



Association of Teachers and Lecturers

Accounts

for the year ended 31 December 2009

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with you throughout your career

ATL is the union for education professionals across the UK. Active in the maintained, independent and post-16 sectors, we use our members' experiences to influence education policy, and we work with government and employers to secure fair pay and working conditions. From early years to HE, teachers to support staff, lecturers to leaders, we support and represent our members throughout their career.

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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 2009

The Executive Committee has pleasure in presenting to Conference the accounts of the Association for the year ended 2009.

Layout of the accounts

Although ATL's financial performance has been much improved in 2009, it has been decided to continue to follow the format of the accounts adopted for 2008 and to show one-off non-operational items separately. This has been done to allow for an accurate comparison of the results over the two years. The intention is to ensure that the accounts reflect a true picture of ATL's operating position, which should reflect those elements that are under our direct control. However, if the improved financial performance continues through 2010 consideration will be given to returning to the format used in previous years.

Results

ATL has seen a much improved financial performance in 2009. The operating deficit for the year ended 1 December 2009 was £139,000, compared with an operating deficit for the previous year of £885,000. Taking into account non-operational items ATL achieved a surplus of £396,000 in 2009 compared to the previous year's deficit of £1,182,000. When including FRS 17 items the surplus increases to £898,000 in 2009, compared to the previous year's deficit of £380,000. ATL's total income increased by £490,000, whilst its total expenditure decreased by £256,000; subscription income increased by £862,000.

Results for the year	2009 £'000	2008 £'000
Operating (deficit)	(139)	(885)
Non operational activities	535	(297)
Surplus (deficit) for the year	396	(1,182)
Pension adjustment surplus	502	802
Surplus (deficit) for the year	898	(380)

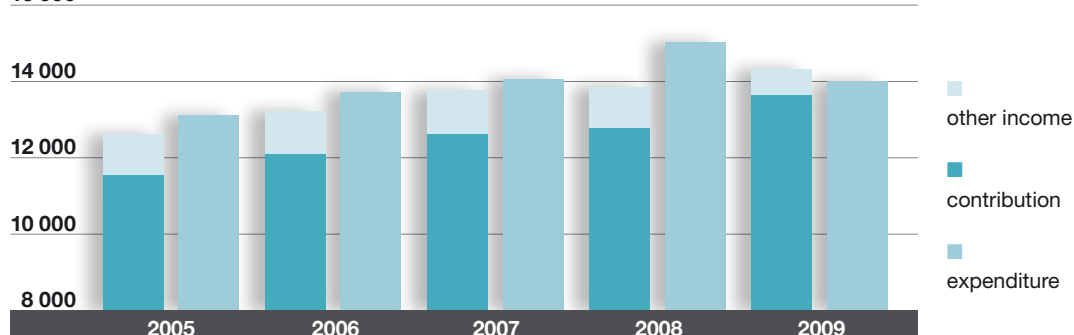
As part of the five-year strategic review, it was planned to incur deficits in order to restructure ATL and enhance its organising strategy with the objective of increasing the conversion of non-paying members to paying members and to secure an increase in ATL's membership in the years to come. It is pleasing to note that as well as achieving an increase in the paying membership at the end of 2009, when compared to the end of 2007, ATL returned to surplus a year ahead of target. The priority now will be to ensure that ATL continues this success.

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, for the first time in five years ATL's overall income has exceeded total expenditure.

Summary of operating results before FRS17 items for the five years ended 31 December 2009

£'000

16 000



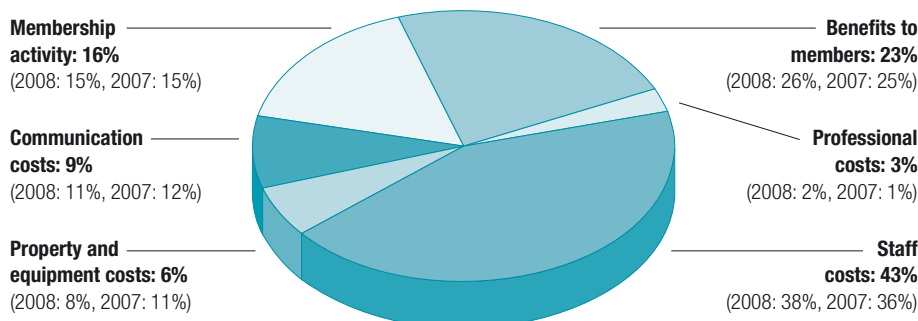
Turning to specific matters in relation to the income and expenditure account, we would make the following comments:

- ATL's subscription income increased by almost seven percent compared to 2008.
- 'Other income' includes income and realised gains arising from ATL's investment portfolio.
- Staff costs have risen during the year, although this is largely due to an increase in pension costs and one-off payments made to employees leaving ATL.

- In respect of the pension scheme, ATL has met the requirements of the most recent triennial actuarial valuation. The next review is due to start in April 2010 and may take up to 12 months to complete. On an FRS17 basis, currently the assets of the scheme are greater than the liabilities and it is therefore hoped that there will be no need for further significant charges to ATL in 2011 although this cannot be guaranteed.
- Both properties owned by ATL were revalued during 2009 to ensure that an accurate figure is shown in these accounts.
- Within membership activity a new line of expenditure was included in 2008 and described as the Association of Managers in Education. This represents our joint venture with the Association for College Management (ACM), which should ultimately lead to their members joining ATL. The ACM National Council has agreed to hold a ballot in June 2010 for a transfer of undertakings to ATL in January 2011. ATL will be undertaking a due diligence exercise before the merger takes place. If ACM does join ATL in 2011 the ACM reserves which currently stand at just below £600,000 will also transfer to ATL.
- During 2009 a review of how regional officials are managed and remunerated took place and new arrangements have been established. Although this does not have a significant impact on the overall financial position the changes will enable a more effective service to be provided to members whilst allowing for firmer budgetary control to be exercised.
- The increase in consultancy and other professional services includes one-off expenditure in resolving financial and other management issues that occurred during the year which have now been resolved.

The pie chart below shows the proportion of total expenditure on each category for 2009 together with comparative percentages for the previous two years.

Analysis of the Association's expenditure for the year ended 31 December 2009 (31 December 2008 and 2007)



Non-operational items

In note 10 on page 15, 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:

- ATL has always adopted a prudent approach to how investments are accounted for and in 2008, in the light of the overall economic climate an additional provision of £401,000 was made against that investment portfolio at the balance sheet date. During 2009 the markets recovered somewhat, allowing for a decrease in provision following the realisation of the increase in market value on investments of £383,000.
- ATL owns not only 7 Northumberland Street, but also 8-9 Northumberland Street, which has previously been treated in the accounts in the past as an investment property. In 2008 a decision was taken to turn 8-9 Northumberland Street into a conference centre operating under the name Trafalgar Conferences. However, for a number of reasons it has now been decided to bring management of the Trafalgar Conferences back within ATL. This has enabled a write-back of the provisions against the monies owed by Trafalgar Conferences to ATL at the balance sheet date.
- In respect of legal cases, ATL has 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 as a non-operational item. This has been continued and a further small decrease in legal provision is shown.

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 ATL's results 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. Although the accounts show a further actuarial loss recognised in the pension scheme of £1,813,000 it is important to note that this is merely a provision based on the advice of ATL's Actuary, in accordance with pension regulations, and that, on an FRS17 basis, the actual value of the pension scheme assets is significantly greater than its liabilities.

Balance sheet

ATL's net assets as at 31 December 2009 amounted to £8,378,000. As you might expect after four years of annual deficits, the net assets have reduced over that period, which demonstrates why it was so important that ATL returned to a sustainable period of generating surpluses. Despite this, ATL is now in a much stronger and improved financial position and more than able to tackle the challenges ahead.

Cash flow

As previously commented, ATL's objective was to generate a surplus as surpluses generate cash and cash is required for investment in ATL's future. The cash flow statement on page 10 shows an overall cash outflow of £996,000 in the year but ATL still has total cash balances of £1,701,000 at the balance sheet date. Much of this change is a result of improved financial management, with a reduction in creditors and subscription income received in advance shown on the balance sheet.

The future

It is pleasing to record that ATL has returned to surplus a year ahead of target and the intention is to continue to maintain this into the future. A small operating surplus has been planned for 2010 and the aim is to rebuild ATL's reserves, which, at the end of 2008 had fallen below £8 million (excluding FRS17) for the first time since 2002. In 2009 we have achieved a net increase in assets (excluding FRS17) of over £600,000 and with the transfer of undertaking from ACM in January 2011 this will improve.

But ATL does not operate solely to build up those reserves. It is how ATL uses these reserves to benefit its members that matter.

We must always bear in mind that ATL is a membership organisation principally and primarily here to service its members. The provision of those services is its highest priority. The demands from ATL's members for information, guidance, legal assistance, professional development and support continue to grow and will become ever more 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 ATL's future.

Angie Rutter

Stephen Buck

Dated: 27 February 2010

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 ATL's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the accounts of the Association of Teachers and Lecturers for the year ended 31 December 2009, set out on pages seven to 22. These have been prepared under the accounting policies set out on page 11.

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 five, 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 2009 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: 1 March 2010

Income and expenditure account

for the year ended 31 December 2009

		2009		2008	
	Note	£'000	£'000	£'000	£'000
INCOME					
Subscriptions			13,627		12,765
Other income	1		664		1,036
			<u>14,291</u>		<u>13,801</u>
EXPENDITURE					
Staff costs	2	6,217		5,529	
Property and equipment costs	3	897		1,239	
Communication costs	4	1,370		1,757	
Membership activity	5	2,355		2,182	
Benefits to members	6	3,458		3,905	
Professional costs	7	406		269	
VAT refund relating to expenditure		(273)		(195)	
			<u>14,430</u>		<u>14,686</u>
OPERATING DEFICIT FOR THE YEAR					
			(139)		(885)
NON OPERATIONAL ITEMS	10		535		(297)
SURPLUS/(DEFICIT) BEFORE FRS17 ITEMS					
			396		(1,182)
ITEMS RELATED TO FRS17					
Current service cost	22	(165)		(368)	
Contributions		579		1,043	
Net finance credit	9	88		127	
			<u>502</u>		<u>802</u>
SURPLUS/(DEFICIT) FOR THE YEAR					
			898		(380)
GENERAL FUND AT 1 JANUARY 2009			7,266		8,205
Actuarial loss recognised in the pension scheme	22	(1,813)		(559)	
GENERAL FUND AT 31 DECEMBER 2009					
			<u>6,351</u>		<u>7,266</u>

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

Statement of total recognised gains and losses

For the year ended 31 december 2009

	Note	2009 £'000	2008 £'000
Surplus/(Deficit) for the year		898	(380)
Actuarial loss recognised in the pension scheme	22	(1,813)	(559)
Revaluation of properties	11	230	-
Total losses recognised for the year		<u>(685)</u>	<u>(939)</u>

Balance sheet

at 31 December 2009

		2009		2008	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS	11		5,681		5,330
INVESTMENTS	12		3,052		2,611
			<u>8,733</u>		<u>7,941</u>
CURRENT ASSETS					
Sundry debtors and prepayments		481		396	
Cash & deposits at banks and building societies	13	1,701		2,697	
		<u>2,182</u>		<u>3,093</u>	
CURRENT LIABILITIES					
Sundry creditors and accrued expenses		1,500		2,066	
Subscription income received in advance	14	987		1,175	
		<u>2,487</u>		<u>3,241</u>	
NET CURRENT LIABILITIES			(305)		(148)
PROVISION FOR LIABILITIES AND CHARGES	15		(611)		(602)
NET ASSETS EXCLUDING PENSION SCHEME			7,817		7,191
NET PENSION SCHEME ASSET	22		561		1,872
			<u>8,378</u>		<u>9,063</u>
GENERAL FUND			6,351		7,266
REVALUATION RESERVE	16		2,027		1,797
			<u>8,378</u>		<u>9,063</u>

AJ Rutter

SR Buck

Honorary treasurers

Approved on: 27 February 2010

Cash flow statement

for the year ended 31 December 2009

	Note	2009		2008	
		£'000	£'000	£'000	£'000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	17		(915)		(1,706)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividends and interest income received		172		448	
Net cash inflow from returns on investments and servicing of finance			172		448
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments for tangible fixed assets		(225)		(288)	
Payments for fixed asset investments	12	(798)		(655)	
Receipts from sale of investments		770		1,501	
Net cash outflow from capital expenditure and financial investment			(253)		558
DECREASE IN CASH			(996)		(700)

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 open market valuation. 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. Freehold buildings (not freehold land) and long leasehold property are depreciated over their estimated useful life of 50 years.
- b) Equipment – 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

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 2009

1 OTHER INCOME	2009 £'000	2008 £'000
Dividend and interest income	172	448
Profit on disposals	30	136
Retained insurance rebates and commission	234	244
Union Learning Fund	214	184
Other income	14	24
	<hr/> 664	<hr/> 1,036

2 STAFF COSTS	2009 £'000	2008 £'000
Salaries	5,243	4,658
Pensions costs	798	544
Pensions to former employees	52	137
Staff training and recruitment	124	190
	<hr/> 6,217	<hr/> 5,529

3 PROPERTY AND EQUIPMENT COSTS	2009 £'000	2008 £'000
Rates and rent	157	148
Lighting, heating and cleaning	76	67
Office expenses	91	94
Leasing equipment	31	38
IT running expenses	409	538
Purchase of computer equipment	–	176
Maintenance of plant and equipment	6	5
Building maintenance	23	46
Depreciation	70	71
Insurance for London office	34	56
	<hr/> 897	<hr/> 1,239

4 COMMUNICATION COSTS	2009	2008
	£'000	£'000
Postage and telephone	308	309
Printing:		
– Booklets, bulletins and pamphlets	325	425
– General	86	112
Stationery	39	57
Publicity and advertising	540	737
Recruiters in the field	72	117
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	1,370	1,757
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5 MEMBERSHIP ACTIVITY	2009	2008
	£'000	£'000
Annual Conference expenses	524	406
Travelling expenses	274	289
Subsistence	142	170
Expenses of other conferences and meetings	313	316
Association of Managers in Education	223	136
Research	1	2
Delegates' expenses to international meetings	2	3
Subscriptions, affiliation fees and donations:		
– TUC	302	287
– Education International	142	130
– Others	20	15
Branch expenditure	364	372
Ballots	48	56
	<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
	2,355	2,182
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Notes to the accounts

for the year ended 31 December 2009

6 BENEFITS TO MEMBERS	2009 £'000	2008 £'000
Legal assistance	188	446
Regional officials	2,105	2,051
National casework officials	37	97
Insurance on behalf of members	149	220
Monthly mailings (after deducting advertising revenue of £209,392 (2008: £238,000))	824	888
Sustentation Fund	(49)	–
Helplines for members	15	26
Training courses	189	177
	<u>3,458</u>	<u>3,905</u>
7 PROFESSIONAL COSTS	2009 £'000	2008 £'000
Audit and accountancy	46	52
Consultancy and other professional services	360	217
	<u>406</u>	<u>269</u>
8 EMPLOYEES	2009 Numbers	2008 Numbers
The average number during the year was:		
Regional and national casework officials	44	47
Organisers (incl. learning organisers)	12	12
Office staff	102	96
	<u>158</u>	<u>155</u>
9 NET FINANCE CHARGE	2009 £'000	2008 £'000
Expected return on pension scheme assets	499	559
Interest on pension scheme liabilities	(411)	(432)
	<u>88</u>	<u>127</u>

10 NON OPERATIONAL ITEMS

	2009 £'000	2008 £'000
Decrease/(Increase) in provision for diminution in value against investments	383	(401)
Write back/(provision) against Trafalgar Conferences	128	(288)
Decrease in legal provision	24	392
	<u>535</u>	<u>(297)</u>

11 FIXED ASSETS

	Freehold properties £'000	Furniture fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 January 2009	5,567	295	5,862
Revaluation in year	(104)	–	(104)
Additions	87	138	225
At 31 December 2009	<u>5,550</u>	<u>433</u>	<u>5,983</u>
Depreciation			
At 1 January 2009	289	243	532
Charge for the year	45	59	104
Revaluation in year	(334)		(334)
	<u>–</u>	<u>302</u>	<u>302</u>
Net book value			
At 31 December 2009	<u>5,550</u>	<u>131</u>	<u>5,681</u>
At 31 December 2008	<u>5,278</u>	<u>52</u>	<u>5,330</u>

Land and buildings were revalued on an open market basis as at 31 December 2009 by GVA Grimley, an independent firm of Chartered Surveyors. On a historical costs basis the freehold properties would have been included at an original cost of £3.857 million (2008: £3.770 million) and with an aggregate depreciation of £0.326 million (2008: £0.281 million).

As at 31 December 2009, the Association had capital commitments totalling £117,794.

12 INVESTMENTS

	Quoted securities £'000
Cost	
At 1 January 2009	3,144
Additions	798
Disposals	(740)
At 31 December 2009	<u>3,202</u>
Provision for diminution in value	
At 1 January 2009	533
Decrease in provision	(383)
At 31 December 2009	<u>150</u>
Net book value	
At 31 December 2009	<u>3,052</u>
At 31 December 2008	<u>2,611</u>

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

	2009		2008	
	Net Book Value £'000	Market Value £'000	Net Book Value £'000	Market Value £'000
UK Fixed Interest	415	434	497	519
Equities: UK	1,147	1,440	997	1,189
Europe	80	83	64	84
US	188	224	44	97
Japan	18	18	19	19
Far East	90	108	21	21
Other	1,114	1,123	969	965
	<u>3,052</u>	<u>3,430</u>	<u>2,611</u>	<u>2,894</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 and is now dormant.

13 CASH AND DEPOSITS AT BANK AND BUILDING SOCIETIES

	2009	2008
	£'000	£'000
Total cash, bank and building society balances	1,701	6,863
Less: standing orders for members' subscriptions drawn early in error	–	(4,166)
Balance recognised in accounts	1,701	2,697

14 SUBSCRIPTION INCOME RECEIVED IN ADVANCE

	2009	2008
	£'000	£'000
Total subscription income received in advance	987	5,341
Less: standing orders for members' subscriptions drawn early in error	–	(4,166)
Balance recognised in accounts	987	1,175

15 PROVISION FOR LIABILITIES AND CHARGES

	2009	2008
	£'000	£'000
At 1 January and 31 December	611	602

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 2009	1,797
Revaluation	230
As at 31 December 2009	2,027

17 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£'000	£'000
Operating deficit for the year	(139)	(885)
Dividend and interest income receivable	(172)	(448)
Depreciation	104	71
Profit on sale of investments	(30)	(136)
Provision for liabilities and charges	9	17
Sundry debtors and prepayments	(85)	161
Provision against Trafalgar Conferences	128	(288)
(Decrease)/increase in legal provision	24	392
Sundry creditors and accrued expenses	(566)	(786)
Subscription income received in advance	(188)	196
Net cash outflow from Operating Activities	(915)	(1,706)

Notes to the accounts

for the year ended 31 December 2009

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009 £'000	2008 £'000
Decrease in cash	(996)	(700)
Net funds at 1 January 2009	2,697	3,397
Net funds at 31 December 2009	<u>1,701</u>	<u>2,697</u>

19 ANALYSIS OF NET FUNDS

	At 1 January 2009 £'000	Cash Flow £'000	Non-cash changes £'000	At 31 December 2009 £'000
Cash & deposits at banks and building societies	2,697	(996)	–	<u>1,701</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:

	2009 £'000	2008 £'000
Operating leases which expire:		
Within one year	1	11
In the second to fifth years inclusive	23	–
	<u>24</u>	<u>11</u>

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 £86,332 (2008: £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 £716,000, 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.

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

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 FRS 17 in order to assess the liabilities of the scheme as at 31 December 2009. The scheme assets are stated at their market value as at 31 December 2009.

The main financial assumptions, used in preparing the 2009 valuation under FRS 17, were:

	2009	2008	2007
Rate of increase in pensionable salaries	4.50%	3.90%	4.20%
Rate of increase in pensions in payment	3.50%	2.90%	3.20%
Discount rate	5.80%	6.60%	6.00%
Inflation assumption	3.50%	2.90%	3.20%
Revaluation rate for deferred pensioners	3.50%	2.90%	3.20%
Mortality table	PA92	PA92	PA92
		Medium Cohort	C=2020

22 STAFF PENSION SCHEMES *(continued)*

Net assets of the scheme

The fair value of the assets in the scheme and the expected rate of return at 31 December 2009 were:

	2009	2008	2007
	£'000	£'000	£'000
Insurance policy	8,716	8,162	9,073
Total market value of assets	<u>8,716</u>	<u>8,162</u>	<u>9,073</u>
Present value of liabilities	(8,155)	(6,290)	(7,444)
Surplus in the scheme in accordance with FRS 17	<u>561</u>	<u>1,872</u>	<u>1,629</u>
Expected long rate of return of insurance policy	6.00%	6.00%	6.00%

Present values of scheme liabilities, fair value of assets and surplus

	2009	2008	2007
	£'000	£'000	£'000
Fair value of scheme assets	8,716	8,162	9,073
Present value of scheme liabilities	(8,155)	(6,290)	(7,444)
Surplus in scheme	<u>561</u>	<u>1,872</u>	<u>1,629</u>

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

	2009	2008
	£'000	£'000
Scheme liabilities at start of period	6,290	7,444
Current service cost	165	368
Interest cost	411	432
Contributions by scheme participants	172	142
Actuarial losses/(gains)	1,698	(1,178)
Benefits paid, death in service insurance premiums and expenses	(581)	(918)
Scheme liabilities at end of period	<u>8,155</u>	<u>6,290</u>

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

	2009	2008
	£'000	£'000
Fair value of scheme assets at start of year	8,162	9,073
Expected return on scheme assets	499	559
Actuarial losses	(115)	(1,737)
Contributions by employer	579	1,043
Contributions by scheme participants	172	142
Benefits paid, death in service insurance premiums and expenses	(581)	(918)
Fair value of scheme assets at end of year	<u>8,716</u>	<u>8,162</u>

22 STAFF PENSION SCHEMES (continued)

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

	2009	2008
	£'000	£'000

Income and expenditure account

Current service cost	(165)	(368)
Other finance income		
Expected return on pension scheme assets	499	559
Interest on pension scheme liabilities	(411)	(432)
Total charge to income and expenditure	(77)	(241)

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

	2009		2008	
	£'000		£'000	
Actual return less expected return on pension scheme assets	(115)	(1.30%)	(1,737)	4.7%
– As percentage of year end scheme assets				
Experience gains and losses arising on the scheme liabilities	(201)	(2.50%)	116	1.5%
– As percentage of present value of year end scheme liabilities				
Changes in assumptions underlying the present value of the scheme liabilities	(1,497)	(18.40%)	1,062	16.7%
– As percentage of present value of year end scheme liabilities				
Total amount recognised	(1,813)		(559)	
– As percentage of present value of year end scheme liabilities				

Movement in the deficit during the year

	2009	2008
	£'000	£'000
Deficit in scheme at beginning of year	1,872	1,629
Movement in year:		
Current service cost	(165)	(368)
Net finance charge	88	127
Contributions	579	1,043
	502	802
Actuarial loss	(1,813)	(559)
Surplus in the scheme at the end of the year	561	1,872

22 STAFF PENSION SCHEMES *(continued)*

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.

	2009	2008	2007	2006
History of experience gains and losses				
Difference between the expected and actual return on scheme assets:				
Amount (£'000)	(115)	(1,737)	965	421
Percentage of scheme assets	1.3%	21.3%	10.6%	5.8%
Experienced gains and losses on scheme liabilities:				
Amount (£'000)	1,865	(1,154)	(89)	239
Percentage of the present value of the scheme liabilities	22.9%	18.3%	1.2%	3.1%
Total amount recognised in the statement of total recognised gains and losses:				
Amount (£'000)	(1,813)	(559)	2,225	442
Percentage of the present value of the scheme liabilities	22.2%	8.9%	29.9%	5.7%

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation)
Act 1992 (Amended) for the year ended 31 December 2009

SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FULL ACCOUNTS

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £'000	2008 £'000
Subscription income	13,627	12,765
Other income	664	1,036
Total income	<u>14,291</u>	<u>13,801</u>
Total expenditure	(14,430)	(14,686)
Operating deficit	(139)	(885)
Non operational items	535	(297)
	396	(1,182)
Items related to FRS17	502	802
Surplus/(deficit) for the year	<u>898</u>	<u>(380)</u>

SUMMARY BALANCE SHEET AT 31 DECEMBER 2009

	2009 £'000	2008 £'000
Fixed assets	5,681	5,330
Investments	3,052	2,611
Current assets	2,182	3,093
Current liabilities	(2,487)	(3,241)
Provision for liabilities and charges	(611)	(602)
Net assets excluding pension scheme	<u>7,817</u>	<u>7,191</u>
Net pension scheme asset	561	1,872
	<u>8,378</u>	<u>9,063</u>
General Fund	6,351	7,266
Revaluation Reserve	2,027	1,797
	<u>8,378</u>	<u>9,063</u>

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2009

SUMMARY OF SALARIES AND BENEFITS PROVIDED

Name	Position	Details	Amount £
M Bousted	General secretary Pension contributions	Salary	108,300 27,096
A Ballard	President – to August Salary reimbursement	Clothing allowance	300 41,177
L Ward	President – from September Salary reimbursement	Clothing allowance	300 14,046

A Ballard Salary reimbursement includes £14,172 relating to 2008, paid in the current financial year.

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 ATL's accounts for the year ended 31 December 2009.

We have audited the accounts of the Association of Teachers and Lecturers for the year ended 31 December 2009, set out on pages seven to 22. These have been prepared under the accounting policies set out on page 11.

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 five, 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 2009 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: 1 March 2010

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2009

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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