

Form AR21

Trade Union and Labour Relations (Consolidation) Act 1992

Annual Return for a Trade Union

Name of Trade Union:	National Education Union		
Year ended:	31 August 2020		
List no:	8287		
Head or Main Office address:	Hamilton House		
	Mabledon Place		
	London		
Postcode	WC1H 9BD		
Website address (if available)	www.neu.org.uk		
Has the address changed during the year to which the return relates?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	('X' in appropriate box)
General Secretary:	Dr Mary Bousted & Kevin Courtney (Joint Post Holders)		
Telephone Number:	0345 811 8111		
Contact name for queries regarding the completion of this return	Jane Townsend		
Telephone Number:	0345 811 8111		
E-mail:	finance@neu.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: 0330 109 3602

You should send the annual return to the following email address stating the name of the union in subject:

For Unions based in England and Wales: returns@certoffice.org

For Unions based in Scotland: ymw@tcyoung.co.uk

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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	104,011	940	6	522	105,479
Female	336,964	2,544	41	1,328	340,877
Other	202				202
Total	441,177	3,484	47	1,850	A 446,558

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

422,424

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

488

Change of Officers

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

Position Held	Name of Officer ceasing to hold Office	Name of Officer Appointed	Date of change
Joint President	Kim Knappett	Amanda Martin	01 September 2019
Joint President	Kiri Tunks		01 September 2019
Senior Vice President	Amanda Martin	Robin Bevan	01 September 2019
Junior Vice President	Robin Bevan		01 September 2019
Ex-Joint President		Kim Knappett	01 September 2019
Ex-Joint President		Kiri Tunks	01 September 2019

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

General Fund

(see notes 13 to 18)

	£	£
Income		
From Members: Contributions and Subscriptions		51,624,572
From Members: Other income from members (specify)		
Total other income from members		
Total of all income from members		51,624,572
Investment income (as at page 12)		1,961,819
Other Income		
Income from Federations and other bodies (as at page 4)		
Income from any other sources (as at page 4)	1,565,442	
Total of other income (as at page 4)		1,565,442
		55,151,833
		56,207
	Total income	
	Interfund Transfers IN	
Expenditure		
Benefits to members (as at page 5)		23,619,104
Administrative expenses (as at page 10)		21,797,156
Federation and other bodies (specify)		
TUC		1,292,360
EI/ETUCE		745,992
Other Subscriptions & Donations		613,563
Total expenditure Federation and other bodies		2,651,915
Taxation		-305,775
		47,762,400
	Total expenditure	
	Interfund Transfers OUT	6,609,000
	Surplus (deficit) for year	7,389,433
Amount of general fund at beginning of year		89,399,865
Amount of general fund at end of year		90,236,505

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	
Any Other Sources	
Unrealised Gain on Revaluation	959,676
Donations	11,257
Union Magazine Advertising	115,797
Commissions	39,480
Legal Income (Net of Associated Legal Costs)	-3,611
Other Income	191,374
Profit on Sale of Regional Office	251,469
Total other sources	1,565,442
Total of all other income	1,565,442

Analysis of benefit expenditure shown at the General Fund

(see notes 21 to 23)

			£
Representation – Employment Related Issues		brought forward	1,771,265
		Advisory Services	
		Advisory Committee	506
Representation – Non Employment Related Issues		Other Cash Payments	
		Education and Training services	
		Training	1,141,201
Communications			
Union Magazine	1,571,171		
Website	200,094		
		Negotiated Discount Services	
		Countdown	45,000
Dispute Benefits		Other Benefits and Grants (specify)	
		Branch & Other Grants	76,385
		Staff Costs	20,100,672
		Insurance	112,286
		Travel & Subsistence	371,789
carried forward	1,771,265	Total (should agree with figure in General Fund)	23,619,104

(See notes 21 and 23)

Fund 4		Fund Account	
Name:	District Fund	£	£
Income			
	From members		5,671,464
	Investment income (as at page 12)		
	Other income (specify)		
	Other Income		501,212
		Total other income as specified	501,212
		Total Income	6,172,676
		Interfund Transfers IN	
Expenditure			
	Benefits to members		2,841,310
	Administrative expenses and other expenditure (as at page 10)		
		Total Expenditure	2,841,310
		Interfund Transfers OUT	56,207
		Surplus (Deficit) for the year	3,331,366
		Amount of fund at beginning of year	7,209,891
		Amount of fund at the end of year (as Balance Sheet)	10,485,050
		Number of members contributing at end of year	422,424

Fund 5		Fund Account	
Name:	Benevolent	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
		Total other income as specified	
		Total Income	
		Interfund Transfers IN	
Expenditure			
	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		348
		Total Expenditure	348
		Interfund Transfers OUT	
		Surplus (Deficit) for the year	-348
		Amount of fund at beginning of year	348
		Amount of fund at the end of year (as Balance Sheet)	
		Number of members contributing at end of year	

(See notes 21 and 23)

Fund 6		Fund Account	
Name:	Hardship (COVID-19) Fund	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Donations		110,528
	Total other income as specified		110,528
	Total Income		110,528
	Interfund Transfers IN		
Expenditure			
	Benefits to members		41,000
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		41,000
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		69,528
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		69,528
	Number of members contributing at end of year		255,117

Fund 7		Fund Account	
Name:	Pension Reserve	£	£
Income			
	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Contribution from Employer		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		6,609,000
Expenditure			
	Benefits to members		4,964,320
	Administrative expenses and other expenditure (as at page 10)		16,675,680
	Total Expenditure		21,640,000
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		-21,640,000
	Amount of fund at beginning of year		-43,046,000
	Amount of fund at the end of year (as Balance Sheet)		-58,077,000
	Number of members contributing at end of year		422,424

(See notes 21 and 23)

Fund 8		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

Fund 9		Fund Account	
Name:		£	£
Income	From members		
	Investment income (as at page 12)		
	Other income (specify)		
	Total other income as specified		
	Total Income		
	Interfund Transfers IN		
Expenditure	Benefits to members		
	Administrative expenses and other expenditure (as at page 10)		
	Total Expenditure		
	Interfund Transfers OUT		
	Surplus (Deficit) for the year		
	Amount of fund at beginning of year		
	Amount of fund at the end of year (as Balance Sheet)		
	Number of members contributing at end of year		

Political fund account

(see notes 24 to 33)

£

£

Political fund account 1		To be completed by trade unions which maintain their own political fund	
	Income	Members contributions and levies	563,265
		Investment income (as at page 12)	
Other income (specify)			
		Total other income as specified	
		Total income	563,265
Expenditure under section (82) of the Trade Union and Labour Relations (Consolidation) Act 1992 on purposes set out in section (72) (1) where consolidation of expenditures from the political funds exceeds £2,000 during the period			
	Expenditure A (as at page i)		
	Expenditure B (as at page ii)		
	Expenditure C (as at page iii)		
	Expenditure D (as at page iv)		
	Expenditure E (as at page v)		35,904
	Expenditure F (as at page vi)		
	Non-political expenditure (as at page vii)		179,192
		Total expenditure	215,096
		Surplus (deficit) for year	348,169
		Amount of political fund at beginning of year	-6,594
		Amount of political fund at the end of year (as <u>Balance Sheet</u>)	341,575
		Number of members at end of year contributing to the political fund	300,338
		Number of members at end of the year not contributing to the political fund	146,220
		Number of members at end of year who have completed an exemption notice and do not contribute to the political fund	492
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	
		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	

Expenditure from the political fund not falling within section 72 (1) of the trade union & labour relations (consolidation) act 1992

For expenditure not falling within section 72 (1) the required information is-

(a) the nature of each cause or campaign for which money was expended, and the total amount expended in relation to each one	£
General Election 2019	160,000

Total expenditure 160,000

(b) the name of each organisation to which money was paid (otherwise than for a particular cause of campaign), and the total amount paid to each one	£
Bournemouth Convention Bureau	1,918
Glasswing Projects	3,770
Jess Hurd	600
New Statesman Limited	1,440
Solu4ions	4,961
Welsh Conservative Party	1,400

Total expenditure 14,089

(c) the total amount of all other money expended	£
Staff Expenses	5,103

Total expenditure 5,103

Total of all expenditures 179,192

Analysis of administrative expenses and other outgoings excluding amounts charged to political fund accounts

(see notes 34 and 35)

		£
Administrative Expenses		
Remuneration and expenses of staff		9,326,583
Salaries and Wages included in above	7,915,261	
Auditors' fees		68,483
Legal and Professional fees		546,438
Occupancy costs		2,995,043
Stationery, printing, postage, telephone, etc.		1,202,461
Expenses of Executive Committee (Head Office)		
Expenses of conferences		339,384
Other administrative expenses (specify)		
Campaigns & Action		2,734,319
Member Recruitment		50,752
Research Fees		302,373
Staff Recruitment & Training		508,192
Computer Support & Systems Maintenance		1,779,266
Other Member Services		45,996
Other Admin Costs		245,323
Books & Publications		59,679
Executive Costs		256,399
Office Expenses		78,822
Other Outgoings		
Revaluation of Investment Property		1,560,252
Bank Charges		157,717
Depreciation		1,440,267
Closure of Benevolent Fund (Payment to NEU Trust Fund)		
Outgoings on land and buildings (specify)		
Other outgoings (specify)		
Actuarial Losses on Deferred Benefit Pension		14,119,000
Pension Running Costs		170,000
Pension Interest Expense		819,000
Total		38,805,749
Charged to:	General Fund (Page 3)	21,797,156
	Sustentation Fund	99,023
	International	233,542
	District Fund	
	Benevolent	348
	Hardship (COVID-19) Fund	
	Pension Reserve	16,675,680
Total		38,805,749

Analysis of investment income

(see notes 47 and 48)

	Political Fund £		Other Fund(s) £
Rent from land and buildings			1,276,936
Dividends (gross) from:			
Equities (e.g. shares)			700,822
Interest (gross) from:			
Government securities (Gilts)			
Mortgages			
Local Authority Bonds			
Bank and Building Societies			
Other investment income (specify)			
Gain on Disposal			227,579
			2,205,337
		Total investment income	2,205,337
		Credited to:	
		General Fund (Page 3)	1,961,819
		Sustentation Fund	243,518
		International	
		District Fund	
		Benevolent	
		Hardship (COVID-19) Fund	
		Pension Reserve	
		Political Fund	
		Total Investment Funds	2,205,337

Fixed assets account

(see notes 53 to 57)

	Land and Buildings		Furniture and Equipment £	Motor Vehicles £	Not used for union business £	Total £
	Freehold £	Leasehold £				
Cost or Valuation						
At start of year	50,916,482	4,918,717	4,005,146			59,840,345
Additions	2,122,685		428,780			2,551,465
Disposals	-381,821	-174,313	-2,468,929			-3,025,063
Revaluation/Transfers	-1,560,252					-1,560,252
At end of year	51,097,094	4,744,404	1,964,997			57,806,495
Accumulated Depreciation						
At start of year	3,555,151	853,817	2,880,726			7,289,694
Charges for year	727,873	165,547	546,847			1,440,267
Disposals	-58,309	-81,994	-2,468,932			-2,609,235
Revaluation/Transfers						
At end of year	4,224,715	937,370	958,641			6,120,726
Net book value at end of year	46,872,379	3,807,034	1,006,356			51,685,769
Net book value at end of previous year	47,361,331	4,064,900	1,124,420			52,550,651

Analysis of investments

(see notes 58 and 59)

Quoted	All Funds Except Political Funds £	Political Fund £
Equities (e.g. Shares)	6,385,073	
Government Securities (Gilts)	514,869	
Other quoted securities (to be specified)		
Funds	13,454,314	
Bonds	6,834,711	
Total quoted (as Balance Sheet)	27,188,967	
Market Value of Quoted Investment		
Unquoted		
Equities	605,122	
Government Securities (Gilts)		
Mortgages		
Bank and Building Societies		
Other unquoted investments (to be specified)		
Total unquoted (as Balance Sheet)	605,122	
Market Value of Unquoted Investments		

Analysis of investment income (controlling interests)

(see notes 60 and 61)

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	1361390
Teachers Publishing Company	102549

Are the shares which are controlled by the union registered in the names of the union's trustees?

Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
---	-----------------------------

If NO, state the names of the persons in whom the shares controlled by the union are registered.

Company name	Names of shareholders

Summary sheet

(see notes 62 to 73)

	All funds except Political Funds £	Political Funds £	Total Funds £
Income			
From Members	58,059,114	563,265	58,622,379
From Investments	2,205,337		2,205,337
Other Income (including increases by revaluation of assets)	2,177,182		2,177,182
Total Income	62,441,633	563,265	63,004,898
Expenditure (including decreases by revaluation of assets)			
Total Expenditure	73,126,558	215,096	73,341,654
Funds at beginning of year (including reserves)	61,448,258	-6,594	61,441,664
Funds at end of year (including reserves)	50,763,333	341,575	51,104,908
Assets			
Fixed Assets			51,685,769
Investment Assets			27,794,089
Other Assets			37,699,096
		Total Assets	117,178,954
Liabilities		Total Liabilities	66,074,046
Net Assets (Total Assets less Total Liabilities)			51,104,908

Ballots & Industrial Action- If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

(see notes 74 to 80)

Did the union hold any ballots in respect of industrial action during the return period?	<input type="text" value="Yes"/>
If Yes How many ballots were held: <input style="width: 50px;" type="text" value="32"/>	
For each ballot held please complete the information below:	
Ballot 1	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>
Ballot 2	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>
Ballot 3	
Number of individual who were entitled to vote in the ballot	<input style="width: 80px;" type="text"/>
Number of votes cast in the ballot	<input style="width: 80px;" type="text"/>
Number of Individuals answering "Yes" to the question	<input style="width: 80px;" type="text"/> ¹
Number of individuals answering "No" to the question	<input style="width: 80px;" type="text"/> ²
Number of invalid or otherwise spoiled voting papers returned	<input style="width: 80px;" type="text"/> ³
	1-3 should total "Number of votes cast"
Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>
Does section 226(2B) of the 1992 Act apply in relation to this ballot (see notes 76-80)?	<input style="width: 60px;" type="text"/>
If yes, were the number of individuals answering "Yes" to the question (or each question) at least 40% of the number of individuals who were entitled to vote in the ballot	<input style="width: 60px;" type="text"/>

Ballots & Industrial Action: If you have 6 or more entries for either of these, please complete the Excel Spreadsheet

Information on Industrial Action Ballots

Name of Organisation:		National Education Union			Reporting Period	1/09/19-31/08/20			
Did the union hold any ballots in respect of industrial action during the return period?				<u>Yes</u>	For each ballot held please complete the information below				
If yes, how many ballots were held?				<u>32</u>					
Ballot	Number of individuals who were entitled to vote in the ballot	Number of votes cast in the ballot	Number of Individuals answering "Yes" to the question	Number of Individuals answering "No" to the question	Number of invalid or otherwise spoiled voting papers returned	Were the number of votes cast in the ballot at least 50% of the number of individuals who were entitled to vote in the ballot?	Does 226(2B) of the 1992 Act apply to this ballot?	If yes, were the number of individuals answering "Yes" to the question(or each question) at least 40% of the number of individuals who were entitled to vote in the ballot?	
1	10	8	8	0	0	Yes	Yes	Yes	
2	69	58	55	3	0	Yes	Yes	Yes	
3	28	20	18	2	0	Yes	Yes	Yes	
4	103	58	54	4	0	Yes	Yes	Yes	
5	11	10	9	1	0	Yes	Yes	Yes	
6	32	22	15	7	0	Yes	Yes	Yes	
7	57	48	48	0	0	Yes	Yes	Yes	
8	16	14	14	0	0	Yes	Yes	Yes	
9	44	33	29	4	0	Yes	Yes	Yes	
10	11	10	9	1	0	Yes	Yes	Yes	
11	208	141	129	12	0	Yes	Yes	Yes	
12	29	26	22	4	0	Yes	Yes	Yes	
13	50	31	22	9	0	Yes	Yes	Yes	
14	26	17	13	4	0	Yes	Yes	Yes	
15	92	77	76	1	0	Yes	Yes	Yes	
16	1193	614	581	28	5	Yes	Yes	Yes	

17	40	39	39	0	0	Yes	Yes	Yes
18	20	15	15	0	0	Yes	Yes	Yes
19	60	27	27	0	0	No	Yes	No
20	29	28	23	5	0	Yes	Yes	Yes
21	40	31	28	3	0	Yes	Yes	Yes
22	21	19	14	5	0	Yes	Yes	Yes
23	56	29	29	0	0	Yes	Yes	Yes
24	39	25	18	7	0	Yes	Yes	Yes
25	21	16	16	0	0	Yes	Yes	Yes
26	10	7	7	0	0	Yes	Yes	Yes
27	27	26	24	2	0	Yes	Yes	Yes
28	30	22	22	0	0	Yes	Yes	Yes
29	44	21	16	5	0	No	Yes	Yes
30	26	21	15	6	0	Yes	Yes	Yes
31	39	28	23	5	0	Yes	Yes	Yes
32	9	9	7	2	0	Yes	Yes	Yes
33					0	Yes		
34					0	Yes		
35					0	Yes		

(see note 81)

***Categories of Nature of Trade Dispute**

- A: terms and conditions of employment, or the physical conditions in which any workers require to work;
- B: engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or more workers;
- C: allocation of work or the duties of employment between workers or groups of workers;
- D: matters of discipline;
- E: a worker's membership or non-membership of a trade union;
- F: facilities for officials of trade unions;
- G: machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Did Union members take industrial action during the return period in response to any inducement on the part of the Union? YES/NO

Yes

If **YES**, for each industrial action taken please complete the information below:

Industrial Action 1

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 2

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

Industrial Action 3

1. please tick the nature of the trade dispute for which industrial action was taken using the categories* below:

A B C D E F G

2. Dates of the industrial action taken: to

3. Number of days of industrial action:

4. Nature of industrial action.

use a continuation page if necessary

Information on Industrial Action

Name of Organisation:		National Education Union		Reporting Period	1/09/19-31/08/20
Did Union members take industrial action during the return period in response to any inducement on the part of the union?			<u>Yes</u>	If YES, for each industrial action taken please complete the information below	
Industrial Action	Nature of the trade dispute for which action was taken	Dates of the industrial action taken	Number of days of industrial action	Nature of industrial action	Categories of nature of Trade Dispute
1	A	30/10/2019, 06/11/2019, 07/11/2019, 12/11/2019 13/11/2019,14/11/ 1921/11/19,26/11/ 201927/11/2019, 28/11/19 03/12/2019 04/12/2019 05/12/2019 10/12/2019 11/12/2019 12/12/2019	16	Strike Action	<p>A: Terms and conditions of employment, or the physical conditions in which any workers are required to work</p> <p>B: Engagement or non-engagement, or termination or suspension of employment or the duties of employment, of one or</p>
2	A	30/10/2019,12/11/ 2019,13/11/2019, 19/11/2019,20/11/ 2019,21/11/2019, 04/12/2019,05/12/ 2019,10/12/2019, 11/12/2019	10	Strike Action	
3	A	11/12/2019	1	Strike Action	
4	A	11/12/2019,19/01/ 2020,16/01/2020, 21/01/2020,22/01/ 2020 23/01/2020,06/02/ 2020,12/02/2020, 13/02/2020,25/02/ 2020,26/02/2020, 27/02/2020	10	Strike Action	

5	A	27/02/2020	1	Strike Action
		06/02/2020,12/02/2020,13/02/2020,25/02/2020,26/02/2020,27/02/2020	6	Strike Action
6	A			
7	A	12/02/2020,26/02/2020,27/02/2020	3	Strike Action
8	A	04/03/2020	1	Strike Action
9				
10				
11				
12				

more workers

C: Allocation of work or the duties of employment between workers or groups of workers

D: Matters of discipline

E: A worker's membership or non-membership of a trade union

F: Facilities for officials of trade unions

G: Machinery for negotiation or consultation, and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers in such negotiation or consultation or in the carrying out of such procedures

Notes to the accounts

(see notes 82 and 83)

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

See attached



National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

2 Subscription Income

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
National subscriptions	52,950,915	33,387,124
Local District/Branches subscriptions	5,671,464	3,778,882
	<hr/>	<hr/>
Total Subscriptions from members	58,622,379	37,166,006
	<hr/>	<hr/>

3 Investment Income

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
General Fund	558,412	452,533
Sustentation Fund	142,410	85,178
Profit on the sale of investments	227,579	225,170
	<hr/>	<hr/>
	928,401	762,881
	<hr/>	<hr/>

4 Donations

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
General Fund donations	11,257	1,048
Hardship Fund donations	110,528	-
NUT Benevolent Fund donations	-	348
	<hr/>	<hr/>
	121,785	1,396
	<hr/>	<hr/>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

5 Other Income

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Union Magazine advertising	115,797	296,369
Commissions	39,480	35,734
Legal income, net of associated legal costs	(3,611)	22,437
Other income	191,374	175,101
Local District income generated	501,212	-
	<u>844,252</u>	<u>529,641</u>

6 Staff Costs

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Salaries	23,918,629	15,219,310
Social security costs	2,500,225	1,541,631
Childcare vouchers	29,399	27,400
Superannuation contributions (note 30) - current service cost	6,532,000	3,787,000
	<u>32,980,253</u>	<u>20,575,341</u>

	Year to 31 August 2020 Number	8 months to 31 August 2019 Number
Average number of employees	<u>561</u>	<u>532</u>

	Year to 31 August 2020 £	8 months to 31 August 2019 £
Key personnel compensation	<u>561,567</u>	<u>363,591</u>

During the period 4 (2019: 4) staff were considered key management.

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

7 Grants

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
District/Branch grants	75,635	38,981
Membership grants (sustentation)	508,935	302,219
Membership grants (hardship, other)	41,000	-
Other grants	750	75,215
	<u>626,320</u>	<u>416,415</u>

8 Property Costs

	Headquarters Year to 31 August 2020	Districts/ Regions Year to 31 August 2020	Total Year to 31 August 2020	Total 8 months to 31 August 2019
	£	£	£	£
Consultants' fees	20,950	3,916	24,866	20,850
Heating, lighting and water	225,092	113,311	338,403	252,113
Repairs, maintenance and decorations	340,089	122,467	462,556	414,154
Rates	782,837	259,164	1,042,001	673,717
Insurance	253,584	-	253,584	185,796
Telephone	170,100	16,796	186,896	183,131
Cleaning, laundry and sundries	312,617	130,919	443,536	226,976
Rent	-	430,097	430,097	287,805
	<u>2,105,269</u>	<u>1,076,670</u>	<u>3,181,939</u>	<u>2,244,542</u>

National Education Union

Notes forming part of the Financial Statements
for the year ended 31 August 2020 (*continued*)

9 Subscriptions

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
TUC	1,292,360	853,406
EI/ETUCE	745,992	685,308
Other subscriptions and donations	613,563	428,005
	<hr/>	<hr/>
	2,651,915	1,966,719
	<hr/>	<hr/>

10 Campaigns and Action

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Publicity, projects and campaign expenditure	2,125,953	1,877,763
LA Merchandise	121,972	33,595
Other expenditure	701,490	179,118
	<hr/>	<hr/>
	2,949,415	2,090,476
	<hr/>	<hr/>

11 Publications

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Union Magazine	1,571,171	1,352,920
	<hr/>	<hr/>

National Education Union

Notes forming part of the Financial Statements
for the year ended 31 August 2020 (*continued*)

12 Travel and Subsistence

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Conference	119,875	35,599
Executive travel	371,789	186,033
Regional/Nations and Headquarters	760,386	484,938
Secretaries	32,913	127,169
Car costs	618,023	347,755
General	-	203,249
Advisory Committee	506	1,343
	<hr/>	<hr/>
	1,903,492	1,386,086
	<hr/>	<hr/>

13 Other Members' Services

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Training	1,141,201	652,439
Insurance for members	112,286	280,000
Recruitment	50,752	115,881
Conferences	78,637	195,666
Countdown	45,000	46,500
Research fees	302,373	176,702
Printing, postage and stationery	456,306	294,555
Web site	200,094	149,267
Other costs	45,996	28,820
Regional Councils	-	9,011
	<hr/>	<hr/>
	2,432,645	1,948,841
	<hr/>	<hr/>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

14 Other Administration Costs

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Professional fees		
Audit and accountancy	68,483	63,735
Actuarial and other professional fees	716,438	363,973
	<u>784,921</u>	<u>427,708</u>
Staff recruitment and training	508,192	367,936
Computer support and systems maintenance	1,779,266	1,280,412
Office expenses	78,822	125,718
Printing, postage and stationery	559,259	387,040
Books and publications	59,679	8,154
Conference expenses	140,872	846,096
Health and Safety	-	13,583
Executive costs	256,399	-
Other costs	245,323	235,450
Net interest cost	819,000	678,000
	<u>5,231,733</u>	<u>4,370,097</u>

Auditors' remuneration is £60,733 (2019: £58,935) for audit services, £7,750 (2019: £4,800) for tax compliance and £Nil (2019: £Nil) for other services.

15 Financial Expenses

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Bank charges	<u>157,717</u>	<u>129,858</u>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

16 Taxation

	Year to 31 August 2020	8 months to 31 August 2019
	£	£
Corporation Tax		
UK Corporation tax at 19%	-	-
Adjustment in respect of amounts brought forward	17,225	-
	<u>17,225</u>	<u>-</u>
Deferred tax on		
Uplift in fair value of investments	(162,000)	60,000
Revalued investment property	(319,000)	(700,000)
Revalued freehold property on transactions to FRS 102	158,000	(19,000)
	<u>(323,000)</u>	<u>(659,000)</u>
Tax credit	<u>(305,775)</u>	<u>(659,000)</u>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

17 Tangible Fixed Assets

	Freehold properties £	Investment property £	Leasehold properties £	Plant and machinery £	Furniture and office equipment £	Total £
Cost/revaluation						
At 1 September 2019	30,516,482	20,400,000	4,918,717	1,695,932	2,309,214	59,840,345
Additions	2,122,685	-	-	-	428,780	2,551,465
Revaluation	-	(1,560,252)	-	-	-	(1,560,252)
Disposals	(381,821)	-	(174,313)	(1,334,440)	(1,134,489)	(3,025,063)
Transfer from investment property	2,839,748	(2,839,748)	-	-	-	-
At 31 August 2020	35,097,094	16,000,000	4,744,404	361,492	1,603,505	57,806,495
Depreciation						
At 1 September 2019	3,555,151	-	853,817	1,451,411	1,429,315	7,289,694
Charge for the period	727,873	-	165,547	45,518	501,329	1,440,267
Disposals	(58,309)	-	(81,994)	(1,334,441)	(1,134,491)	(2,609,235)
At 31 August 2020	4,224,715	-	937,370	162,488	796,153	6,120,726
Net book value						
At 31 August 2020	30,872,379	16,000,000	3,807,034	199,004	807,352	51,685,769
At 31 August 2019	26,961,331	20,400,000	4,064,900	244,521	879,899	52,550,651

The NEU headquarters is disclosed at deemed cost. The freehold and leasehold properties of the ATL were transferred at fair value on the amalgamation of the NUT and ATL in September 2017. These properties were valued by CBRE and Wells McFarlane in June 2017. All other freehold and leasehold properties are disclosed at original cost.

The freehold property used as Union Headquarters is subject to a first legal charge in favour of the National Union of Teachers' Staff Superannuation Fund. Details of the current scheme position is shown in note 30. The open market value of this property in existing use as at 31 January 2020 amounted to £52.5m.

The investment property represents the proportion of the NEU headquarters which is rented to third parties and is valued to fair value at each balance sheet date, determined by an independent, professionally qualified RICs valuer. The last valuation was performed by Knight Frank LLP as at 31 August 2020. The valuation was in accordance with the requirements of the RICS Valuation – Global Standards, January 2020 (incorporating the IVSC International Valuation Standards) and the UK national supplement (the “Red Book”). Refer to the accounting policies for further detail in respect of the basis of the valuation. If investment property had been accounted for under the historic cost accounting rules, the property would have a NBV of £8,317,149, being cost of £10,478,000 and accumulated depreciation of £2,161,306.

National Education Union
Notes forming part of the Financial Statements
for the year ended 31 August 2020 (continued)

18 Investments

	2020 £	2019 £
Listed investments at market value	27,188,967	25,590,588
Unquoted investments at cost	605,122	605,122
	<u>27,794,089</u>	<u>26,195,710</u>

Listed Investments at Fair Value - Sustentation Fund

Brought forward	4,372,846	4,007,505
Additions	1,181,499	378,056
Disposal proceeds	(1,026,262)	(446,050)
Realised gain on disposals	101,107	171,235
Unrealised gain on revaluation	-	262,100
Carried forward	<u>4,629,190</u>	<u>4,372,846</u>
Listed investments at historic cost	<u>4,224,861</u>	<u>3,735,252</u>

Listed Investments at Fair Value - General Fund

Brought forward	21,217,742	19,170,950
Additions	2,603,748	1,003,081
Disposal proceeds	(2,347,861)	(1,233,116)
Realised gain on disposals	126,472	53,935
Unrealised gain on revaluation	959,676	2,222,892
Carried forward	<u>22,559,777</u>	<u>21,217,742</u>
Listed investments at historic cost	<u>21,404,395</u>	<u>17,692,027</u>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

18 Investments (continued)

Unquoted Investments at Cost - General Fund

	2020 £
Unquoted securities at cost as at 1 September 2019 and 31 August 2020	605,122
Investment in subsidiaries as at 1 September 2019 and 31 August 2020: -	1
The Teacher Publishing Co. Ltd (i)	1
Stoke Rochford Management Ltd (ii)	1

(i) The Teacher Publishing Co. Limited has been dormant for several years and has no net assets. (Company no. 00102549 – Reg. office Hamilton House, Mabledon Place, London, EC1H 9BD).

(ii) The holding in Stoke Rochford Management Limited represents a 100% beneficial holding in the Company at 31 August 2020. Stoke Rochford Management Limited did not trade in the accounting period represented by these financial statements. (Company no. 01361390 – Reg. office Hamilton House, Mabledon Place, London, EC1H 9BD).

Stoke Rochford Management Limited and The Teacher Publishing Company Limited are both incorporated in England.

19 Receivables

	2020 £	2019 £
Prepayments and accrued income	654,115	329,481
Sundry receivables	826,737	1,103,126
	<u>1,480,853</u>	<u>1,432,608</u>

National Education Union

Notes forming part of the Financial Statements
for the year ended 31 August 2020 (continued)

20 Short Term Loans

	At 1 Sept 2019	Loans Granted	Interest	Repaid in year	At 31 August 2020
	£	£	£	£	£
Season ticket loans	80,128	214,170	-	(266,392)	27,906
Car and cycle loans	72,571	32,248	-	(48,034)	56,785
House deposit and removal loans	13,773	-	-	(2,043)	11,730
Other employee loans	5,172	7,946	-	(9,991)	3,127
	<u>171,644</u>	<u>254,364</u>	<u>-</u>	<u>(326,460)</u>	<u>99,548</u>

All loans are to employees and are provided interest free.

21 Short Term Deposits/Cash at Bank and In Hand

	2020 £	2019 £
Short term deposits	<u>14,821,100</u>	<u>16,307,180</u>

Short term deposits consist of high interest deposits, which mature several months after the statement of financial position date.

Cash at Bank and In Hand	2020 £	2019 £
Bank balances	10,801,939	7,372,054
Cash in hand	30,606	37,224
	<u>10,832,545</u>	<u>7,409,278</u>

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

22 Creditors: Amounts Falling Due within One Year

	2020 £	2019 £
Trade creditors	1,726,097	26,423
Corporation tax payable	-	-
Taxation and social security	681,856	699,794
Other creditors and accruals	1,231,754	1,315,230
	<u>3,639,707</u>	<u>2,041,447</u>

23 Deferred Income

	2020 £	2019 £
Rent and other received in advance	65,214	82,690
	<u>65,214</u>	<u>82,690</u>

24 Provisions for Liabilities and Charges

	2020 £	2019 £
Deferred tax liability	4,078,000	4,401,000
Unfunded pension	214,125	244,161
	<u>4,292,125</u>	<u>4,645,161</u>

The Union has provided for unfunded pension costs payable to certain employees and former employees, where the Union has agreed to fund the differential between the pension payable under the Association of Teachers & Lecturers pension scheme and the Teachers Superannuation Scheme.

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

Deferred tax liability	At 1 September 2019	Charged/ (released)	At 31 Aug 2020
	£	£	£
Provision relating to the uplift in the fair value of freehold property on revaluation to FRS 102	1,200,000	158,000	1,358,000
Provision relating to the decrease in fair value of the investment property	2,800,000	(319,000)	2,481,000
Provision relating to the decrease in the fair value of investments	401,000	(162,000)	239,000
	<u>4,401,000</u>	<u>(323,000)</u>	<u>4,078,000</u>

Full provision has been made in respect of all material reversing timing differences which impact on the statement of comprehensive income.

25 Operating Leases

Motor Vehicles, Furniture and Equipment, Plant and Machinery

The Union and its wholly owned subsidiaries are committed to the following payments under operating leases:

	Property 2020 £	Other 2020 £	Property 2019 £	Other 2019 £
Expiry:				
Within one year	203,932	411,280	175,932	317,510
Between one and two years	145,932	302,698	174,932	242,822
Between two and five years	18,873	264,590	163,680	172,936
	<u>368,737</u>	<u>978,568</u>	<u>514,544</u>	<u>733,268</u>

26 Financial Commitments

The Union has entered into a commitment to refurbish Hamilton House for £902,876 (2019: £2,770,790). Both values are excluding VAT.

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

27 Designated Reserves

	Sustentatio n Fund £	International Solidarity Fund £	Political Fund £	Benevolent Fund £	Hardship (C19) Fund £	District Fund £	Total 2019
Balance at 1 September 2019	7,648,295	235,859	(6,594)	348	-	7,209,891	15,087,799
From Subscription Income	423,606	339,472	563,265	-	-	5,671,464	6,997,807
Investment Income	142,410	-	-	-	-	-	142,410
Donations	-	-	-	-	110,528	-	110,528
Other income	-	-	-	-	-	501,212	501,212
Sale of investments	101,107	-	-	-	-	-	101,107
Campaign expenditure	(99,022)	(233,542)	(215,096)	-	-	-	(547,660)
Grants	(508,935)	-	-	-	(41,000)	-	(549,935)
Branch/District Expenditure	-	-	-	-	-	(2,841,310)	(2,841,310)
Payment to NEU Trust Fund	-	-	-	(348)	-	-	(348)
Transfer to General Reserves	-	-	-	-	-	(56,207)	(56,207)
Transfer from Income Statement	59,166	105,930	348,169	(348)	69,528	3,275,159	3,857,604
Balance at 31 August 2020	7,707,461	341,789	341,575	-	69,528	10,485,050	18,945,403

The Sustentation Fund, under the Rules of the Union, may be utilised to make sustentation payments to members involved in industrial action. It may also be utilised to defray the costs of certain campaigns undertaken by the Union to protect the salaries and conditions of service of members.

The International Solidarity Fund was established to allow the Union to fund future international solidarity work. The Union contributed 1% of NUT legacy membership income into this Fund during the year ended 31 August 2020.

The Political Fund was established to allow the Union to undertake campaigning of a political nature.

The Benevolent Fund was established to provide grants of funds to NUT legacy members in times of financial need. A member needs to meet certain criteria to be eligible to be assisted. This has been transferred into the NEU Trust Fund during the year.

The Hardship fund has been created as a direct response to the current Corona pandemic. Members can apply for financial support should certain eligibility criteria be met.

The District Fund represents the sum of funds held by local districts for local union work.

National Education Union

Notes forming part of the Financial Statements
for the year ended 31 August 2020 (continued)

28 Reconciliation of Movement in Total Funds

	2020 £	2019 £
General Fund (loss) / surplus for the year	(75,360)	1,275,194
Designated funds surplus for the year	3,857,604	306,137
Other recognised gains and losses relating to the period: Actuarial loss on defined benefit pension liability	(14,119,000)	(5,498,000)
	<hr/>	<hr/>
Net reduction in funds	(10,336,756)	(3,916,669)
Total funds at 1 September 2019	61,441,664	65,358,333
	<hr/>	<hr/>
Total funds at 31 August 2020	51,104,908	61,441,664
	<hr/>	<hr/>

29 Related Party Transactions

There were no related party transactions for the year to 31 August 2020 (2019: nil).

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (*continued*)

30 Employers' Pension Costs

Defined Benefit Pension Schemes

The Union operates two final salary pension schemes, National Union of Teachers Staff Superannuation Fund and the ATL Pension Scheme. Both schemes are open to new entrants. With effect from the 1 November 2018, new joiners were auto enrolled into the ATL Pension Scheme and provided with the option to elect to join the National Union of Teachers Staff Superannuation Fund.

The schemes are administered by trustees and are independent of the Union's finances. Contributions are paid to the schemes in accordance with the Schedule of Contributions agreed between the trustees and the employers at each actuarial valuation. The funding target is for the schemes to hold assets equal in value to the accrued benefits based on projected salaries. If there is a shortfall against the target, then the Union and trustees will agree on deficit contributions to meet the deficit over a period.

The most recent actuarial valuation of the National Union of Teachers Staff Superannuation Fund was carried out as at 31 December 2017 and revealed a funding deficit of £8.8m. The Union agreed to pay 8.5% of pensionable salaries per annum from 1 January 2019 to 31 December 2026 in respect of the deficit.

The most recent actuarial valuation of the ATL Pension Scheme was carried out as at 30 September 2019 and revealed a funding surplus of £2.0m. The funding rate until 31 December 2020 was 24.5% (employee & employer), following the latest valuations the employer rate has been increased by 1% from 1 January 2021 to a total contribution rate of 25.5%.

The actuarial valuations have been updated to 31 August 2020 by independent qualified actuaries in accordance with FRS102. As required by FRS102, the value of the defined benefit liabilities has been measured using the project unit method.

The key FRS 102 assumptions used for the schemes are set out below along with the fair value of the assets, a breakdown of the assets into the main asset classes, the present value of the FRS 102 liabilities and the deficit of assets below the FRS 102 liabilities (the net pension liability).

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

	At 31 August 2020 (per annum)	At 31 August 2019 (per annum)
Rate of increase in salaries	2.80%	2.60%
Rate of increase of pensions in payment	2.30%	2.10%
Discount rate	1.70%	1.90%
Retail price Inflation assumption	2.80%	3.10%
Consumer price Inflation assumption	2.30%	2.10%

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

The current allocation of the schemes' assets are as follows:

	NUT SSF Value at 31 Aug 2020		ATL PS Value at 31 Aug 2020		Total Value at 31 Aug 2020		Total Value at 31 Aug 2019	
	£'000	%	£'000	%	£'000	%	£'000	%
Diversified growth Liability Driven Investments	77,037	74	26,775	85	103,812	76	96,529	72
Private Equity	26,788	25	-	-	26,788	20	31,825	24
Cash	-	-	4,626	15	4,626	3	4,371	3
	529	1	100	-	629	1	649	1
Total value of assets	104,354	100	31,501	100	135,855	100	133,374	100
	-	-	-	-	-	-	-	-

	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Present value of funded obligations	139,047	54,885	193,932	176,420
Fair value of Scheme assets	(104,354)	(31,501)	(135,855)	(133,374)
Net liability	34,693	23,384	58,077	43,046

	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Change in the present value of the defined benefit obligation				
Opening defined benefit obligations	126,756	49,664	176,420	150,606
Employer part of current service cost	4,039	2,493	6,532	3,787
Interest on obligation	2,420	966	3,386	2,800
Contributions by employees	39	302	341	179
Actuarial loss	9,287	1,874	11,161	22,266
Benefits paid	(3,494)	(414)	(3,908)	(3,218)
Closing defined benefit obligation	139,047	54,885	193,932	176,420

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020 (continued)

	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Change in the Fair Value of Plan Assets				
Opening fair value of plan assets	103,420	29,954	133,374	114,019
Interest on scheme assets	1,986	581	2,567	2,122
Actuarial (losses) / gains	(2,690)	(268)	(2,958)	16,768
Contributions by employer	5,093	1,516	6,609	3,641
Running costs	-	(170)	(170)	(137)
Contributions by employees	39	302	341	179
Benefits paid	(3,494)	(414)	(3,908)	(3,218)
	<u>104,354</u>	<u>31,501</u>	<u>135,855</u>	<u>133,374</u>
The following amounts have been included within operating surplus under FRS102:				
	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Current service cost	4,039	2,493	6,532	3,787
Running costs	-	170	170	137
Interest expense	434	385	819	678
	<u>4,473</u>	<u>3,048</u>	<u>7,521</u>	<u>4,602</u>
The following amounts have been recognised in other comprehensive income				
	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Losses on defined benefit obligations	(2,690)	(1,874)	(4,564)	6,426
Return on assets less interest	-	(268)	(268)	2,401
Present value of plan liabilities	(9,287)	-	(9,287)	(14,325)
	<u>(11,977)</u>	<u>(2,142)</u>	<u>(14,119)</u>	<u>(5,498)</u>
The deficit under FRS 102 has moved as follows during the period:				
	NUT SSF 31 Aug 2020 £'000	ATL PS 31 Aug 2020 £'000	Total 31 Aug 2020 £'000	Total 31 Aug 2019 £'000
Deficit in the scheme at 1 Sept 2019	(23,336)	(19,710)	(43,046)	(36,587)
Expense included in the profit & loss	(4,473)	(3,048)	(7,521)	(4,602)
Contribution by the employer	5,093	1,516	6,609	3,641
Actuarial loss	(11,977)	(2,142)	(14,119)	(5,498)
	<u>(34,693)</u>	<u>(23,384)</u>	<u>(58,077)</u>	<u>(43,046)</u>
Deficit in Schemes as at 31 Aug 2020				

National Education Union
Notes forming part of the Financial Statements
for the year ended 31 August 2020 (continued)

31 Reconciliation of Operating Deficit to Net Cash Flow from Operating Activities	2020	2019
	£	£
Profit before taxation	3,476,469	922,331
Cash Flows Disclosed Separately		
Less: Investment income	(928,401)	(537,711)
Add: Financial expenses	157,717	129,858
Charges/(Credits) not Involving Cash Flows		
Depreciation charges	1,440,267	794,178
Revaluation of investment property	1,560,252	100,000
(Increase) / decrease in the fair value of investments	(959,676)	(2,484,992)
Profit on sale of properties	(251,469)	-
Interest on net pension scheme liabilities	819,000	678,000
Employer's current pension service costs	6,532,000	3,787,000
Pension scheme running costs (ATL pension scheme)	170,000	137,000
Cash Flow Not Recognised in the Income Statement		
Payments to the Pension Scheme	(6,609,000)	(3,641,000)
Movement in Working Capital		
Decrease in receivables	(48,245)	288,161
Decrease / (increase) in short term loans	72,096	151,813
Decrease in creditors	1,598,260	(418,195)
Decrease in deferred income	(17,476)	(467,614)
Decrease in provisions for liabilities	(30,036)	(3,258)
	<hr/>	<hr/>
	6,981,758	(789,598)
	<hr/>	<hr/>

National Education Union
Notes forming part of the Financial Statements
for the year ended 31 August 2020 (*continued*)

32 Cash and cash equivalents

	2019 £	Movement £	2020 £
Cash at bank and in hand	7,409,278	3,423,267	10,832,545
Short term deposits	16,307,180	(1,486,080)	14,821,100
Local Districts/Branches	7,189,891	3,275,159	10,465,050
	<hr/>	<hr/>	<hr/>
	30,906,349	5,212,347	36,118,696
	<hr/>	<hr/>	<hr/>

National Education Union
Notes forming part of the Financial Statements
for the year ended 31 August 2020 (continued)

33 Analysis of Net Assets by Fund	General Fund £	Sustentation Fund £	International Solidarity Fund £	Political Fund £	Hardship C19 Fund £	District Fund £	Total 2020
Fixed assets							
- Tangible assets	51,665,769	-	-	-	-	20,000	51,685,769
- Investments	23,164,899	4,629,190	-	-	-	-	27,794,089
Net current assets	19,697,962	3,078,271	341,789	341,575	69,528	10,465,050	33,994,175
Pension liability	(58,077,000)	-	-	-	-	-	(58,077,000)
Provisions for liabilities and charges	(4,292,125)	-	-	-	-	-	(4,292,125)
	<u>32,159,505</u>	<u>7,707,461</u>	<u>341,789</u>	<u>341,575</u>	<u>69,528</u>	<u>10,485,050</u>	<u>51,104,908</u>

Accounting policies

(see notes 84 and 85)

See attached

Signatures to the annual return

(see notes 86 & 87)

Including the accounts and balance sheet contained in the return. Please copy and paste your electronic signature here

Secretary's Signature:	<i>Kevin Courtney</i>	Chairman's Signature:	<i>Mary W. Boustead</i>
			(or other official whose position should be stated)
Name:	Kevin Courtney (Joint General Secretary)	Name:	Mary Boustead (Joint General Secretary)
Date:	05 February 2021	Date:	05 February 2021

Checklist

(see notes 88 to 89)

(please tick as appropriate)

Has the return of change of officers been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the list of officers in post been completed? (see Page 2 and Note 12)	Yes	<input checked="" type="checkbox"/>	No	
Has the return been signed? (see Pages 23 and 25 and Notes 86 and 95)	Yes	<input checked="" type="checkbox"/>	No	
Has the auditor's report been completed? (see Pages 20 and 21 and Notes 2 and 77)	Yes	<input checked="" type="checkbox"/>	No	
Is a rule book enclosed? (see Notes 8 and 88)	Yes	<input checked="" type="checkbox"/>	No	
A member statement is: (see Note 80)	Enclosed		To follow	<input checked="" type="checkbox"/>
Has the summary sheet been completed? (see Page 17 and Notes 7 and 62)	Yes	<input checked="" type="checkbox"/>	To follow	
Has the membership audit certificate been completed? (see Page i to iii and Notes 97 and 103)	Yes	<input checked="" type="checkbox"/>	No	

National Education Union
Notes forming part of the Financial Statements
for the year ended 31 August 2020

1 Accounting Policies

(a) Basis of preparation of financial statements

The National Education Union was formed on the 1 September 2017 following the amalgamation of the National Union of Teachers and the Association of Teachers and Lecturers. The assets and liabilities of the two unions were transferred to the National Education Union to form the opening position for the National Education Union. The Union's activities of the former unions have continued without interruption. The financial statements have therefore been prepared on a going concern basis and the Executive Committee consider that there are no material uncertainties about the Union's ability to continue as a going concern. Refer to 1(e) below.

The financial statements have been prepared under the historical cost convention, as modified by revaluation of fixed assets investments, and in accordance with Financial Reporting Standard 102.

(b) 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 into the following accounting period. Subscription income is accounted for on a receivable basis for the current year with income received in advance being deferred into the following year. All investment and rental income is credited to the general fund when receivable.

(c) Designated funds

All income and expenditure is credited/(charged) to the statement of comprehensive income. Transfers to/(from) designated funds are made for 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 opted in, contribute 1% of the full subscription fee to the Political Fund. Expenditure in connection with Political activities must be charged against this Fund.

(d) 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 statement of comprehensive income 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.

(e) Going Concern

The officers of the Union have considered their obligation to prepare these financial statements on an appropriate basis, having regard to the Union's financial position as at the year end and with reference to budgets and forecasts for the 2021 financial year. Management are confident that the accounts should be prepared as a going concern and, in particular, have evaluated the impact of the Corona Virus pandemic in reaching this conclusion. Despite the difficulties facing many organisations, the NEU has maintained its income and increased its membership numbers through our continued support of members. This, coupled with the reduced expenditure due to lockdowns, have resulted in an increased cash balance for the Union which will be further increased once the sale of the Northumberland Street office is complete.

The Union is also undertaking a pension review and is actively working to rearrange the pension commitments to help mitigate future deficits and reduce future expenditure.

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020

1 Accounting Policies *(continued)*

(e) Corporation taxation

As an unincorporated association, the National Education Union 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.

(f) Deferred tax

Deferred tax is provided on all material reversing timing differences which arise from transactions reflected through the statement of comprehensive income.

(h) Operating leases

Rentals payable on operating leases are reflected in their entirety through the statement of comprehensive income.

(i) Fixed assets

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 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%

The proportion of the NEU's headquarters which is rented out to third parties is held at fair value at the balance sheet date in accordance with FRS 102. Fair value is reviewed annually by external valuers on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. No depreciation is charged. The value of the investment property is provided as an accounting estimate.

(j) Investments

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 at the amalgamation date.

National Education Union

Notes forming part of the Financial Statements for the year ended 31 August 2020

(k) 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 by the Union 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 Union's tangible fixed assets or investments. 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.

Key sources of estimation uncertainty are as follows:

- Tangible fixed assets (see note 17) - the basis of calculation and assumption used to perform revaluation and useful economic life of assets used in calculating depreciation. The Union reviews non-current assets each year for impairment, in line with accounting standards.

Investment property (see note 17) - investment properties are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

- Pension Costs (see note 30) - the cost of each of the defined benefit pension schemes is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates.
- Investments (see note 18) - quoted investments are disclosed at mid-market values at the Statement of Financial Position date.

Checklist for auditor's report

(see notes 90 and 96)

The checklist below is for guidance. A report is still required either set out overleaf or by way of an attached auditor's report that covers the 1992 Act requirements.

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 related? (See section 36(1) and (2) of the 1992 Act and notes 92 and 93)

Please explain in your report overleaf or attached.

2. 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 note 92)

Please explain in your report overleaf or attached

3. Your auditors or auditor must include in their report the following wording:

In our opinion the financial statements:

- give a true and fair view of the matters to which they relate to.
- have been prepared in accordance with the requirements of the sections 28, 32 and 36 of the Trade Union and Labour Relations (consolidation) Act 1992.

Auditor's report (continued)

See attached signed audit report

Signature(s) of auditor or auditors:

BDO LLP

Name(s):

BDO LLP

Profession(s) or Calling(s):

Chartered Accountants

Address(es):

55 Baker Street

London

Postcode

W1U 7EU

Date

08-Feb-21

Contact name for inquiries and telephone number:

Ben Courts
+44 (0)20 3219 4597

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

National Education Union

Independent auditor's report

Independent Auditor's Report to the National Education Union

Opinion

We have audited the financial statements of the National Education Union (the 'Union') for the year ended 31 August 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Cash Flow 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 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidation) Act 1992.

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 Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Executive Committee has 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 Committee is 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.

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.

National Education Union

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Union and its environment obtained in the course of the audit, we have not identified material misstatements in the financial report.

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

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, in accordance with the requirements; or
- the Union has not maintained a satisfactory system of controls over its transactions in accordance with the requirements; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Executive Committee

As explained more fully in the Statement of Executive Committee's Responsibilities, the Executive Committee 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 Committee determines 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 Committee 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 directors 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.

Use of our Report

This report is made solely to the National Education Union, as a body, in accordance with the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992. Our audit work has been undertaken so that we might state to the Union 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.

BDO LLP

BDO LLP
Chartered Accountants Statutory Auditor
55 Baker Street, London, W1U 7EU

Date: 8 February 2020

Membership audit certificate

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

(See notes 97 to 103)

At the end of the reportign period proceding 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 inforamation 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	Simon Hearn
Address	Civica Election Services, 33 Clarendon Road, London N8 0NW
Date	09/12/2020
Contact name and telephone number	Simon Hearn, Managing Director 020 8365 8909

Membership audit certificate

Section two

For a trade union with no **more than 10,000 members** at the end of the reporting period preceding the one to which this audit relates.

To the best of your knowledge and belief has the trade union during this reporting period complied with its duty to compile and maintain a register of the names and addresses of its members and secured, so far as is reasonably practicable, that the entries in the register are accurate and up-to-date?

Yes / No

If "No" Please explain below:

Signature	
Name	
Office held	
Date	