



AN CHOMHAIRLE MHÚINTEOIREACHTA
The Teaching Council

AUDITED FINANCIAL STATEMENTS
for the year ended 31 December 2008

APPENDIX 4

Audited 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 Ireland
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 2008

The Council presents its report and the financial statements for the year ended 31 December 2008. 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

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.

Results

The surplus for the year after providing for depreciation and taxation amounted to €1,855,349 (2007: €234,398)

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.



Patrick McQuaile
Chairperson

Date: 22 June 2009



Áine Lawlor
CEO/Director

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 is 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 it has 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 enables it 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



Patrick McQuaile
Chairperson

Date: 22 June 2009



Áine Lawlor
CEO/Director

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 2008 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.

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.

**INDEPENDENT AUDITORS' REPORT
TO THE COUNCIL MEMBERS OF THE TEACHING COUNCIL**

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 2008 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: 22 June 2009

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 December 2008

		2008	2007
		€	€
Income	Notes		
Department of Education and Science		762,332	3,014,826
Registration and Assessment Fees		5,274,879	248,866
Application Fees		10,000	1,181
Other Income		2,016	16,957
Total Income	2	6,049,227	3,281,830
Expenditure			
Accommodation Costs		(256,603)	(199,204)
Staff Costs		(2,105,651)	(1,461,198)
Other Administration Costs		(619,696)	(248,773)
Courses, Conferences and Meeting Expenses		(170,808)	(201,002)
Registration and Verification Activities		(349,096)	(313,669)
Information Technology Expenses		(165,402)	(81,893)
Communications and Education Activities		(494,410)	(499,080)
Depreciation	7	(70,946)	(42,613)
Total Expenditure		(4,232,612)	(3,047,432)
Interest receivable and similar income		39,229	-
Surplus on ordinary activities before taxation	3	1,855,844	234,398
Taxation	6	(495)	-
Surplus on ordinary activities after taxation		1,855,349	234,398

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 12 to 18 form part of these financial statements.

The financial statements were approved by the Council on 22 June 2009 and signed on its behalf by



Patrick McQuaile
Chairperson

Date: 22 June 2009



Áine Lawlor
CEO/Director

BALANCE SHEET
as at 31 December 2008

	Notes	€	2008 €	€	2007 €
Fixed Assets					
Tangible assets	7		352,138		314,952
Investments	8		34,395		34,395
			<u>386,533</u>		<u>349,347</u>
Current Assets					
Debtors	9	92		-	
Investments	10	1,807,978		-	
Cash at bank and in hand		624,437		459,221	
		<u>2,432,507</u>		<u>459,221</u>	
Creditors: Amounts falling due within one year					
	11	(696,395)		(541,272)	
Net Current Assets/Liabilities					
			<u>1,736,112</u>		<u>(82,051)</u>
Total Assets Less Current Liabilities					
			<u>2,122,645</u>		<u>267,296</u>
Reserves					
Designated Reserve	12		300,000		-
General Reserves	12		1,822,645		267,296
Total Funds					
			<u>2,122,645</u>		<u>267,296</u>

The notes on pages 12 to 18 form part of these financial statements.

The financial statements were approved by the Council on 22 June 2009 and signed on its behalf by



Patrick McQuaile
Chairperson

Date: 22 June 2009



Áine Lawlor
CEO/Director

CASH FLOW STATEMENT
for the year ended 31 December 2008

		2008 €	2007 €
	Notes		
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating surplus		1,816,615	234,398
Depreciation		70,946	42,613
(Increase) / decrease in debtors		(92)	-
Increase in creditors		154,812	319,344
Net cash flow from operating activities		<u>2,042,281</u>	<u>596,355</u>
Cash Flow Statement			
Net cash flow from operating activities		2,042,281	596,355
Returns on investments and servicing of finance	15	39,229	-
Taxation	15	(184)	-
Capital expenditure	15	(108,132)	(149,180)
		<u>1,973,194</u>	<u>447,175</u>
Management of liquid resources	15	<u>(1,807,978)</u>	-
Increase in cash in the year		<u>165,216</u>	<u>447,175</u>
Reconciliation of net cash flow to movement in net funds (Note 16)			
Increase in cash in the year		165,216	447,175
Cash outflow from increase in liquid resources		1,807,978	-
Change in net funds resulting from cash flows		<u>1,973,194</u>	<u>447,175</u>
Net funds at 1 January 2008		459,221	12,046
Net funds at 31 December 2008		<u>2,432,415</u>	<u>459,221</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

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 funding received from the Department of Education and Science and 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	-	25% straight line
Computer Software	-	10% 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.

1.5. Pensions

Payments made to the pension scheme are charged to the income and expenditure account in the period to which they relate. The Council's draft pension schemes have been submitted to the Department of Finance for approval.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1.6. Taxation and Deferred Taxation

The yearly charge for taxation is based on passive income for the year and is calculated with the reference to the tax rate applying on the balance sheet date. Deferred taxation is calculated on the differences between the Council's taxable surpluses and the results as stated in the financial statements that arise from the inclusion of surpluses and deficits in tax assessments in periods different from those in which they are recognised in the financial statements. The full deferred tax effect is recognised on differences between amounts funded and amounts charged to the income and expenditure account in relation to pensions and other post retirement benefits. In calculating the amount of deferred tax, discounting is used.

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.

3. Operating Surplus

	2008	2007
	€	€
Operating surplus is stated after charging:		
Depreciation	70,946	42,613
Auditors' remuneration	7,500	6,754
	78,446	49,367

4. Employees

	2008	2007
	Number	Number
Number of employees		
The average monthly numbers of employees during the year were:		
Office and management	41	25
	41	25

Employment costs

	2008	2007
	€	€
Wages and salaries	1,594,524	1,058,113
Social welfare costs	127,037	76,311
Recruitment costs	5,036	67,877
Other pension costs	337,543	239,372
Other payroll costs	41,511	19,525
	2,105,651	1,461,198

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

5. Pension Costs

The Council's draft pension schemes have been submitted to the Department of Finance for approval. The pension cost charge represents contributions payable by the Council to the fund and amount to €337,543 (2007: €239,372).

6. Taxation

	2008 €	2007 €
Current year taxation		
Income Tax	403	-
Prior years		
Income Tax	92	-
	<u>495</u>	<u>-</u>

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

7. Fixed Assets

	Fixtures & Fittings €	Computer Software €	Computer Equipment €	Total €
Cost				
At 1 January 2008	82,805	126,355	161,952	371,112
Additions	48,485	44,509	15,138	108,132
At 31 December 2008	<u>131,290</u>	<u>170,864</u>	<u>177,090</u>	<u>479,244</u>
Depreciation				
At 1 January 2008	6,952	8,723	40,485	56,160
Charge for the year	11,157	16,328	43,461	70,946
At 31 December 2008	<u>18,109</u>	<u>25,051</u>	<u>83,946</u>	<u>127,106</u>
Net book values				
At 31 December 2008	<u>113,181</u>	<u>145,813</u>	<u>93,144</u>	<u>352,138</u>
At 31 December 2007	<u>75,853</u>	<u>117,632</u>	<u>121,467</u>	<u>314,952</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

8. Investments

	Government Bonds	Total
	€	€
Cost		
At 1 January 2008	34,395	34,395
	<u>34,395</u>	<u>34,395</u>
At 31 December 2008	34,395	34,395
	<u>34,395</u>	<u>34,395</u>
Provisions for diminution in value:		
At 1 January 2008	-	-
Movement	-	-
	<u>-</u>	<u>-</u>
At 31 December 2008	-	-
	<u>-</u>	<u>-</u>
Net book values		
At 31 December 2008	34,395	34,395
	<u>34,395</u>	<u>34,395</u>

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

9. Debtors

	2008	2007
	€	€
Other debtors	92	-
	<u>92</u>	<u>-</u>

10. Current Asset Investments

	2008	2007
	€	€
Investment bonds	1,807,978	-
	<u>1,807,978</u>	<u>-</u>

The investment bonds relate to three-month fixed investment bonds held with ICS Building Society.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

11. Creditors: Amounts falling due within one year	2008	2007
	€	€
Trade creditors	-	22,847
Income tax	311	-
Other taxes and social security costs	2,948	1,879
Other creditors	592,200	254,057
Accruals	100,936	262,489
	<u>696,395</u>	<u>541,272</u>
	2008	2007
	€	€
Included in other taxes and social security costs:		
VAT	2,948	-
PAYE	-	1,879
	<u>2,948</u>	<u>1,879</u>

12. Reserves	General reserve	Designated reserve	Total
	€	€	€
Opening Reserves	267,296	-	267,296
Surplus for the year	1,855,349	-	1,855,349
Other movements	(300,000)	300,000	-
Closing Reserves	<u>1,822,645</u>	<u>300,000</u>	<u>2,122,645</u>

In accordance with the Council's financial strategy the designated reserves have been established as a contingency reserve to cover any significant costs arriving from legal challenge to any part of the Teaching 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 2008

13. Capital commitments

	2008	2007
	€	€

Details of capital commitments at the accounting date are as follows:

Approved for but not provided in the financial statements

	17,000	-
	<u> </u>	<u> </u>

The Council have approved the purchase of a service lift in the 2009 budget.

14. Controlling Parties

The Teaching Council is controlled by the Council Members. The Minister for Education and Science is the ultimate controlling party.

15. Gross Cash Flows

	2008	2007
	€	€

Returns on Investments and Servicing of Finance

Interest received

	39,229	-
	<u> </u>	<u> </u>

Taxation

Income tax paid

	(184)	-
	<u> </u>	<u> </u>

Capital Expenditure

Payments to acquire tangible assets

	(108,132)	(149,180)
	<u> </u>	<u> </u>

Management of Liquid Resources

Payments to acquire short term investments

	(1,807,978)	-
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2008

16. Analysis of Changes in Net Funds

	Opening balance €	Cash flows €	Closing balance €
Cash at bank and in hand	459,221	165,216	624,437
Liquid resource	-	1,807,978	1,807,978
Net funds	459,221	1,973,194	2,432,415

17. Approval of Financial Statements

The financial statements were approved by the Council on 22 June 2009 and signed on its behalf by



Patrick McQuaile
Chairperson

Date: 22 June 2009



Áine Lawlor
CEO/Director



AN CHOMHAIRLE MHÚINTEOIREACHTA
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