. Transfers to/(from) designated funds are made to allocate to these funds investment income earned on each fund's assets together with specific donations and, where relevant, apportionment of subscription income due to the funds net of any expenditure attributable to the funds.

Reserves which are earmarked by the Union for specific purposes are termed Designated Reserves (note 27).

Subscribing members, who have not opted out, contribute 1% of the full subscription fee to the Political Fund. Expenditure in connection with Political activities must be charged against this Fund.

(e) **Analysis of expenditure**

Expenditure incurred, with the exception of depreciation, financial expenses and taxation are analysed under two broad categories, Members' Services and Administration. Costs connected with Organisation and Membership, Employment Conditions and Rights, Superannuation, Equality and Professional Development and Education Economics departments, together with costs incurred in the publication of *The Teacher* and at Regional and Wales offices, have been classified as Member Services. Costs associated with Resource Management, Finance, Payroll, Pensions and Records and Subscriptions have been classified as Administration. The costs associated with the Strategy and Communications Department have been apportioned between Members' Services and Administration on the basis of estimated employee time devoted to each type of activity. Labour costs are allocated to each department on an actual basis. Property costs have been apportioned to each department on the basis of floor space occupied.

(f) **Defined benefit pension scheme**

The surplus or deficit arising on the Union's defined benefit Pension Scheme is disclosed on the Union's Statement of Financial Position. Movements on the Pension Scheme, asset or liability, are reflected through the Income Statement to the extent that they relate to employer's current service costs (which is reflected as a component of Staff Costs) or movements arising from expected returns on Pension Scheme assets net of interest on Pension Scheme liabilities which is disclosed as a component of Other Income). Movements arising from changes in actuarial assumptions, including differences between the actual returns on Scheme assets and the expected returns and experience gains/ (losses) arising on the Scheme's liabilities are reflected through the Statement of Comprehensive Income.

(g) **Corporation taxation**

As an unincorporated association, the National Union of Teachers is liable to Corporation Tax on its investment income and realised gains on investments sold. As a trade union, relief is available in respect of provident benefits expenditure, as statutorily defined.

(h) **Deferred tax**

Deferred tax is provided on all material reversing timing differences which arise from transactions reflected through the Income Statement.

(i) **Operating leases**

Rentals payable on operating leases are reflected in their entirety through the Income Statement.

(j) **Critical accounting assumptions and judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable. Revision to accounting estimates are recognised in the period in which the estimates are revised and any future period affected.

In preparing these financial statements, the Union has made the following judgements:

- Determine whether leases entered into by the group either as lessor or a lessee are operating lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are any indicators of impairment of the group's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 17)
- Pension Costs (see note 31)

Fixed assets are initially recognised at cost. Depreciation is calculated to write down the cost of fixed assets to estimated realisable values on a straight line basis over the expected useful lives of the assets concerned.

The principal annual rates used are:



Freehold property	-	2% on cost excluding land
Leasehold improvements	-	Over the balance of the property's expected useful life
Leasehold property	-	Over the period of the lease (or 50 years if shorter)
Plant and machinery	-	10%
Furniture and office equipment	-	At varying rates of between 10% and 33⅓%
Motor vehicles	-	20%
Website	-	20%

- Investments (see note 18)
Listed investments are disclosed at mid-market values at the Statement of Financial Position date. Unquoted investments are disclosed at fair value. Realised and unrealised gains or losses on listed investments are reflected in the Professional Sustentation Fund or the General Fund as appropriate. Realised gains or losses on disposals of investments are calculated by reference to the carrying value of those investments reflected in the last set of audited Financial Statements.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 and 77)

including the accounts and balance sheet contained in the return.

Secretary's Signature: <u></u> Name: Kevin Courtney Date: <u>20/2/2018</u>	Union Accountant Signature: <u></u> (or other official whose position should be stated) Name: Keith Williams Date: <u>20/2/2018</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

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

YES

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

YES

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

AUDITOR'S REPORT (section one)

Signature(s) of auditor or auditors:	Moore Stephens LLP	
Name(s):	Moore Stephens LLP	
Profession(s) or Calling(s):	Chartered Accountants	
Address(es):	150 Aldersgate Street London EC1 4AJ	
Date:	21-02-2018	
Contact name and telephone number:	Philip Clark 0207-509-9305	
N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.		

National Union of Teachers

Independent auditor's report

Independent Auditor's Report to the Members of National Union of Teachers

Opinion

We have audited the financial statements of the National Union of Teachers (the 'Union') for the period ended 31 August 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 August 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

Our audit work has been undertaken so that we might state to the Union'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 Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Executive Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Executive Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Executive Council are responsible for the other information. The other information comprises the information included in the Report of the National Treasurer, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

National Union of Teachers

Independent auditor's report (*continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Executive Council

As explained more fully in the Statement of Officers Responsibilities, the Executive Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Council are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Council either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Moore Stephens LLP

Moore Stephens LLP
Chartered Accountants & Statutory Auditor
150 Aldersgate Street, London, EC1A 4AB

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

1. 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


2. 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 1 or 2 above 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	09.05.17
Contact name and telephone number	Ian Robinson, Director and Head of Quality Control 020 8365 8909