

Association of Teachers and Lecturers

**Accounts 2008**

Year ended 31 December 2008



## Association of Teachers and Lecturers

### ATL. Publications and a whole lot more.

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As the leading union that promotes education, ATL exists to protect and improve the professional interests of teachers, lecturers and all staff involved in providing education. We support our members with unrivalled research, publications and advice, in all aspects of their professional and working lives.

### ATL. There to help.

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ATL provides expert legal advice and representation for all members. A network of experienced solicitors and caseworkers are ready to help members with any legal problem they may encounter at work.

### ATL. An authoritative voice.

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As a highly influential trade union and professional association, ATL can be relied on to promote the interests of its members and the cause of education at every opportunity.

Decision-makers listen to ATL's views because of its constructive approach, based upon the experiences of members – real practitioners, reporting from the front line of the profession.

### ATL. Not a member?

To be part of the Association that puts education first and for complete protection and peace of mind in the classroom, join the Association of Teachers and Lecturers today. If you're a newly qualified teacher, membership is **FREE** for the first year. All other new members benefit from a 50% discount off membership for the same period. You can join online by setting up a Direct Debit\* at [www.atl.org.uk](http://www.atl.org.uk). Alternatively phone us on **0845 057 7000\*\***

For a free copy of the ATL publications catalogue, please contact the ATL despatch line on 0845 4500 009.

\* terms and conditions at [www.atl.org.uk](http://www.atl.org.uk)

\*\* local rates apply

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<b>Honorary Treasurers' Report</b>	2
<b>Statement of Responsibilities of the Executive Committee</b>	7
<b>Report of the Independent Auditors to the Members</b>	8
<b>Income and Expenditure Account</b>	9
<b>Statement of Total Recognised Gains and Losses</b>	10
<b>Balance Sheet</b>	11
<b>Cash Flow Statement</b>	12
<b>Accounting Policies</b>	13
<b>Notes to the Accounts</b>	14
<b>Statement to Members</b>	23

## **CONTENTS**

Under the provisions of the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended), the Association is required to forward a statement to all members containing certain information laid down in the Act. The statement to be circulated by the Association to all members via *Report* magazine is set out on pages 23 to 26 for information purposes.

**HONORARY  
TREASURERS'  
REPORT FOR  
THE YEAR  
ENDED  
31 DECEMBER  
2008**

The Executive Committee has pleasure in presenting to Conference the accounts of the Association for the year ended 2008.

**Layout of the accounts**

The past year has been a difficult one for the country as a whole, and ATL has not been immune from this. It has therefore been decided that the format of the accounts for this year would be amended to include non-operational items, which are either one-off or arising from elements that are outside the control of ATL.

The intention of this change is to ensure that the accounts reflect the true picture of the operating position of ATL, which should reflect those elements that are under our direct control. One of the consequences of amending the layout of the accounts is that certain items in respect of the year ended 31 December 2007 have had to be shown in different categories to those used in those accounts.

**Results**

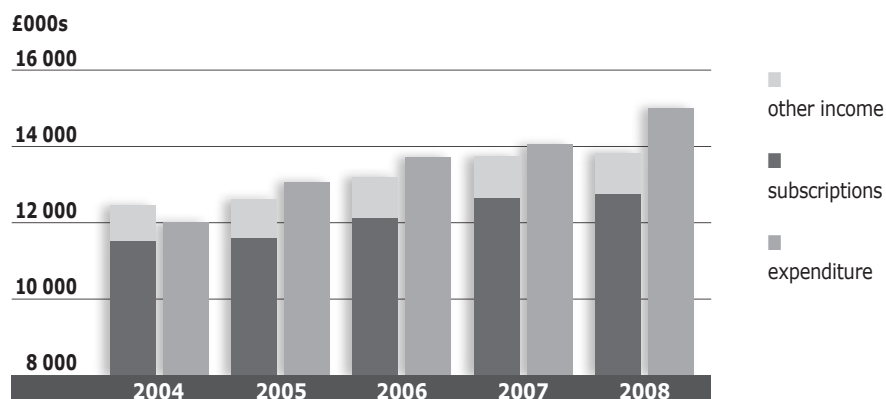
The operating deficit for the year ended 31 December 2008 was £885,000, compared with an operating deficit for the previous year of £238,000. The total income of ATL increased by £94,000, whilst the total expenditure increased by £741,000.

As part of the five-year strategic review, it was planned to incur deficits in order to restructure ATL and enhance its organising strategy with the objective of increasing the conversion of non-paying members to paying members and to secure an increase in the membership of ATL in the years to come. It is pleasing to note that we have achieved an increase in paying membership at the end of 2008 compared to the end of 2007 but we cannot be complacent, as we need to ensure that new recruits continue to outnumber retirees.

By its very nature, the strategic review is an ongoing and continuous process. Consequently, the review is being updated in 2009 with a view to reaffirming the strategy not only to continue to invest for the future, but also to move ATL back into generating surpluses.

The bar chart set out below shows the operating results for the last five years clearly identifying the separation between subscription income and other income compared to expenditure. As can be seen, the overall expenditure of ATL in each of the last four years has exceeded total income.

**Summary of the results before FRS17 for the five years ended 31 December 2008**



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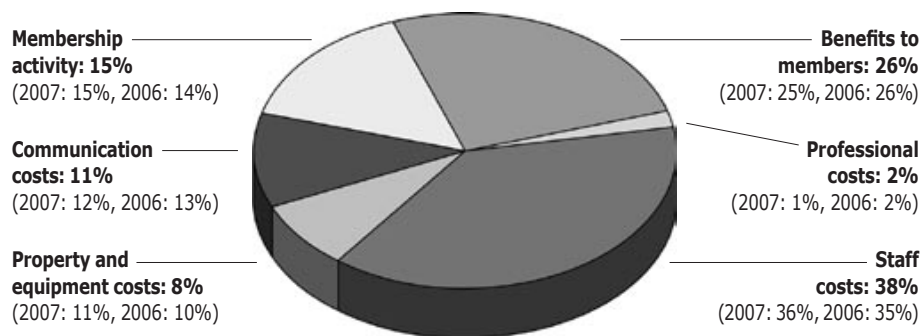
Turning to specific matters in relation to the income and expenditure account, we would make the following comments:

- The subscription income of ATL only increased by 1.1% compared to 2007. This is principally as a result of the retirement of full standard rate paying members, whereas our increasingly diverse membership now means more and more members are paying support staff, part-time or special introductory rates.
- 'Other income' includes income and gains arising from the investment portfolio of ATL. This amount is down on last year. However, the full impact of the global economic downturn will not be experienced by ATL until 2009, when it is likely that this figure will fall dramatically. Within this category in the 2007 accounts an amount of £75,000 was included as an increase in the provision for the diminution in value of the investments, which has been reclassified to non-operational items.
- As planned, staff costs have increased by over seven percent, reflecting not only wage increases, but also an increase in the number of staff employed by ATL. The overall increase in the figure for salaries by almost 13% includes approximately £250,000 in relation to the five new senior regional officials taken on specifically to deal with the greater demands from the members.
- In respect of the pension scheme, ATL has met the requirements of the most recent triennial actuarial valuation. Despite this, the reason for the reduction in pension costs this year is that ATL has been making provision over the past few years for the anticipated likely shortfall required to be transferred into the pension scheme.
- In relation to property and equipment costs, the adoption of the policy to write off all future purchases of computer equipment in the year of acquisition has resulted in the reduction in depreciation as a consequence of the write-down of computer equipment last year.
- In relation to communication costs, there has been a reallocation of budget codes, which has meant that expenditure has been switched between booklets, bulletins and pamphlets, to publicity and advertising, which principally relates to materials for student members.
- Within membership activity, there is a new line of expenditure described as the Association of Managers in Education. This represents our joint venture with the Association for College Management, which should ultimately lead to their members joining ATL.
- Within benefits to members, you will notice that the amount expended in relation to regional officials has increased quite dramatically in line with the increasing demands from members over the past few years. A review is to take place during 2009 into how regional officials are both managed and remunerated.
- The expenditure in connection with legal assistance appears slightly higher than that expended last year. We comment on this further below in relation to non-operational items.

- The increase in consultancy and other professional services includes expenditure on updating the constitution and rules of the Association as well as advice in relation to the pension scheme and other management issues.

The pie chart below shows the proportion of total expenditure on each category for 2008 together with comparative percentages for the previous two years.

**Analysis of expenditure for the year ended 31 December 2008  
(31 December 2007 and 2006)**



### Non-Operational Items

In note 10 on page 16, you will notice that there are three specific items, which have been classified as non-operational for some of the reasons referred to above. Dealing with each of these in turn, we would make the following comments:

- It will not surprise any of you to learn that the market value of certain of our investments was below their cost as at the balance sheet date. ATL has always adopted a prudent approach to how these are accounted for, and as a consequence an additional provision of £401,000 has been made against that investment portfolio at the balance sheet date.
- ATL owns not only 7 Northumberland Street, but also 8-9 Northumberland Street, which has been treated in the accounts in the past as an investment property. That property has previously been let out and generated rental income for ATL.
- However, after a period of difficulty in obtaining a long-term tenant, a decision was taken to turn 8-9 Northumberland Street into a conference centre operating under the name Trafalgar Conferences. On the grounds of prudence, it has been decided to make a provision against the monies owed by Trafalgar Conferences to the Association at the balance sheet date. It is anticipated that once up and running, Trafalgar Conferences will generate a profit and be in a position to repay ATL thereby resulting in the reversal of this provision.
- In respect of legal cases, we have always taken a prudent view and consistently made provision at any balance sheet date for the amount of work undertaken by our legal advisors but not yet billed to us. However, as at 31 December 2008, due to a change of legal firms, it became clear that the provision previously created was no longer required and consequently needed to be reversed. The Finance Committee decided to show this reversal separately

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as a non-operational item. Part of the rationale was due to the fact that if the reversal was set off against the amount of legal assistance, within benefits to members in note 6 on page 15, the amount of expenditure in 2008 would have appeared to be only £54,000.

## FRS17

As has been the case since 2005, the valuation and movement of the defined benefit pension scheme operated by ATL is included within ATL's accounts. However, due to the nature of the fluctuations that can cause considerable distortion in the results of the Association from year to year, a decision was taken not to incorporate the pension fund results in the body of the income and expenditure account, but to show them separately.

## Balance sheet

The net assets of ATL as at 31 December 2008 amounted to £9,063,000. As you might expect in the fourth year of annual deficits, the net assets have reduced over that period and this demonstrates why it is so important that we must return ATL to a sustainable period of generating surpluses. Despite this, ATL continues to be in a strong financial position and more than able to tackle the challenges ahead.

In relation to the balance sheet, we need to mention the disclosures in notes 13 and 14 on page 18 in respect of cash and deposits at banks and building societies and subscription income received in advance respectively. You will see that these notes include an amount of £4,166,000 that relates to direct debits in relation to subscription income for 2009 that was taken into ATL's bank account in 2008 due to a processing error by ATL.

As a result, the amount held by ATL in its bank accounts as at 31 December 2008 was in actual fact £6,863,000. After consideration, the Finance Committee concluded that, although this disclosure was correct, it would be more meaningful not to include the amount of £4,166,000 within the bank balances and within subscriptions received in advance.

## Cash flow

As previously commented, the objective of ATL is to generate a surplus as surpluses generate cash and cash is required for investment in the future of ATL. Conversely, the incurring of a deficit will lead to an outflow of cash and deplete the net assets of ATL as noted above. The cash flow statement on page 12 shows an overall cash outflow of £700,000 in the year but ATL still has total cash balances of £2,697,000 at the balance sheet date.

## The future

As mentioned above, we are continuing with the ongoing strategic review of the operations of ATL and will return ATL initially to a break even position, and then into surplus. The aim is to rebuild the reserves of ATL, which, at the end of 2008 had fallen below £8 million (excluding FRS17) for the first time since 2002.

But ATL does not operate solely to build up those reserves. It is what we use those reserves to achieve for our members that matters.

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We must always bear in mind that ATL is a membership organisation principally and primarily here to service our members. The provision of those services is our highest priority. The demands from our members for information, guidance, legal assistance, professional development and support continue to grow and will become evermore important to them in the years ahead.

ATL has always prided itself on not just meeting those demands, but doing so to the highest possible standards. We must ensure that quality of service is maintained and enhanced wherever possible, so that we continue to attract new members and stand out from the other education unions.

There will undoubtedly be difficult times ahead, given events in the wider economic arena, but we have put procedures, plans and processes in place to build on the financial strengths we have, to increase our net assets and our ability to provide our members with the service they expect. It will be difficult in the years ahead, but we are sure that we have the people within our membership and within our staff to secure the future of the Association.

**Angie Rutter**

**Stephen Buck**

Dated: 7 March 2009

## **STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE**

The legislation relating to trade unions requires ATL to submit a return for each calendar year to the Certification Officer. This return contains accounts that must give a true and fair view of the state of affairs of ATL at the year end and of its transactions for the year then ended. The accounts set out on the following pages have been prepared on the same basis and are used to complete the return to the Certification Officer.

In relation to the Association of Teachers and Lecturers the requirement to prepare accounts that give a true and fair view is the responsibility of the Executive Committee. The Executive Committee is responsible for preparing accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In so doing the Executive Committee is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed.
- Prepare the accounts on the going concern basis unless it is inappropriate to do so.

The Executive Committee is responsible for keeping proper accounting records and establishing and maintaining a satisfactory system of control over its records and transactions in order to comply with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). It is also responsible for safeguarding the assets of ATL and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS



H W FISHER & COMPANY  
Chartered Accountants  
Registered Auditor  
Acre House  
11 – 15 William Road  
London NW1 3ER  
United Kingdom

We have audited the accounts of ATL for the year ended 31 December 2008, set out on pages nine to 22. These have been prepared under the accounting policies set out on page 13.

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

### **Respective responsibilities of ATL's Executive Committee and auditors**

As described on page seven, ATL's Executive Committee is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view. We also report to you if, in our opinion, ATL has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information comprises only the Honorary Treasurers' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to ATL's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the accounts.

### **Opinion**

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of ATL as at 31 December 2008 and of its transactions for the year then ended.

H W FISHER & COMPANY  
Chartered Accountants  
Registered Auditor

Dated: 7 March 2009

		2008		2007 <i>Restated</i>		<b>INCOME AND EXPENDITURE ACCOUNT</b>
	Note	£'000	£'000	£'000	£'000	
<b>INCOME</b>						
Subscriptions			12,765		12,623	<b>for the year ended 31 December 2008</b>
Other income	1		1,036		1,084	
			<u>13,801</u>		<u>13,707</u>	
<b>EXPENDITURE</b>						
Staff costs	2	5,529		5,158		
Property and equipment costs	3	1,239		1,524		
Communication costs	4	1,757		1,618		
Membership activity	5	2,182		2,028		
Benefits to members	6	3,905		3,439		
Professional costs	7	269		207		
VAT refund relating to expenditure		(195)		(29)		
			<u>14,686</u>		<u>13,945</u>	
<b>OPERATING DEFICIT FOR THE YEAR</b>			(885)		(238)	
NON OPERATIONAL ITEMS	10		(297)		(75)	
<b>DEFICIT BEFORE FRS17 ITEMS</b>			(1,182)		(313)	
<b>ITEMS RELATED TO FRS17</b>						
Current service cost	22	(368)		(633)		
Contributions		1,043		628		
Net finance credit	9	127		20		
			<u>802</u>		<u>15</u>	
<b>DEFICIT FOR THE YEAR</b>			(380)		(298)	
<b>GENERAL FUND AT 1 JANUARY 2008</b>						
Actuarial (loss)/gain recognised in the pension scheme	22		(559)		2,225	
<b>GENERAL FUND AT 31 DECEMBER 2008</b>			<u>7,266</u>		<u>8,205</u>	

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>			2008	2007
		Note	£'000	£'000
	<b>DEFICIT FOR THE YEAR</b>		(380)	(298)
<b>for the year ended 31 December 2008</b>	Actuarial (loss)/gain recognised in the pension scheme	22	(559)	2,225
	Revaluation of investment property		-	1,222
	<b>TOTAL (LOSSES)/GAINS RECOGNISED FOR THE YEAR</b>		<u>(939)</u>	<u>3,149</u>

		2008		2007		<b>BALANCE SHEET</b>
	Note	£'000	£'000	£'000	£'000	
FIXED ASSETS	11		5,330		5,301	<b>at 31 December 2008</b>
INVESTMENTS	12		<u>2,611</u>		<u>3,534</u>	
			7,941		8,835	
<b>CURRENT ASSETS</b>						
Sundry debtors and prepayments			396		557	
Cash & deposits at banks and building societies	13		<u>2,697</u>		<u>3,397</u>	
			<u>3,093</u>		<u>3,954</u>	
<b>CURRENT LIABILITIES</b>						
Sundry creditors and accrued expenses			2,019		2,805	
Subscription income received in advance	14		<u>1,222</u>		<u>1,026</u>	
			<u>3,241</u>		<u>3,831</u>	
NET CURRENT ASSETS			(148)		123	
PROVISION FOR LIABILITIES AND CHARGES	15		<u>(602)</u>		<u>(585)</u>	
NET ASSETS EXCLUDING PENSION SCHEME			7,191		8,373	
NET PENSION SCHEME ASSET	22		<u>1,872</u>		<u>1,629</u>	
			<u>9,063</u>		<u>10,002</u>	
<b>GENERAL FUND</b>						
GENERAL FUND			7,266		8,205	
REVALUATION RESERVE	16		<u>1,797</u>		<u>1,797</u>	
			<u>9,063</u>		<u>10,002</u>	

**A.J. Rutter**  
**S.R. Buck**      Honorary Treasurers

Approved on 7 March 2009

**CASH FLOW  
STATEMENT**

**for the  
year ended  
31 December  
2008**

		2008		2007	
	Note	£'000	£'000	£'000	£'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17		(1,706)		(392)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividends and interest income received		448		477	
Net cash inflow from returns on investments and servicing of finance			448		477
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments for tangible fixed assets	11	(288)		(511)	
Payments for fixed asset investments	12	(655)		(492)	
Receipts from sale of investments		1,501		873	
Net cash outflow from capital expenditure and financial investment			558		(130)
<b>DECREASE IN CASH</b>			<b>(700)</b>		<b>(45)</b>

## ACCOUNTING POLICIES

for the  
year ended  
31 December  
2008

### ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention, modified to include the revaluation of land and buildings, and follow all applicable accounting standards.

### SUBSCRIPTION INCOME

Subscription income is accounted for on an accruals basis.

### EXPENDITURE

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

### TANGIBLE FIXED ASSETS

- a) Land and Buildings – Land and Buildings are stated at cost or open market valuation. Freehold buildings and long leasehold property are depreciated over their expected useful life of 50 years.
- b) Equipment – Individual items of computer equipment are written off in the year of acquisition. Major acquisitions of computer equipment are capitalised. All capitalised equipment is stated at cost and depreciated over its useful life on a straight line basis as follows:  
Furniture, Fittings and Equipment – five years  
Computer Equipment – three years

### INVESTMENT PROPERTY

The investment property is stated at market value in accordance with Statement of Standard Accounting Practice No. 19. Full valuations are made by an independent professionally qualified valuer every five years and in the intervening years these valuations are updated by the Association.

### CORPORATION TAX

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

### INVESTMENTS

Investments are stated at cost. Provision is made against investments where there is a permanent diminution in value.

### PENSION COSTS

The Association operates two pension schemes as follows:

- a) Defined Contribution Scheme – Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.
- b) Defined Benefit Scheme – Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the Projected Unit Method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the Association's defined benefit pension scheme expected to arise from employee service in the period is charged to the income and expenditure account. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance charges. Actuarial gains and losses are recognised by transfer to the general fund.

### OPERATING LEASES

Rental payments in respect of operating leases are charged to the income and expenditure account.

**NOTES  
TO THE ACCOUNTS**

**for the  
year ended  
31 December  
2008**

1	OTHER INCOME	2008	2007
		£'000	<i>Restated</i> £'000
	Dividend and interest income	448	477
	Profit on disposals	136	218
	Retained insurance rebates and commission	244	230
	Union Learning Fund	184	155
	Other income	24	4
		<u>1,036</u>	<u>1,084</u>
2	STAFF COSTS	2008	2007
		£'000	£'000
	Salaries	4,658	4,125
	Pensions costs	544	789
	Pensions to former employees	137	36
	Staff training and recruitment	190	208
		<u>5,529</u>	<u>5,158</u>
3	PROPERTY AND EQUIPMENT COSTS	2008	2007
		£'000	<i>Restated</i> £'000
	Rates and rent	148	133
	Lighting, heating and cleaning	67	81
	Office expenses	94	90
	Leasing equipment	38	48
	IT running expenses	538	601
	Write off of computer equipment capitalised	-	220
	Purchase of computer equipment	176	-
	Maintenance of plant and equipment	5	10
	Building maintenance	46	14
	Depreciation	71	262
	Insurance for for the London office	56	65
		<u>1,239</u>	<u>1,524</u>
4	COMMUNICATION COSTS	2008	2007
		£'000	£'000
	Postage and telephone	309	279
	Printing:		
	- Booklets, bulletins and pamphlets	425	798
	- General	112	128
	Stationery	57	47
	Publicity and advertising	737	255
	Recruiters in the field	117	111
		<u>1,757</u>	<u>1,618</u>

	2008	2007	<b>NOTES TO THE ACCOUNTS</b> for the year ended 31 December 2008
	£'000	£'000	
<b>5 MEMBERSHIP ACTIVITY</b>			
Annual conference expenses	406	439	
Travelling expenses	289	261	
Subsistence	170	146	
Expenses of other conferences and meetings	316	353	
Association of Managers in Education	136	-	
Research	2	1	
Delegates' expenses to international meetings	3	5	
Subscriptions, affiliation fees and donations:			
- TUC	287	268	
- Education International	130	112	
- Others	15	12	
Branch expenditure	372	386	
Ballots	56	45	
	<u>2,182</u>	<u>2,028</u>	
<b>6 BENEFITS TO MEMBERS</b>			
Legal assistance	446	420	
Regional Officials	2,051	1,660	
National Casework Officials	97	119	
Insurance on behalf of members	220	209	
Monthly Mailings (after deducting advertising revenue of £238,000 (2007: £250,000))	888	843	
Sustentation Fund	-	1	
Helplines for members	26	45	
Training courses	177	142	
	<u>3,905</u>	<u>3,439</u>	
<b>7 PROFESSIONAL COSTS</b>			
Audit and accountancy	52	54	
Consultancy and other professional services	217	153	
	<u>269</u>	<u>207</u>	

**NOTES TO THE ACCOUNTS**for the year ended  
31 December 2008

8 EMPLOYEES	2008	2007		
	Numbers	Numbers		
The average number during the year was:				
Regional & National Casework Officials	47	46		
Organisers (Incl. Learning Organisers)	12	11		
Office Staff	96	87		
	<u>155</u>	<u>144</u>		
9 NET FINANCE CREDIT	2008	2007		
	£'000	£'000		
Expected return on pension scheme assets	559	446		
Interest on pension scheme liabilities	(432)	(426)		
	<u>127</u>	<u>20</u>		
10 NON OPERATIONAL ITEMS	2008	2007		
	£'000	£'000		
Increase in provision for diminution in value against investments	(401)	(75)		
Provision against Trafalgar Conferences	(288)	-		
Release of legal provision	392	-		
	<u>(297)</u>	<u>(75)</u>		
11 FIXED ASSETS				
	Long Freehold properties	Leasehold property	Furniture fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2008	5,300	200	274	5,774
Revaluation in year	-	-	-	-
Additions	267	-	21	288
Disposals	-	(200)	-	(200)
At 31 December 2008	<u>5,567</u>	<u>-</u>	<u>295</u>	<u>5,862</u>
Depreciation				
At 1 January 2008	244	12	217	473
Charge for the year	45	-	26	71
Disposals	-	(12)	-	(12)
	<u>289</u>	<u>-</u>	<u>243</u>	<u>532</u>
Net book value				
At 31 December 2008	<u>5,278</u>	<u>-</u>	<u>52</u>	<u>5,330</u>
At 31 December 2007	<u>5,056</u>	<u>188</u>	<u>57</u>	<u>5,301</u>

Included within freehold properties is a building previously treated as an investment property and valued at £3.260 million as at 31 December 2007. During the year, this building has been reclassified and is no longer treated as an investment property at the balance sheet date.

On a historical costs basis the freehold properties would have been included at an original cost of £3.770 million (2007: £3.503 million) and with an aggregate depreciation of £0.281 million (2007: £0.244 million).

## 12 INVESTMENTS

## NOTES TO THE ACCOUNTS

	Quoted securities £'000	for the year ended 31 December 2008
Cost		
At 1 January 2008	3,666	
Additions	655	
Disposals	<u>(1,177)</u>	
At 31 December 2008	<u>3,144</u>	
Provision for diminution in value		
At 1 January 2008	132	
Increase in provision	<u>401</u>	
At 31 December 2008	<u>533</u>	
Net book value		
At 31 December 2008	<u>2,611</u>	
At 31 December 2007	<u>3,534</u>	

The net book value of the quoted securities is further analysed below together with their comparative market values:

	2008		2007	
	Net Book Value £'000	Market Value £'000	Net Book Value £'000	Market Value £'000
UK Fixed Interest	497	519	557	559
Equities: UK	997	1,189	2,552	3,283
Europe	64	84	125	246
US	44	97	56	163
Japan	19	19	54	54
Far East	21	21	61	75
Other	969	965	129	168
	<u>2,611</u>	<u>2,894</u>	<u>3,534</u>	<u>4,548</u>

**Subsidiary undertakings**

The Association owns two ordinary shares of £1 each, being 100% of the issued share capital, of Trafalgar Conferences Limited. The company is incorporated in England. The principal trade of the company is providing conference services.

**NOTES TO THE ACCOUNTS**for the year ended  
31 December 2008**13 CASH AND DEPOSITS AT BANK AND BUILDING SOCIETIES**

	2008	2007
	£'000	£'000
Total cash and deposits at bank and building societies	6,863	3,397
Less: direct debits for 2009 subscriptions drawn early in error	(4,166)	-
Amount shown on the balance sheet	<u>2,697</u>	<u>3,397</u>

**14 SUBSCRIPTION INCOME RECEIVED IN ADVANCE**

	2008	2007
	£'000	£'000
Total subscription income received in advance	5,388	1,026
Less: direct debits for 2009 subscriptions drawn early in error	(4,166)	-
Amount shown on the balance sheet	<u>1,222</u>	<u>1,026</u>

**15 PROVISION FOR LIABILITIES AND CHARGES**

	2008	2007
	£'000	£'000
At 1 January and 31 December	<u>602</u>	<u>585</u>

The Association has provided for unfunded pension costs payable to certain employees and former employees, where the Association has agreed to fund the differential between the pension payable under the Association's schemes and the Teachers Superannuation Scheme.

**16 REVALUATION RESERVE**

	£'000
As at 1 January 2008 and 31 December 2008	<u>1,797</u>

**17 NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2008	2007
	£'000	<i>Restated</i> £'000
Operating deficit for the year	(885)	(238)
Dividend and interest income receivable	(448)	(477)
Depreciation	71	262
Write off of computer equipment capitalised	-	220
Profit on sale of investments	(136)	(218)
Provision for liabilities and charges	17	101
Sundry debtors and prepayments	161	(230)
Provision against Trafalgar Conferences	(288)	-
Release of legal provision	392	-
Sundry creditors and accrued expenses	(786)	50
Subscription income received in advance	196	138
Net cash outflow from Operating Activities	<u>(1,706)</u>	<u>(392)</u>

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

**NOTES TO THE ACCOUNTS**

	2008 £'000	2007 £'000
Decrease in cash	(700)	(45)
Net funds at 1 January 2008	3,397	3,442
Net funds at 31 December 2008	<u>2,697</u>	<u>3,397</u>

for the year ended  
31 December 2008

19 ANALYSIS OF NET FUNDS

	At 1 January 2008 £'000	Cash flow £'000	Non-cash changes £'000	At 31 December 2008 £'000
Cash & deposits at banks and building societies	<u>3,397</u>	<u>(700)</u>	<u>-</u>	<u>2,697</u>

20 CONTINGENT LIABILITIES

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

21 OPERATING LEASE COMMITMENTS

At 31 December 2008 there were annual commitments under non-cancellable operating leases as set out below.

	2008 £'000	2007 £'000
Operating leases which expire:		
Within one year	11	16
In the second to fifth years inclusive	-	11
	<u>11</u>	<u>27</u>

**NOTES TO THE ACCOUNTS**for the year ended  
31 December 2008**22 STAFF PENSION SCHEMES**

The Association operates two pension schemes as follows:

**(a) Defined Contribution Scheme**

The Association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Association in an independently administered fund. The charge for the year was £84,618 (2007: £84,618).

**(b) Defined Benefit Scheme**

The Association operates a funded defined benefit pension scheme. This provides benefits based on final pensionable pay.

A full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 April 2007. It showed that the actuarial value of the assets at 1 April 2007 was £8,314,000. The estimated actuarial value of the liabilities was assessed as being £8,800,000, which represents an actuarial deficit of £486,000. This results in a funding level of 94% comparing the assets to the projected liabilities.

The contributions made by the employer over the financial year equate to £628,416, which is equivalent to 28.7% of pensionable earnings. This contribution rate is to continue until reviewed following the triennial valuation of the scheme in 2010.

The recommendation of the actuary in respect of the full actuarial valuation was for ATL to make a payment of £486,000, which was undertaken to satisfy the requirements of the actuary in that respect.

**FRS17**

The full actuarial valuation carried out as at 1 April 2007, has been updated by the Association's actuaries to take account of FRS17 in order to assess the liabilities of the scheme as at 31 December 2008. The scheme assets are stated at their market value as at 31 December 2008.

The main financial assumptions, used in preparing the 2008 valuation under FRS17, were:

	2008	2007	2006
Rate of increase in pensionable salaries	3.90%	4.20%	4.10%
Rate of increase in pensions in payment	2.90%	3.20%	3.10%
Discount rate	6.60%	6.00%	5.10%
Inflation assumption	2.90%	3.20%	3.10%
Revaluation rate for deferred pensioners	2.90%	3.20%	3.10%
Mortality table	PA92	PA92	PA92
	Medium Cohort	C=2020	C=2020

**Net assets of the scheme**

The fair value of the assets in the scheme and the expected rate of return at 31 December 2008 were:

	2008	2007	2006
	£'000	£'000	£'000
Insurance policy	8,162	9,073	7,199
Total market value of assets	8,162	9,073	7,199
Present value of liabilities	(6,290)	(7,444)	(7,810)
Surplus/(deficit) in the scheme in accordance with FRS17	1,872	1,629	(611)
Expected long rate of return of insurance policy	6.00%	6.00%	6.00%

## 22 STAFF PENSION SCHEMES (continued)

## NOTES TO THE ACCOUNTS

for the year ended  
31 December 2008**Present values of scheme liabilities, fair value of assets and surplus/(deficit)**

	2008	2007	2006
	£'000	£'000	£'000
Fair value of scheme assets	8,162	9,073	7,199
Present value of scheme liabilities	6,290	7,444	7,810
Surplus/(deficit) in scheme	<u>1,872</u>	<u>1,629</u>	<u>(611)</u>

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

	2008	2007
	£'000	£'000
Scheme liabilities at start of the year	7,444	7,810
Current service cost	368	497
Interest cost	432	426
Contributions by scheme participants	142	136
Actuarial gains	(1,178)	(1,260)
Benefits paid, death in service insurance premiums and expenses	(918)	(165)
Scheme liabilities at end of the year	<u>6,290</u>	<u>7,444</u>

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

	2008	2007
	£'000	£'000
Fair value of scheme assets at start of the year	9,073	7,199
Expected return on scheme assets	559	446
Actuarial (losses)/gains	(1,737)	965
Contributions by employer	1,043	492
Contributions by scheme participants	142	136
Benefits paid, death in service insurance premiums and expenses	(918)	(165)
Fair value of scheme assets at end of the year	<u>8,162</u>	<u>9,073</u>

The following is an analysis of the amounts recognised in the income and expenditure account and statement of total recognised gains and losses:

	2008	2007
	£'000	£'000
Movement in the FRS17 deficit during the year		

**Income and expenditure account**

Current service cost	(368)	(633)
<i>Other finance income</i>		
Expected return on pension scheme assets	559	446
Interest on pension scheme liabilities	(432)	(426)
Total charge to income and expenditure	<u>(241)</u>	<u>(613)</u>

**NOTES TO THE ACCOUNTS**

for the year ended  
31 December 2008

**22 STAFF PENSION SCHEMES (continued)**

**Actuarial loss recognised in the statement of total recognised gains and losses**

	2008 £'000		2007 £'000
Actual return less expected return on pension scheme assets	(1,737)		965
– As percentage of year end scheme assets		4.7%	10.6%
Experience gains and losses arising on the scheme liabilities	116		(89)
– As percentage of present value of year end scheme liabilities		1.5%	(1.2%)
Changes in assumptions underlying the present value of the scheme liabilities	1,062		1,349
– As percentage of present value of year end scheme liabilities		16.7%	18.1%
<b>Total amount recognised</b>	<b>(559)</b>		<b>2,225</b>
– As percentage of present value of year end scheme liabilities		25.8%	29.9%

**Movement in the surplus/(deficit) during the year**

Deficit in scheme at beginning of the year	1,629		(611)
Movement in year:			
Current service cost	(368)		(633)
Settlement	–		–
Net finance charge	127		20
Contributions	1,043		628
	802		15
Actuarial gain	(559)		2,225
<b>Surplus in the scheme at the end of the year</b>	<b>1,872</b>		<b>1,629</b>

Contributions are currently paid at the rate of 25.2% of pensionable pay of which the member pays 6.5% of pensionable pay.

The actuarial gains and losses are those resulting from the actual performance of the scheme being different from that predicted, for example from changes in economic conditions, from the performance of the investment managers who manage the scheme's assets or from changes in the demographic profile of the Association's employees.

**History of experience gains and losses**

	2008	2007	2006	2005
Difference between the expected and actual return on scheme assets:				
Amount (£'000)	965	965	421	(73)
Percentage of scheme assets	10.6%	10.6%	5.8%	1.0%
Experience gains and losses on scheme liabilities:				
Amount (£'000)	(89)	(89)	239	(36)
Percentage of the present value of the scheme liabilities	1.2%	1.2%	3.1%	0.5%
Total amount recognised the statement of total recognised gains and losses:				
Amount (£'000)	2,225	2,225	442	(921)
Percentage of the present value of the scheme liabilities	29.9%	29.9%	5.7%	12.5%

**SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FULL ACCOUNTS**SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR  
THE YEAR ENDED 31 DECEMBER 2008

	2008 £'000	2007 £'000
Subscription income	12,765	12,623
Other income	1,036	1,084
Total income	13,801	13,707
Total expenditure	(14,686)	(13,945)
Operating deficit	(885)	(238)
Non operational items	(297)	(75)
Deficit before FRS17	(1,182)	(313)
Items related to FRS17	802	15
Deficit for the year	<u>(380)</u>	<u>(298)</u>

## SUMMARY BALANCE SHEET AT 31 DECEMBER 2008

	2008 £'000	2007 £'000
Fixed assets	5,330	5,301
Investments	2,611	3,534
Current assets	3,093	3,954
Current liabilities	(3,241)	(3,831)
Provision for liabilities and charges	(602)	(585)
Net assets excluding pension scheme	7,191	8,373
Net pension scheme asset	1,872	1,629
	<u>9,063</u>	<u>10,002</u>
General Fund	7,266	8,205
Revaluation Reserve	1,797	1,797
	<u>9,063</u>	<u>10,002</u>

**STATEMENT  
TO MEMBERS**

as required under  
the Trade Union and  
Labour Relations  
(Consolidation) Act  
1992 (Amended)  
for the year ended  
31 December 2008

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**STATEMENT TO MEMBERS**

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2008

**SUMMARY OF SALARIES AND BENEFITS PROVIDED**

<b>Name</b>	<b>Position</b>	<b>Details</b>	<b>Amount £</b>
M Bousted	General Secretary	Salary	105,198
		Pension contributions	25,551
J Neal	President – to August	Clothing allowance	300
		Salary reimbursement	20,390
A Ballard	President – from September	Clothing allowance	500
		Salary reimbursement	-

In addition, six officers of the Association, who are members of the Executive Committee, receive clothing allowances totalling £2,200. The President's allowance is separately shown above. All the other members of the Executive Committee do not receive any salary from the Association or any benefits. All members of the Executive Committee are reimbursed for any expenditure incurred by them in the performance of their duties on behalf of the Association as are the General Secretary and the President.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS

Set out below is the report of the auditors to the members as contained in the accounts of ATL for the year ended 31 December 2008.

We have audited the accounts of the Association of Teachers and Lecturers for the year ended 31 December 2008, set out on pages nine to 22. These have been prepared under the accounting policies set out on page 13.

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

### Respective responsibilities of ATL's Executive Committee and auditors

As described on page seven, ATL's Executive Committee is responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the accounts give a true and fair view. We also report to you if, in our opinion, ATL has not kept proper accounting records, or if, in our opinion, ATL has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the *Annual Report* and consider whether it is consistent with the audited accounts. This other information comprises only the Honorary Treasurers' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to ATL's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### Opinion

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of ATL as at 31 December 2008 and of its transactions for the year then ended.

H W FISHER & COMPANY  
Chartered Accountants  
Registered Auditor  
Acre House  
11 - 15 William Road  
London NW1 3ER  
United Kingdom

Dated: 7 March 2009

## STATEMENT TO MEMBERS

as required under  
the Trade Union and  
Labour Relations  
(Consolidation) Act  
1992 (Amended)  
for the year ended  
31 December 2008

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**STATEMENT TO MEMBERS**

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2008

We are required by the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) to include the following declaration in this statement to all members. The wording is as prescribed by the Act.

*"A member who is concerned that some irregularity may be occurring, or have occurred, in the conduct of the financial affairs of the union may take steps with a view to investigating further, obtaining clarification and, if necessary, securing regularisation of that conduct.*

*The member may raise any such concerns with such one or more of the following as it seems appropriate to raise it with: the officials of the union, the trustees of the property of the union, the auditor or auditors of the union, the Certification Officer (who is an independent officer appointed by the Secretary of State) and the police.*

*Where a member believes that the financial affairs of the union have been or are being conducted in breach of the law or in breach of rules of the union and contemplates bringing civil proceedings against the union or responsible officials or trustees, he should consider obtaining independent legal advice."*

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ATL, the education union, uses its members' voice to influence education policy, impacting positively on pay, conditions and career development across the UK. From early years to post-16, support staff to leaders, we represent education professionals throughout their career.

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