

**Ráitis Airgeadais**  
**don bhliain dar críoch an 31 Nollaig 2009**

## Financial Statements

### Auditors

Anne Brady McQuillans DFK  
Chartered Accountants  
& Registered Auditors  
Iveagh Court  
Harcourt Road  
Dublin 2

### Business Address

Block A  
Maynooth Business Campus  
Maynooth  
Co. Kildare

### Bankers

Bank of Ireland  
Main Street  
Maynooth  
Co Kildare

AIB Bank plc  
Main Street  
Maynooth  
Co. Kildare

### Solicitors

McDowell Purcell Partnership  
Solicitors  
The Capel Building  
Mary's Abbey, Dublin 7  
Arthur Cox  
Solicitors  
Earlsfort Centre  
Earlsfort Terrace, Dublin 2

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## Council's Report for the year ended 31 December 2009

The Council presents its report and the financial statements for the year ended 31 December 2009. The Teaching Council (An Chomhairle Mhúinteoireachta) was established on a statutory basis on 28 March 2006 in accordance with the Teaching Council Act, 2001.

### *Principal Activity and Review of the Business*

The principal activity of The Teaching Council is to promote teaching as a profession at primary and post-primary levels, to promote the professional development of teachers and to regulate standards in the teaching profession.

There has been no significant change in these activities during the year ended 31 December 2009.

### *Results*

The surplus for the year after providing for depreciation and taxation amounted to €3,054,195 (2008 : €1,855,349).

### *Future Developments*

The Council plans to continue its present activities.

### *Books of Account*

The Council is responsible under Section 18 of the Teaching Council Act, 2001, for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the organisation. The Council is also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The books of account of the The Teaching Council are maintained at Maynooth Business Campus, Maynooth, Co. Kildare.

### *Auditors*

The auditors, Anne Brady McQuillans DFK, have indicated their willingness to continue in office.

### *Events After the Balance Sheet Date*

There have been no circumstances or events subsequent to the year end, which require adjustment to, or disclosure in, the financial statements or in the notes thereto.

On behalf of the Council



**Lily Cronin**  
*Chairperson*



**Áine Lawlor**  
*CEO/Director*

**Date: 31 May 2010**

## Statement of Council's Responsibilities for the Financial Statements

The Council is responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Irish law, including Section 18 of the Teaching Council Act, 2001 and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Irish law including Section 18 (2) of the Teaching Council Act, 2001, requires the Council to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the organisation for that period.

In preparing the financial statements, the Council are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business.

The Council confirms that they have complied with the above requirements in preparing the financial statements.

The Council is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and with Irish Law including Section 18, of the Teaching Council Act, 2001.

The Council is responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the website. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Council



**Lily Cronin**  
*Chairperson*



**Áine Lawlor**  
*CEO/Director*

**Date: 31 May 2010**

## Independent Auditors' Report to the Council Members of The Teaching Council

We have audited the financial statements of The Teaching Council for the year ended 31 December 2009 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies therein.

### *Respective Responsibilities of the Council and Auditors*

The Council's responsibilities for preparing the Council's report and the financial statements in accordance with applicable Irish law including Section 18 of the Teaching Council Act, 2001, and the accounting standards issued by the Accounting Standards Board and published by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) are set out in the Statement of Council's Responsibilities.

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

This report is made to the Council's members, as a body in accordance with Section 18 of the Teaching Council Act, 2001. Our audit work has been undertaken so that we might state to the Council'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 organisation and the Council's members as a body, for our audit work, for this report, or for the opinion we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, and are properly prepared in accordance with Irish Law including Section 18 of the Teaching Council Act, 2001. We also report to you whether in our opinion: proper books of account have been kept by the organisation; and whether the information given in the Council's Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations we consider necessary for the purposes of our audit and whether the organisation's financial statements are in agreement with the books of account.

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

## Independent Auditors' Report to the Council Members of The Teaching Council

### *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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the organisation'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 financial statements 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 financial statements.

### *Opinion*

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Council's affairs as at 31 December 2009 and of its results for the year then ended; and
- have been properly prepared in accordance with the requirements of Irish Law including Section 18 of the Teaching Council Act, 2001.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the organisation. The financial statements are in agreement with the books of account.

In our opinion the information given in the Council's report is consistent with the financial statements.

**Anne Brady McQuillans DFK**  
**Chartered Accountants**  
**& Registered Auditors**  
**Iveagh Court**  
**Harcourt Road**  
**Dublin 2**

**Date: 31 May 2010**

## Income and Expenditure Account for the year ended 31 December 2009

		2009 €	2008 €
<b>Income</b>	<b>Notes</b>		
Department of Education and Science		-	762,332
Registration and Assessment Fees		6,711,842	5,274,879
Accreditation Fees		30,000	10,000
Other Income		1,250	2,016
<b>Total Income</b>	<b>2</b>	6,743,092	6,049,227
<b>Expenditure</b>			
Accommodation Costs		(279,051)	(256,603)
Staff Costs		(1,874,768)	(2,105,651)
Other Administration Costs		(734,618)	(619,696)
Courses, Conferences and Meeting Costs		(197,865)	(170,808)
Registration and Verification Costs		(251,034)	(349,096)
Information Technology Costs		(116,368)	(165,402)
Communications and Education Costs		(204,603)	(494,410)
Loss on disposal of tangibles		(757)	-
Depreciation	<b>7</b>	(120,448)	(70,946)
<b>Total Expenditure</b>		(3,779,512)	(4,232,612)
Interest receivable and similar income		90,865	39,229
<b>Surplus on ordinary activities before taxation</b>	<b>3</b>	3,054,445	1,855,844
Taxation	<b>6</b>	(250)	(495)
<b>Surplus on ordinary activities after taxation</b>		3,054,195	1,855,349

There are no recognised surpluses or deficits other than the result for the above financial periods. The result of the year has been generated exclusively from continuing operations.

The notes on pages 13 to 20 form part of these financial statements.

The financial statements were approved by the Council on 31 May 2010 and signed on its behalf by



**Lily Cronin**  
Chairperson



**Áine Lawlor**  
CEO/Director



## Balance Sheet as at 31 December 2009

	Notes	2009		2008	
		€	€	€	€
<b>Fixed Assets</b>					
Tangible assets	7		356,462		352,138
Investments	8		10,594		34,395
			<u>367,056</u>		<u>386,533</u>
<b>Current Assets</b>					
	9	4,670		92	
Debtors		<u>4,871,862</u>		<u>2,432,415</u>	
Cash at bank and in hand		4,876,532		2,432,507	
<b>Creditors: Amounts falling due within one year</b>	10	(66,748)		(696,395)	
<b>Net Current Assets/(Liabilities)</b>			<u>4,809,784</u>		<u>1,736,112</u>
<b>Total Assets Less Current Liabilities</b>			<u>5,176,840</u>		<u>2,122,645</u>
<b>Reserves</b>					
Designated Reserve	11		1,000,000		300,000
General Reserves	11		<u>4,176,840</u>		<u>1,822,645</u>
<b>Total Funds</b>			<u>5,176,840</u>		<u>2,122,645</u>

The notes on pages 13 to 20 form part of these financial statements.

The financial statements were approved by the Council on 31 May 2010 and signed on its behalf by



Lily Cronin  
Chairperson



Áine Lawlor  
CEO/Director

## Cash Flow Statement for the year ended 31 December 2009

	Notes	2009 €	2008 €
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus (before interest received)		2,963,580	1,816,615
Depreciation		120,448	70,946
Loss on disposal of tangible assets		757	-
(Increase) in debtors		(4,425)	(92)
(Decrease) / increase in creditors		(629,336)	154,812
<b>Net cash flow from operating activities</b>		<u>2,451,024</u>	<u>2,042,281</u>
<b>Cash Flow Statement</b>			
Net cash flow from operating activities	<b>15</b>	2,451,024	2,042,281
Returns on investments and servicing of finance	<b>15</b>	90,865	39,229
Taxation	<b>15</b>	(714)	(184)
Capital expenditure and financial investment		(101,728)	(108,132)
<b>Increase in cash in the year</b>		<u>2,439,447</u>	<u>1,973,194</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year		2,439,447	1,973,194
Net funds at 1 January 2009		2,432,415	459,221
<b>Net funds at 31 December 2009</b>		<u>4,871,862</u>	<u>2,432,415</u>

## Notes to the Financial Statements for the year ended 31 December 2009

### 1. Accounting Policies

#### 1.1. Accounting Convention

The financial statements have been prepared on the going concern basis and in accordance with accounting standards generally accepted in Ireland and Irish statute. Accounting Standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Accounting Standards Board.

#### 1.2. Income

Income comprises registration and assessment fee income received during the year. All income / fees receivable are accounted for on a receipts basis.

#### 1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset systematically over its expected useful life, as follows:

Fixtures, Fittings and Equipment	- 10% straight line
Computer Equipment	- 33.33% straight line
Computer Software	- 20% straight line

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.4. Investments

Fixed asset investments are stated at cost less provision for impairments in value. Income from financial fixed asset investments, together with any related withholding tax, is recognised in the income and expenditure account in the year in which it is received.

## Notes to the Financial Statements for the year ended 31 December 2009

### 1.5. Pensions

The Council operates a defined benefit pension scheme for its employees. The scheme is based on the Public Service Model and is approved by the Minister for Education and Science and the Minister for Finance. Pension benefits payable under the scheme are funded by the Exchequer.

In addition, the Council's arrangements have a number of specific characteristics:

- the Council makes an agreed contribution to the Department of Education and Science
- the contribution comprises an employee element along with an employer element. In accordance with government policy on public sector pensions the employer's contribution amounts to 25% of gross pay for employees paying PRSI at the A rate and 30% of gross pay for employees paying PRSI at the D rate.
- there is an explicit commitment from the Department of Education and Science with the agreement of the Department of Finance that the Exchequer will meet the cost of benefits as they fall due.

The Council considers that its pension arrangements as described above have the same financial effect from the Council's point of view as a defined contribution scheme. It is of the view that the provisions of FRS 17, Accounting for Retirement Benefits, which arise under defined benefit schemes are not appropriate to its circumstances. Accordingly it accounts for its contribution as if the scheme was a defined contribution scheme.

### 1.6. Taxation

The yearly charge for taxation is based on passive income for the year and is calculated with reference to the tax rate applying on the balance sheet date.

### 1.7. Designated Reserves

The Council has determined that it may at its discretion set aside unrestricted funds for designated future purposes. Where such funds are no longer required for the intended purpose, they will be released to the General Reserve.

## 2. Income

The income of the organisation for the year has been derived from its principal activity wholly undertaken in Ireland.

## Notes to the Financial Statements for the year ended 31 December 2009

<i>3. Operating Surplus</i>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Operating surplus is stated after charging:		
Depreciation	120,448	70,946
Loss on disposal of tangible fixed assets	757	-
Auditors' remuneration	7,190	7,500

<i>4. Employees</i>	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Number of employees		
The average monthly numbers of employees during the year were:		
Office and management	41	41

<b>Employment costs</b>	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Wages and salaries	1,709,879	1,671,528
Social welfare costs	125,201	127,037
Sundry staff costs	5,203	5,036
Pension costs	(10,548)	260,539
Staff training costs	45,033	41,511
	<u>1,874,768</u>	<u>2,105,651</u>

### *5. Pension Costs*

The pension credit represents contributions payable by the Council to the pension fund and amount to € 290,071 less the pension liability overaccrued in previous years. Pension costs therefore amounted to € (10,548) (2008 : € 260,539).

## Notes to the Financial Statements for the year ended 31 December 2009

<i>6. Taxation</i>	<b>2009</b>	<b>2008</b>
	€	€
<b>Current year taxation</b>		
Income Tax	250	403
<b>Prior years</b>		
Income Tax	-	92
	<u>250</u>	<u>495</u>

The Teaching Council is not liable to Taxation in respect of its activities. Passive income, if any, (such as deposit interest) remains taxable.

## Notes to the Financial Statements for the year ended 31 December 2009

### 7. Fixed Assets

	<b>Fixtures &amp; Fittings</b>	<b>Computer Software</b>	<b>Computer Equipment</b>	<b>Total</b>
	€	€	€	€
<b>Cost</b>				
At 1 January 2009	131,290	170,864	177,090	479,244
Additions	37,909	55,057	34,893	127,859
Disposals	-	-	(12,376)	(12,376)
At 31 December 2009	169,199	225,921	199,607	594,727
<b>Depreciation</b>				
At 1 January 2009	18,109	25,051	83,946	127,106
On disposals	-	-	(9,289)	(9,289)
Charge for the year	15,606	40,761	64,081	120,448
At 31 December 2009	33,715	65,812	138,738	238,265
<b>Net book values</b>				
At 31 December 2009	135,484	160,109	60,869	356,462
At 31 December 2008	113,181	145,813	93,144	352,138

## Notes to the Financial Statements for the year ended 31 December 2009

*8. Investments*

	<b>Listed Investments</b>	<b>Total</b>
	<b>€</b>	<b>€</b>
<b>Cost</b>		
At 1 January 2009	34,395	34,395
Redemption during the year	(23,801)	(23,801)
At 31 December 2009	10,594	10,594
<b>Net book values</b>		
At 31 December 2009	10,594	10,594
At 31 December 2008	34,395	34,395

The investments consists of various Government stock and bonds, the market value of which are in excess of the value shown above.

*9. Debtors*

	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Other debtors	4,670	92
Included in other debtors:		
	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Income tax repayable	153	-



## Notes to the Financial Statements for the year ended 31 December 2009

### 10. Creditors: Amounts falling due within one year

	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Income tax	-	311
Other taxes and social security costs	6,345	2,948
Other creditors	-	592,200
Accruals	60,403	100,936
	<u>66,748</u>	<u>696,395</u>
	<b>2009</b>	<b>2008</b>
	<b>€</b>	<b>€</b>
Included in other taxes and social security costs:		
VAT	2,833	2,948
PAYE / PRSI	851	-
PSWT	2,661	-
	<u>6,345</u>	<u>2,948</u>

### 11. Reserves

	<b>General reserve</b>	<b>Designated Reserve</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>Opening Reserves</b>	1,822,645	300,000	2,122,645
Surplus for the year	3,054,195	-	3,054,195
Other movements	(700,000)	700,000	-
Closing Reserves	<u>4,176,840</u>	<u>1,000,000</u>	<u>5,176,840</u>

In accordance with the Council's financial strategy the designated reserves have been established as a contingency reserve to cover any significant costs arising from legal challenge to any part of the Teacher's Council Act, 2001 and from any of the Council's rulings. In accordance with the Council's accounting policy where such funds are no longer required they will be released back to the General Reserve.

## Notes to the Financial Statements for the year ended 31 December 2009

<i>12. Capital Commitments</i>	<b>2009</b>	<b>2008</b>
	€	€
Details of capital commitments at the accounting date are as follows:		
Approved for but not provided in the financial statements	120,000	17,000

The Council have approved the purchase of hardware costs for I.T. in the 2010 budget.

*13. Contingent Liabilities*

A legal action is pending against the Teaching Council in relation to a member's registration status. The Teaching Council is defending this case fully. Having obtained legal advice the Council believe that the Teaching Council will be successful in its defence. As the case is ongoing and the final decision is unknown no provision has been included for any costs associated with the case.

*14. Related Party Transactions*

In accordance with the Teaching Council Act, 2001 Council members are entitled to reimbursement of expenses necessarily incurred whilst engaging in the business of the Council and Committees of the Council. Council members who are teachers are also required to renew their registration annually. All transactions are conducted on an arms length basis and have been incorporated into these financial statements.

## Notes to the Financial Statements for the year ended 31 December 2009

### 15. Gross Cash Flows

	2009 €	2008 €
<b>Returns on Investments and Servicing of Finance</b>		
Interest received	90,865	39,229
<b>Taxation</b>		
Income tax paid	(714)	(184)
<b>Capital Expenditure and financial investment</b>		
Payments to acquire tangible assets	(127,859)	(108,132)
Receipts from sales of tangible assets	2,330	-
	23,801	-
Receipts from sales of investments	(101,728)	(108,132)

### 16. Analysis of Changes in Net Funds

	Opening balance €	Cash flows €	Closing balance €
Cash at bank and in hand	2,432,415	2,439,447	4,871,862
Net funds	2,432,415	2,439,447	4,871,862

### 17. Approval of Financial Statements

The financial statements were approved by the Council on 31 May 2010 and signed on its behalf by



Lily Cronin  
Chairperson



Áine Lawlor  
CEO/Director