

Association of Teachers and Lecturers

Accounts

for the year ended 31 December 2010



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), ATL is required to forward a statement to all members containing certain information laid down in the Act. The statement to be circulated by ATL to all members via *Report* magazine is set out on pages 22 to 25 for information purposes.

Honorary Treasurers' Report

for the Association of Teachers and Lecturers
for the year ended 31 December 2010

The Executive Committee has pleasure in presenting to conference the accounts of the Association for the year ended 2010.

Results

ATL has seen a further improvement in its financial performance during 2010. The operating surplus for the year ended 31 December 2010 is £702,000 compared with an operating deficit for the previous year of £139,000. Taking into account non operational items ATL achieved a surplus of £726,000 in 2010 compared to the previous year's surplus of £396,000. When including FRS17 items the surplus increases to £1,372,000 in 2010, compared to the previous year's surplus of £898,000. The total income of ATL increased by £798,000, whilst the total expenditure decreased by £43,000, with subscription income increased by £645,000.

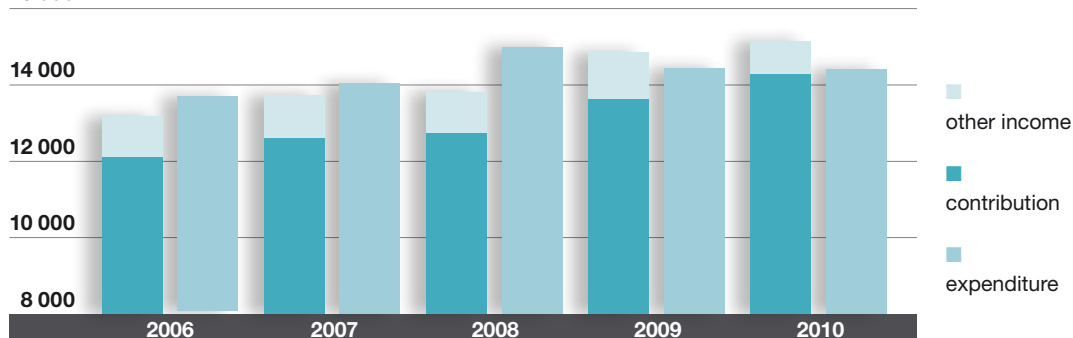
Results for the year	2010 £'000	2009 £'000
Operating surplus (deficit)	702	(139)
Non operational activities	24	535
Surplus for the year before FRS17 items	726	396
Pension adjustment surplus (FRS17 items)	646	502
Surplus (deficit) for the year	1,372	898

ATL returned to surplus in 2009 a year ahead of schedule, after four years of planned deficits incurred as part of the five-year strategic review in order to restructure ATL and improve its organising strategy. The objectives were to increase the conversion of non-paying members into paying members, to strengthen membership activity at local level and to grow the membership of the union. All of these objectives are being achieved. The results for 2010, included in this report, demonstrate that ATL's financial position has now been consolidated with a significantly improved surplus for the year, before taking into account FRS17 items. This is the key figure for members to note in the income and expenditure account and it indicates an improving financial situation for ATL. Overall income has increased, subscription income has increased and expenditure has decreased: all signs that the financial management of ATL is sound and performance is moving in the right direction. The priority now will be to ensure that the gains achieved as a result of the strategic review are consolidated in the future performance of the union.

The bar chart 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 second consecutive year, overall income of ATL has exceeded total expenditure.

Summary of operating results before FRS17 items for the five years ended 31 December 2010

£'000
16 000



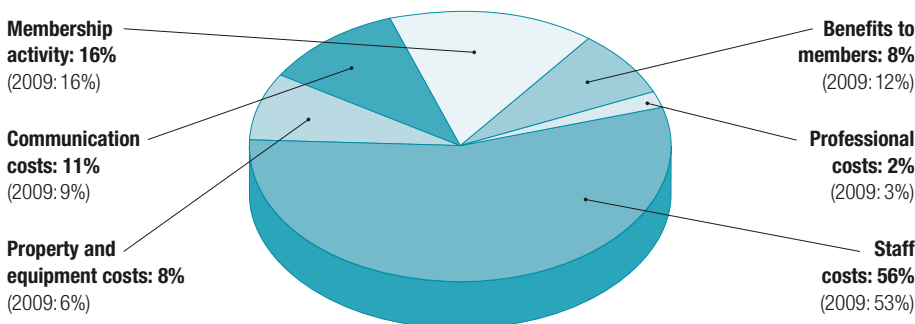
Turning to specific matters in relation to the income and expenditure account, we would make the following comments:

- The subscription income for ATL increased by almost five percent compared to 2009.
- 'Other income' includes income and realised gains arising from the investment portfolio of ATL, together with ATL Plus income, Interest & Dividends received in the year and ULF funding.

- Staff costs have risen less sharply during the year compared to 2009, indicating that we have improved our controls on spending in this area, particularly since the changes to arrangements for the regional officials.
- In respect of the pension scheme, ATL has met the requirements of the most recent triennial actuarial valuation. The next review started in April 2010 and is expected to be completed shortly. Although currently the assets of the scheme are greater than the liabilities, it is expected that the triennial review will result in a significant deficit which will need to be provided for in the accounts for 2011.
- In 2008 a new line of expenditure was included within membership activity - the Association of Managers in Education. This represents ATL's joint venture with the Association for College Management (ACM). ACM held a ballot in June 2010 for a transfer of undertakings to ATL in January 2011 and members voted overwhelmingly to join together with ATL. The ACM reserves of over £500,000 will transfer to ATL and also be included in the 2011 accounts.
- Following the appointment of new auditors for 2010 a detailed review of provisions has been undertaken as part of the annual audit process. Within benefits to members is a write back of £205,000 for legal assistance judged no longer necessary. This has been based on information provided by ATL's legal advisers in respect of cases underway at the end of the financial year.
- Expenditure on professional costs has reduced sharply; this is, in large part, due to the reduction in consultancy on resolving financial and other management issues that occurred during 2009 which have now been fully resolved.

The pie chart below shows the proportion of total expenditure on each category for 2010 together with comparative percentages for the previous year.

Analysis of ATL's expenditure for the year ended 31 December 2010 (31 December 2009)



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 ATL from year to year, a decision was taken in the past 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 £378,000, 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 the actual value of the pension scheme assets are significantly greater than its liabilities.

However, as noted above, the next triennial actuarial valuation review started in April 2010, is expected to be completed shortly. Although the current assets of the scheme are greater than the liabilities it is expected that the triennial review may result in a significant deficit which will need to be provided for in the accounts for 2011. Negotiations are continuing between ATL and the pension scheme trustees on the assumptions to be used for the review but current indications are that the review will show a deficit on the scheme in the region of £1.25m. Negotiations are also continuing with the pension scheme trustees regarding a recovery plan,

Honorary Treasurers' Report

for the Association of Teachers and Lecturers
for the year ended 31 December 2010

which is likely to run over 10 years and which will reduce cash flow concerns. Reviewing the pension arrangements ATL offers to its employees will be a high priority in 2011.

Balance sheet

The net assets of ATL as at 31 December 2010 amounted to £9,372,000, an improvement of almost £1m. However, the result of the triennial actuarial valuation review is likely to result in a charge to next year's income and expenditure account in the region of £2m.

Cash flow

As previously noted, one objective of ATL is to generate a surplus as surpluses generate cash and cash is required for investment in the future of ATL. The cash flow statement on page 10 shows an overall cash inflow of £392,000 in the year compared to an outflow of £996,000 in 2009. ATL now has total cash balances of £2,092,000 at the balance sheet date.

The future

It is pleasing to record that ATL has achieved a significant surplus in 2010 when only a small operating surplus has been planned; this was achieved after returning to surplus a year ahead of target in 2009. In our report last year we wrote that the aim was 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. The reserves have climbed to £8,543,000 excluding the pension scheme assets.

We are expecting major challenges in 2011. Whilst the original income and expenditure budget for 2011 showed a small surplus there will be other pressures to manage. We are already aware of the actuarial valuation review which may result in a further charge to the income and expenditure account of £2m. Following approval of the budget, the Executive Committee has agreed to use up to a further £250,000 from reserves on expenditure to support the campaign to protect pensions from government attack. This is likely to include a ballot for industrial action. However, there will be a compensatory improvement following the transfer of undertaking from ACM, when its reserves of just over £500,000 transfer to ATL.

In conclusion, we must always bear in mind that ATL is a membership organisation. We are here to represent members at national and local level and to support them in their work as professionals in schools and colleges throughout the UK. The demands from our members for information, guidance, local representation and activity, 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 our offer to our members is maintained and improved wherever possible, so that we continue to attract new members and retain those in membership.

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. There will be challenges but we are sure that we have the people within our membership and within our staff to secure the future of ATL.

Caroline Kolek

Stephen Buck

Dated: 19 March 2011

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 (ATL) for the year ended 31 December 2010 which comprise the Income and Expenditure Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the ATL's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). Our audit work has been undertaken so that we might state to the 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 the ATL and the ATL's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the ATL's Executive Committee and auditors

As described in the Statement of ATL's Executive Committee responsibilities, ATL's Executive Committee is responsible for the preparation of 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 (United Kingdom and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). We also report to you if, in our opinion, the honorary treasurers' report is not consistent with the accounts, if the union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom 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 by ATL's Executive Committee in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 ATL's affairs as at 31 December 2010 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

HARD DOWDY
a trading style of
Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
London
Dated: 21 March 2011

Income and expenditure account

for the year ended 31 December 2010

		2010		2009	
	Note	£'000	£'000	£'000	£'000
INCOME					
Subscriptions			14,272		13,627
Other income	1		817		664
			<u>15,089</u>		<u>14,291</u>
EXPENDITURE					
Staff costs	2	8,015		7,631	
Property and equipment costs	3	1,103		897	
Communication costs	4	1,553		1,370	
Membership activity	5	2,312		2,355	
Benefits to members	6	1,319		2,044	
Professional costs	7	235		406	
VAT refund relating to expenditure		(150)		(273)	
			<u>14,387</u>		<u>14,430</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR					
			702		(139)
NON OPERATIONAL ITEMS	10		24		535
			<u>726</u>		<u>396</u>
SURPLUS BEFORE FRS17 ITEMS					
ITEMS RELATED TO FRS17					
Current service cost	23	(252)		(165)	
Contributions		829		579	
Net finance charge	9	69		88	
			<u>646</u>		<u>502</u>
SURPLUS FOR THE YEAR					
			1,372		898
GENERAL FUND AT 1 JANUARY 2010					
			6,351		7,266
Actuarial (loss) recognised in the pension scheme	23		(378)		(1,813)
Dilapidation reserve	17		(150)		
			<u>7,195</u>		<u>6,351</u>
GENERAL FUND AT 31 DECEMBER 2010					

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 2010

	Note	2010 £'000	2009 £'000
Surplus/(Deficit) for the year		1,372	898
Actuarial (loss) recognised in the pension scheme	23	(378)	(1,813)
Revaluation of investment property	11	–	230
Transfer to dilapidation reserve	17	(150)	
Total Surplus/(Deficit) recognised for the year		<u>844</u>	<u>(685)</u>

Balance sheet

at 31 December 2010

		2010		2009	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS	11		5,660		5,681
INVESTMENTS	12		3,254		3,052
			<u>8,914</u>		<u>8,733</u>
CURRENT ASSETS					
Sundry debtors and prepayments		516		481	
Cash & deposits at banks and building societies	13	2,092		1,701	
		<u>2,607</u>		<u>2,182</u>	
CURRENT LIABILITIES					
Sundry creditors and accrued expenses		1,261		1,500	
Subscription income received in advance	14	1,107		987	
		<u>2,368</u>		<u>2,487</u>	
NET CURRENT ASSETS/LIABILITIES			240		(305)
PROVISION FOR LIABILITIES AND CHARGES	15		<u>(611)</u>		<u>(611)</u>
NET ASSETS EXCLUDING PENSION SCHEME			8,543		7,817
NET PENSION SCHEME ASSET	23		829		561
			<u>9,372</u>		<u>8,378</u>
GENERAL FUND			7,195		6,351
Dilapidation reserve	17		150		
REVALUATION RESERVE	16		2,027		2,027
			<u>9,372</u>		<u>8,378</u>

C Kolek
SR Buck

Honorary treasurers

Approved on: 19 March 2011

Cash flow statement

for the year ended 31 December 2010

	Note	2010		2009	
		£'000	£'000	£'000	£'000
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	18		370		(915)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Dividends and interest income received		120		172	
Net cash inflow from returns on investments and servicing of finance			120		172
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments for tangible fixed assets		(90)		(225)	
Payments for fixed asset investments	12	(545)		(798)	
Receipts from sale of investments		536		770	
Net cash (outflow) from capital expenditure and financial investment			(99)		(253)
INCREASE/(DECREASE) IN CASH			392		(996)

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 ATL.
- 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

ATL 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 ATL'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 2010

1 OTHER INCOME	2010	2009
	£'000	£'000
Dividend and interest income	120	172
Profit on disposals	145	30
Retained insurance rebates and commission	204	234
Union Learning Fund	120	214
Trust Fund management charge	96	–
Other income	132	14
	<u>817</u>	<u>664</u>
2 STAFF COSTS	2010	2009
	£'000	£'000
Salaries*	6,934	6,657
Pensions costs	859	798
Pensions to former employees	42	52
Staff training and recruitment	180	124
	<u>8,015</u>	<u>7,631</u>
* Prior year amended for RO's salaries		
3 PROPERTY AND EQUIPMENT COSTS	2010	2009
	£'000	£'000
Rates and rent	202	157
Lighting, heating and cleaning	80	76
Office expenses	123	91
Leasing equipment	48	31
IT running expenses	457	409
Maintenance of plant and equipment	5	6
Building maintenance	41	23
Depreciation	84	70
Insurance for London office	63	34
	<u>1,103</u>	<u>897</u>

4 COMMUNICATION COSTS	2010	2009
	£'000	£'000
Postage and telephone	353	308
Printing:		
– Booklets, bulletins and pamphlets	291	325
– General	86	86
Stationery	42	39
Publicity and advertising	710	540
Recruiters in the field	71	72
	<hr style="width: 100%; border: 0.5px solid black;"/> 1,553	<hr style="width: 100%; border: 0.5px solid black;"/> 1,370
5 MEMBERSHIP ACTIVITY	2010	2009
	£'000	£'000
Annual conference expenses	426	524
Travelling expenses	251	274
Subsistence	172	142
Expenses of other conferences and meetings	363	313
Association of Managers in Education	231	223
Research	1	1
Delegates' expenses to international meetings	1	2
Subscriptions, affiliation fees and donations:		
– TUC	313	302
– Education International	136	142
– Others	14	20
Branch expenditure	345	364
Ballots	59	48
	<hr style="width: 100%; border: 0.5px solid black;"/> 2,312	<hr style="width: 100%; border: 0.5px solid black;"/> 2,355

Notes to the accounts

for the year ended 31 December 2010

6 BENEFITS TO MEMBERS	2010 £'000	2009 £'000
Legal assistance**	(157)	188
Regional officials***	295	691
National casework officials	–	37
Insurance on behalf of members	116	149
Monthly mailings (after deducting advertising revenue of £164,587 (2009: £209,392))	885	824
Sustentation fund	22	(49)
Helplines for members	–	15
Training courses	158	189
	<u>1,319</u>	<u>2,044</u>

**Includes write back of provision of £205K no longer required

*** Prior year amended for RO salaries

7 PROFESSIONAL COSTS	2010 £'000	2009 £'000
Audit and accountancy	43	46
Consultancy and other professional services	192	360
	<u>235</u>	<u>406</u>

8 EMPLOYEES	2010 Numbers	2009 Numbers
The average number during the year was:		
Regional & national casework officials	43	44
Organisers (Incl. learning organisers)	14	12
Office staff	112	102
	<u>169</u>	<u>158</u>

9 NET FINANCE CHARGE	2010 £'000	2009 £'000
Expected return on pension scheme assets	523	499
Interest on pension scheme liabilities	(454)	(411)
	<u>69</u>	<u>88</u>

10 NON OPERATIONAL ITEMS

	2010 £'000	2009 £'000
Decrease provision for diminution in value against investments	47	383
Results of Trafalgar Conferences	(22)	128
Increase in legal provision	–	24
	<u>24</u>	<u>535</u>
Trafalgar Conference		
Turnover	236	196
Costs	(231)	(197)
Write back of assets previously written off		150
Depreciation of fixtures and fittings	(27)	(21)
Operating Surplus/(Deficit)	<u>(22)</u>	<u>128</u>

11 FIXED ASSETS

	Freehold properties £'000	Furniture fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 January 2010	5,550	433	5,983
Revaluation in year	–	–	–
Additions	–	90	90
Disposals	–	–	–
At 31 December 2010	<u>5,550</u>	<u>523</u>	<u>6,073</u>
Depreciation			
At 1 January 2010	–	302	302
Charge for the year	44	67	111
Disposals	–	–	–
	<u>44</u>	<u>369</u>	<u>413</u>
Net book value			
At 31 December 2010	<u>5,506</u>	<u>154</u>	<u>5,660</u>
At 31 December 2009	<u>5,550</u>	<u>131</u>	<u>5,681</u>

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

12 INVESTMENTS

	Quoted securities £'000
Cost	
At 1 January 2010	3,202
Additions	545
Disposals	(390)
At 31 December 2010	<u>3,357</u>
Provision for diminution in value	
At 1 January 2010	150
Decrease in provision	(47)
At 31 December 2010	<u>103</u>
Net book value	
At 31 December 2010	<u>3,254</u>
At 31 December 2009	<u>3,052</u>

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

	2010		2009	
	Net Book Value £'000	Market Value £'000	Net Book Value £'000	Market Value £'000
UK Fixed Interest	465	481	415	434
Equities: UK	1,281	1,607	1,147	1,440
Europe	99	117	80	83
US	190	271	188	224
Japan	45	46	18	18
Far East	60	86	90	108
Other	1,114	1,267	1,114	1,123
	<u>3,254</u>	<u>3,875</u>	<u>3,052</u>	<u>3,430</u>

Subsidiary undertakings

ATL owns two ordinary shares of £1 each, being 100% of the issued share capital, of Trafalgar Conferences Limited. The company is incorporated in England. Trafalgar Conferences Limited is a dormant company.

13 CASH AND DEPOSITS AT BANK AND BUILDING SOCIETIES

	2010	2009
	£'000	£'000
Total cash, bank and building society balances	2,092	1,701
Balance recognised in accounts	<u>2,092</u>	<u>1,701</u>

14 SUBSCRIPTION INCOME RECEIVED IN ADVANCE

	2010	2009
	£'000	£'000
Total subscription income received in advance	1,107	987
Balance recognised in accounts	<u>1,107</u>	<u>987</u>

15 PROVISION FOR LIABILITIES AND CHARGES

	2010	2009
	£'000	£'000
At 1 January and 31 December	<u>611</u>	<u>611</u>

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

16 REVALUATION RESERVE

	£'000
As at 1 January 2010	2,027
Revaluation	–
As at 31st December 2010	<u>2,027</u>

17 DILAPIDATION RESERVE

As at 1 January 2010	–
Transfer from Resevres	150
As at 31st December 2010	<u>150</u>

Notes to the accounts

for the year ended 31 December 2010

18 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2010 £'000	2009 £'000
Operating Surplus/(deficit) for the year	702	(139)
Dividend and interest income receivable	(120)	(172)
Depreciation	111	104
Profit on sale of investments	(145)	(30)
Provision for liabilities and charges		9
Sundry debtors and prepayments	35	(85)
Provision against Trafalgar Conferences	25	128
(Decrease)/increase in legal provision	(119)	24
Sundry creditors and accrued expenses	(239)	(566)
Subscription income received in advance	120	(188)
Net cash inflow/(outflow) from Operating Activities	370	(915)

19 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2010 £'000	2009 £'000
Increase/(Decrease) in cash	391	(996)
Net funds at 1 January 2010	1,701	2,697
Net funds at 31 December 2010	2,092	1,701

20 ANALYSIS OF NET FUNDS

	At 1 January 2010 £'000	Cash Flow £'000	Non-cash changes £'000	At 31 December 2010 £'000
Cash & deposits at banks and building societies	1,701	391	–	2,092

21 CONTINGENT LIABILITIES

ATL 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 future costs where ATL considers that they may not be totally recovered.

22 OPERATING LEASE COMMITMENTS

At 31 December 2010 there were annual commitments under non-cancellable operating leases as set out below:

	2010 £'000	2009 £'000
Operating leases which expire:		
Within one year	–	1
In the second to fifth years inclusive	77	23
	77	24

23 STAFF PENSION SCHEMES

ATL operates two pension schemes as follows:

(a) Defined Contribution Scheme

ATL operates a defined contribution pension scheme. The assets of the scheme are held separately from those of ATL in an independently administered fund. The charge for the year was £74,892 (2009: £86,332).

(b) Defined Benefit Scheme

ATL 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 £769,713 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 ATL's actuaries to take account of FRS17 in order to assess the liabilities of the scheme as at 31 December 2010. The scheme assets are stated at their market value as at 31 December 2010.

The main financial assumptions, used in preparing the 2010 valuation under FRS17, were:

	2010	2009	2008
Rate of increase in pensionable salaries	4.50%	4.50%	3.90%
Rate of increase in pensions in payment	3.50%	3.50%	2.90%
Discount rate	5.40%	5.80%	6.60%
Inflation assumption	3.50%	3.50%	2.90%
Revaluation rate for deferred pensioners	3.50%	3.50%	2.90%
Mortality table		<i>PA92</i>	<i>PA92</i> Medium Cohort

Notes to the accounts

for the year ended 31 December 2010

23 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 2010 were:

	2010	2009	2008
	£'000	£'000	£'000
Insurance policy	9,786	8,716	8,162
Total market value of assets	<u>9,786</u>	<u>8,716</u>	<u>8,162</u>
Present value of liabilities	(8,957)	(8,155)	(6,290)
Surplus in the scheme in accordance with FRS17	<u>829</u>	<u>561</u>	<u>1,872</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

	2010	2009	2008
	£'000	£'000	£'000
Fair value of scheme assets	9,786	8,716	8,162
Present value of scheme liabilities	8,957	8,155	6,290
Surplus in scheme	<u>829</u>	<u>561</u>	<u>1,872</u>

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

	2010	2009
	£'000	£'000
Scheme liabilities at start of period	8,155	6,290
Current service cost	252	165
Interest cost	454	411
Contributions by scheme participants	179	172
Actuarial gains	965	1,698
Benefits paid, death in service insurance premiums and expenses	(1,048)	(581)
Scheme liabilities at end of period	<u>8,957</u>	<u>8,155</u>

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

	2010	2009
	£'000	£'000
Fair value of scheme assets at start of year	8,716	8,162
Expected return on scheme assets	523	499
Actuarial gains/(losses)	587	(115)
Contributions by employer	829	579
Contributions by scheme participants	179	172
Benefits paid, death in service insurance premiums and expenses	(1,048)	(581)
Fair value of scheme assets at end of year	<u>9,786</u>	<u>8,716</u>

23 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:

Movement in the FRS17 deficit during the year	2010		2009	
	£'000		£'000	
Income and expenditure account				
Current service cost	(252)		(165)	
Other finance income				
Expected return on pension scheme assets	523		499	
Interest on pension scheme liabilities	(454)		(411)	
Total charge to income and expenditure	<u>(183)</u>		<u>(77)</u>	
Actuarial loss recognised in the statement of total recognised gains and losses				
	2010		2009	
	£'000		£'000	
Actual return less expected return on pension scheme assets	587	6%	(115)	(1.3%)
– As percentage of year end scheme assets				
Experience gains and losses arising on the scheme liabilities	(229)	(2.6%)	(201)	(2.5%)
– As percentage of present value of year end scheme liabilities				
Changes in assumptions underlying the present value of the scheme liabilities	(736)	(8.2%)	(1,497)	(18.4%)
– As percentage of present value of year end scheme liabilities				
Total amount recognised	<u>(378)</u>		<u>(1,813)</u>	

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2010

SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FULL ACCOUNTS

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £'000	2009 £'000
Subscription income	14,272	13,627
Other income	817	664
Total income	<u>15,089</u>	<u>14,291</u>
Total expenditure	<u>(14,387)</u>	<u>(14,430)</u>
Operating Surplus/(deficit)	702	(139)
Non operational items	24	535
	<u>726</u>	<u>396</u>
Items related to FRS17	646	502
Surplus for the year	<u>1,372</u>	<u>898</u>

SUMMARY BALANCE SHEET AT 31 DECEMBER 2010

	2010 £'000	2009 £'000
Fixed assets	5,660	5,681
Investments	3,254	3,052
Current assets	2,607	2,182
Current liabilities	(2,368)	(2,487)
Provision for liabilities and charges	(611)	(611)
Net assets excluding pension scheme	<u>8,543</u>	<u>7,817</u>
Net pension scheme asset	829	561
	<u>9,372</u>	<u>8,378</u>
General fund	7,195	6,351
Dilapidations' provision	150	
Revaluation reserve	2,027	2,027
	<u>9,372</u>	<u>8,378</u>

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation)
Act 1992 (Amended) for the year ended 31 December 2010

SUMMARY OF SALARIES AND BENEFITS PROVIDED

Name	Position	Details	Amount £
M Bousted	General secretary	Salary	111,399
		Pension contributions	27,877
<hr/>			
L Ward	President – to August	Clothing allowance	500
		Salary reimbursement	28,093
<hr/>			
A Brown	President – from September	Clothing allowance	500
		Salary reimbursement	16,384

In addition, six officers of ATL, 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 ATL 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 ATL as are the general secretary and the president.

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2010

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 2010.

We have audited the accounts of the Association of Teachers and Lecturers for the year ended 31 December 2010, set out on pages seven to 21. These have been prepared under the accounting policies set out on page 11.

This report is made solely to the ATL's members, as a body, in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). Our audit work has been undertaken so that we might state to the 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 the ATL and the ATL's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the ATL's Executive Committee and auditors

As described in the Statement of ATL's Executive Committee responsibilities, ATL's Executive Committee is responsible for the preparation of 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 (United Kingdom and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended). We also report to you if, in our opinion, the honorary treasurers' report is not consistent with the accounts, if the union has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom 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 by ATL's Executive Committee in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 ATL's affairs as at 31 December 2010 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended).

HARD DOWDY
a trading style of
Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
London
Dated: 21 March 2011

Statement to Members

as required under the Trade Union and Labour Relations (Consolidation) Act 1992 (Amended) for the year ended 31 December 2010

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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