

Registered number: 06953650

Charity number: 1132122

NEW SCHOOLS NETWORK

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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NEW SCHOOLS NETWORK
(A company limited by guarantee)

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NEW SCHOOLS NETWORK
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017

Trustees	David Ross, Chair Sir Geoffrey Owen (resigned 1 March 2017) Barbara Harrison Barnaby Lenon Diana Berry Dr Jo Saxton (resigned 26 April 2017) Geoffrey Davies Justin Dowley Michael George Rory Macnamara (deceased 17 December 2016)
Company Registered Number	06953650
Charity Registered Number	1132122
Registered Office	8th Floor, Westminster Tower 3 Albert Embankment London England SE1 7SP
Company Secretary	Sigrun Olafsdottir
Senior Management Team	Toby Young, Director (appointed full time on 1 January 2017) Nick Timothy, Director (resigned 1 July 2016) Sarah Pearson, Director of External Affairs & Campaigns, Acting Director (2 July 2016 to 31 December 2016) (resigned 24 February 2017) Sigrun Olafsdottir, Director of Finance & HR Mike Crowhurst, Director of Education (resigned 20 February 2017) Cassandra Howe, Head of Advisory Service Emily Duncan, Head of Development Sophie Byrne, Head of the Open and Pre-Open Schools Team (appointed 21 February 2017)
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor 48 Dover Street Mayfair London W1S 4FF
Bankers	Lloyds Bank Plc 25 Gresham Street London England EC2V 7HN

NEW SCHOOLS NETWORK
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE COMPANY, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 MARCH 2017**

Advisers (continued)

Solicitors	Stone King LLP 16 St John's Lane London England EC1M 4BS
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NEW SCHOOLS NETWORK
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of New Schools Network (the charitable company) for the period 1 April 2016 to 31 March 2017.

The Trustees confirm that the Annual report and financial statements of the charitable company have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Structure, governance and management

Constitution

New Schools Network (NSN) is a company, limited by guarantee, and was set up by a Memorandum of Association on 6 July 2009, with charitable status established on 14 October 2009. It is governed by its Memorandum and Articles of Association.

The liability of each guarantor in the event of winding up is £1. At 31 March 2017, there were eight guarantor members (the Trustees) with two leaving us during this period as noted on page one.

Organisational structure and decision making

The management of the charitable company is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The NSN Board of Trustees are the Directors of the charity in accordance with the provisions of the Companies Act 2006. The appointment of new Trustees is made by resolution of the Board of Trustees. The policies and procedures adopted for the induction and training of new Trustees, are tailored to their individual needs, commensurate with their experience, ensuring that they understand their obligations and possess a sufficient knowledge as to how to discharge them. The Board of Trustees meet at least four times a year. They are responsible for directing all major strategic decisions of the charity. During this reporting period, the Board of Trustees accepted the resignation of Sir Geoffrey Owen and received the news that Rory Macnamara had died.

The Trustees undertook a governance review during the year and have established three new sub-committees to help manage risk – an audit committee, a remuneration committee, and a development committee to assist with fundraising efforts. Only Trustees are members of the first two committees but the development committee includes external partners, to expand NSN's fundraising reach.

The day to day management of the charity is the responsibility of the Senior Management Team. The Senior Management Team are considered to be the Key Management Personnel. Adjustments to their remuneration is approved by the remuneration committee.

Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finances of the charitable company, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

Objectives and Activities

Objectives

New Schools Network is an independent charity that aims to improve the quality of education in England, particularly for the most deprived, by helping to create good new schools within the state sector.

NEW SCHOOLS NETWORK
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Activities

NSN helps groups with a clear vision, a coherent education plan, a strong team and support from local parents to set up free schools, provided they can convince us that the schools they want to set up will be well above average. In particular, we want to help people set up good schools in disadvantaged parts of the country.

We provide a variety of support and are the go-to organisation for information about free schools. We have worked with more than half of the groups that have either opened free schools or been approved to open them since 2011.

In addition to providing groups with support during the application stage, including detailed feedback on their draft applications, we work with them during the pre-opening and post-opening stages. A dedicated team provides support to schools from the moment they are approved by the Department for Education through to their first Ofsted inspection three years after opening, and beyond.

Finally, NSN acts as an advocate for free schools. This involves campaigning at a national level to make the case for free schools and in local areas to encourage new applicants to open new schools where they are needed.

Achievements and performance

Going concern

The current grant funding from the Department for Education will end in September 2017 and will either be subject to a re-tendering process or the grant will be extended. The Trustees are confident that NSN will be able to submit a strong application. Should NSN be unsuccessful in its bid for funds, there are sufficient reserves and other sources of income to keep the organisation running for six to twelve months, subject to strategy. This period will allow the board to identify other sources of funding and undertake any necessary restructuring.

For this reason the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Our achievements

NSN continues to be the only charitable organisation providing free, high-quality advice and support to free school applicant groups. In total, we have advised more than half of all of the free schools that have either opened or been approved to open. When asked, 92% of our groups say they found our support helpful or very helpful.

NSN's work is split into three parts:

- We campaign to identify and encourage groups (especially new groups) to set up free schools – be they local employers, charities, sports clubs or existing outstanding schools;
- We provide intensive support and challenge through our Development Programme to groups that have the potential to open outstanding new schools;
- We work with groups after their schools have been approved to open and during their first years of operation to help them to be as successful as they can be.

Identifying and encouraging groups to set up schools. We take a research-led approach to identifying where new schools should be set up and which groups are best suited to do so.

NSN has established two permanent regional campaigns in the West Midlands and Greater Manchester. They were chosen because of a combination of basic need, history of educational under performance and high levels of deprivation. We campaigned in these regions to raise awareness of this need among charities, community organisations, schools, teachers, parents and employers to encourage groups to come forward to set up schools that will meet this need.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

NSN opened its first regional office in Manchester in 2016. Our presence in Manchester has given us a much better understanding of the educational landscape in the North, particularly the North West, and we are working with several groups that are submitting bids to open new schools.

In February 2017, NSN published a detailed analysis of the impact of the English Baccalaureate (EBacc) on the take up of arts GCSEs in schools, the first time it has published a report of this nature. It was launched at the National Portrait Gallery with the Rt Hon. Nick Gibb MP, Minister of State for School Standards, and the Rt Hon. Matthew Hancock MP, Minister of State for Digital and Culture, who co-wrote the foreword.

We have also continued to create and identify content to drive positive news coverage about free schools and to support individual free schools by providing alerts and template press releases that allow them to promote themselves.

Supporting groups to apply. NSN's Development Programme helps groups to develop the vision for their school. NSN's advice is available to anyone who contacts us, but we also provide more intensive support via our Development Programme. We provide access to specialist advice on governance, finance and curriculum development. We help new and existing groups hone their applications to the Department for Education.

Groups considering applying to open a school are invited to enrol on our Development Programme. They are interviewed by NSN and one of NSN's specialist advisers and we either accept the group onto the Programme or encourage them to bolster their expertise, education plan or need analysis and re-apply. Between 1 April 2016 and 31 March 2017, services offered on the Development Programme included:

- A personalised support plan developed by a dedicated named adviser.
- Education and finance specialist meetings.
- Training events and networking opportunities.
- Small funding grants to help with community engagement.
- Mock interviews.

During the period, there was one opportunity for groups to apply to the DfE in September 2016 (Wave 12), although we also worked with groups intending to apply in the next round (Wave 13). NSN welcomed 119 groups onto the Development Programme for Wave 12, the largest number of groups we have supported in one round.

The DfE announced the successful Wave 11 applicant groups in September 2016. Groups that worked with NSN in Wave 11 were more likely to be approved, 64% compared to 51% of groups that did not work with NSN. In total, 29 of the groups that we worked with were approved to open new schools. New providers that worked with NSN were three times more likely to be approved than those that did not. This reinforces how important our advocacy and support work is to allow more new providers to establish schools, alongside the growing and larger multi-academy trusts.

Helping schools succeed. NSN's Open and Pre-Open Schools Team supports groups in pre-opening and during their first few years. Launched in 2014, the team has developed a programme to assist schools in the time before they open and in the months and years that follow, as new schools face unique challenges. Services provided include:

- Large events at critical points during the period in which schools are in pre-opening.
- Opportunities to share and learn best practice through visits to thriving schools.
- Tailored surgery sessions on issues such as governance, site development and staff recruitment.
- A day-long launch event for groups that have been approved.
- A regular e-newsletter to all free schools to share news and advice.
- A library of online resources and services, including a supplier's directory.

NSN now has 25 permanent staff, two full time interns and 14 specialist advisers.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Academy Ambassadors

Since 2013, NSN has acted as an incubator to this non-profit programme. Funded primarily by the Department for Education it has a small income from philanthropic donations of less than £10k in 2016 – 17. Its purpose is to recruit senior business people to become non-executive directors of multi academy trust boards. Their aim is to ensure that academy boards are able to provide greater scrutiny and support and so drive improvements in performance and financial efficiency. Between 1 April 2016 and 31 March 2017, Academy Ambassadors facilitated 319 appointments of non-executive directors. NSN has been delighted to help this organisation develop and it has grown to a team of eight staff and five specialist consultant advisers within NSN.

The programme is grant-funded to September 2017 and a decision is expected from the DfE on whether to extend the grant or to re-tender for the service in 2017. The Trustees will decide whether they wish to submit a tender depending on the Department for Education specification, the grant available and the organisational priorities at the time.

Financial review

A surplus before depreciation of £2,496 was generated in the year (2016 - £45,089 for the seven month period). Reserves at the year end totalled £1,075,977 (2016 - £1,095,517) of which cash reserves totalled £992,299 (2016 - £1,221,485).

Financial and risk management objectives and policies

The Trustees consider risk during their regular meetings and regularly conduct reviews to ensure that robust systems are in place to assess and mitigate key risks – for example, the rise in costs such as rent, changes in government policy and the pressure on donors' charitable giving in the current economic climate.

Reserves policy

At the end of the reporting year, free reserves (i.e. excluding the value of fixed assets and restricted funds) were sufficient to cover over six months running costs, which is consistent with the level required to ensure continuity of services in the event of a loss or delay of funding and to maintain the ability to meet unforeseen costs. The Trustees are committed to maintaining sufficient reserves as is required and designate reserves specifically for this purpose.

Investment policy

New Schools Network seeks to produce the best financial return with a minimal level of risk.

Plans for the future

Future activity

Over the next year we will focus our resources on:

- Advocating for free schools and establishing NSN as an authoritative voice in education debates on the challenges facing our school system.
- Driving demand and applications for free schools in areas where low standards show new schools are needed.
- Remaining the first choice for all groups seeking advice on how to open a free school.
- Developing our support for open schools – providing networks and resources to help them succeed.
- Assessing the emerging evidence about which open free schools are the most effective so we can make sure we target the groups – and work with them on our Development Programme – that are most likely to set up good new schools.
- Intensifying our fundraising efforts.
- Developing an income-generating stream of work, in line with our charitable objectives, to improve the services we are able to offer and diversify our sources of income.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

In addition, NSN aims to be a continuously improving, professional, efficient, stable and sustainable organisation, through raising adequate funds from a range of charitable sources; increasing positive awareness of our work; and providing timely and accurate reporting.

Trustees' duties

The Trustees (who are also directors of New Schools Network for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgments and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Charity requires all Trustees and Senior Management to declare any business interests. Transactions are disclosed in the notes to the accounts.

Provision of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on

4/7/17



David Ross, Chair

NEW SCHOOLS NETWORK
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEW SCHOOLS NETWORK

We have audited the financial statements of New Schools Network for the year ended 31 March 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance Sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

NEW SCHOOLS NETWORK
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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NEW SCHOOLS NETWORK

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

48 Dover Street

Mayfair

London

W1S 4FF

Date: 25/7/17

NEW SCHOOLS NETWORK
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
INCOME FROM:					
Voluntary income	2	88,000	260,748	348,748	137,738
Charitable activities	3	-	2,126,512	2,126,512	1,191,722
Other trading activities	4	1,350	-	1,350	-
Investments	5	5,443	-	5,443	4,995
TOTAL INCOME		94,793	2,387,260	2,482,053	1,334,455
EXPENDITURE ON:					
Raising funds	7	42,778	3,000	45,778	8,314
Charitable activities		62,503	2,393,312	2,455,815	1,285,138
TOTAL EXPENDITURE	6	105,281	2,396,312	2,501,593	1,293,452
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(10,488)	(9,052)	(19,540)	41,003
NET MOVEMENT IN FUNDS		(10,488)	(9,052)	(19,540)	41,003
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,015,050	80,467	1,095,517	1,054,514
TOTAL FUNDS CARRIED FORWARD		1,004,562	71,415	1,075,977	1,095,517

All activities relate to continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

NEW SCHOOLS NETWORK
(A company limited by guarantee)
REGISTERED NUMBER: 06953650

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		21,794		25,268
CURRENT ASSETS					
Debtors	12	367,488		369,833	
Cash at bank and in hand		992,299		1,221,485	
		<u>1,359,787</u>		<u>1,591,318</u>	
CREDITORS: amounts falling due within one year	13	(305,604)		(521,069)	
NET CURRENT ASSETS			<u>1,054,183</u>		<u>1,070,249</u>
NET ASSETS			<u>1,075,977</u>		<u>1,095,517</u>
CHARITY FUNDS					
Restricted funds	14		71,415		80,467
Unrestricted funds	14		1,004,562		1,015,050
TOTAL FUNDS			<u>1,075,977</u>		<u>1,095,517</u>

The financial statements were approved by the Trustees on behalf, by:

4/7/17

and signed on their



David Ross, Chair

The notes on pages 13 to 23 form part of these financial statements.

NEW SCHOOLS NETWORK
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	16	<u>(210,624)</u>	<u>(221,941)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(18,562)</u>	<u>(3,324)</u>
Net cash used in investing activities		<u>(18,562)</u>	<u>(3,324)</u>
Change in cash and cash equivalents in the year		(229,186)	(225,265)
Cash and cash equivalents brought forward		<u>1,221,485</u>	<u>1,446,750</u>
Cash and cash equivalents carried forward	17	<u><u>992,299</u></u>	<u><u>1,221,485</u></u>

NEW SCHOOLS NETWORK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

New Schools Network meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.3 Company status

The charitable company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the charitable company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charitable company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charitable company of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charitable company which is the amount the charitable company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Costs of generating funds are costs incurred in attracting voluntary income.

All resources expended are inclusive of irrecoverable VAT.

1.7 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future, for the reasons set out in the Trustees' Report, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.8 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and equipment - 25% Straight Line

NEW SCHOOLS NETWORK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charitable company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pensions

The charitable company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charitable company to the fund in respect of the year.

NEW SCHOOLS NETWORK
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Donations	88,000	230,963	318,963	132,735
Gift Aid reclaimed on Donations	-	-	-	5,003
Donated consultancy services	-	29,785	29,785	-
	<u>88,000</u>	<u>260,748</u>	<u>348,748</u>	<u>137,738</u>

In 2016, of the total income from donations and legacies, £41,655 was to unrestricted funds and £96,083 was to restricted funds.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Grants	-	2,126,512	2,126,512	1,191,722

In 2016, of the total income from charitable activities, £nil was to unrestricted funds and £1,191,722 was to restricted funds.

Grant income relates to funding received from the Department for Education.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Hire of facilities	1,350	-	1,350	-

In 2016, of the total income from other trading activities, £nil was to unrestricted funds and £nil was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Bank interest	5,443	-	5,443	4,995

In 2016, of the total investment income, £4,995 was to unrestricted funds and £nil was to restricted funds.

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2017 £	Depreciation 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	41,367	-	4,411	45,778	8,314
Costs of generating funds	41,367	-	4,411	45,778	8,314
Charitable activities	940,673	22,036	1,493,106	2,455,815	1,285,138
	982,040	22,036	1,497,517	2,501,593	1,293,452

7. COSTS OF RAISING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Fundraising expenses	1,411	3,000	4,411	190
Fundraising staff costs	41,367	-	41,367	8,124
	42,778	3,000	45,778	8,314

In 2016, of the total voluntary income, £8,314 was to unrestricted funds and £nil was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. DIRECT COSTS

	Total 2017 £	7 month period 2016 £
Office costs	219,984	115,426
Media, communication and events	184,515	207,619
Telephone, website and IT costs	64,288	42,511
Consultancy costs	204,363	127,476
Development programme costs	185,465	66,083
NSN North	50,564	-
Other legal & professional fees	19,980	-
Open school support	43,120	16,348
Free schools & academy brokering	512,127	255,688
Governance costs	8,700	8,730
Wages and salaries	847,151	400,321
National insurance	85,813	40,850
Pension cost	7,709	-
Depreciation	22,036	4,086
	<u>2,455,815</u>	<u>1,285,138</u>

Consultancy costs includes gifts in kind of £29,785.

Direct costs includes grants paid to organisations and institutions of £194,229. This primarily relates to the Development Programme as set out in the Trustees' Report. None of the grants are individually material.

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2017 £	7 month period 2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	22,036	4,086
Auditor's remuneration - audit services	5,000	5,000
Auditor's remuneration - other services	2,800	2,800
Pension costs	7,947	-
	<u>37,783</u>	<u>11,886</u>

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2017 £	7 month period 2016 £
Wages and salaries	884,276	407,706
Social security costs	89,817	41,589
Other pension costs	7,947	-
	<u>982,040</u>	<u>449,295</u>

The average number of persons employed by the charitable company during the year was as follows:

	2017 No.	2016 No.
Management and Advisory	27	21
Administration	2	2
	<u>29</u>	<u>23</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

Key Management Personnel, being the Senior Management Team listed on page 1, received remuneration of £245,574.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

11. TANGIBLE FIXED ASSETS

	Furniture and equipment £
Cost	
At 1 April 2016	54,648
Additions	18,562
Disposals	(28,734)
	<u>44,476</u>
At 31 March 2017	
Depreciation	
At 1 April 2016	29,380
Charge for the year	22,036
On disposals	(28,734)
	<u>22,682</u>
At 31 March 2017	
Net book value	
At 31 March 2017	<u>21,794</u>
At 31 March 2016	<u>25,268</u>

12. DEBTORS

	2017 £	2016 £
Accrued income	334,428	334,745
Prepayments & other debtors	33,060	35,088
	<u>367,488</u>	<u>369,833</u>

13. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	305,604	521,069
	<u>305,604</u>	<u>521,069</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

13. CREDITORS: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 April 2016	513,569
Resources deferred during the year	-
Amounts released from previous years	(215,465)
	<u>298,104</u>
Deferred income at 31 March 2017	<u>298,104</u>

Income deferred at the year end relates to the Development Programme where funding is to be applied in future periods when appropriate groups are identified.

14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Designated funds				
Contingency Funds	750,000	-	-	750,000
General funds				
General Fund	265,050	94,793	(105,281)	254,562
Total Unrestricted funds	1,015,050	94,793	(105,281)	1,004,562
Restricted funds				
Government Grant	50,467	2,126,512	(2,117,476)	59,503
Other Restricted donations	-	45,283	(45,283)	-
Barclays Development Programme Grant	-	185,465	(185,465)	-
Etassian	30,000	30,000	(48,088)	11,912
	<u>80,467</u>	<u>2,387,260</u>	<u>(2,396,312)</u>	<u>71,415</u>
Total of funds	<u>1,095,517</u>	<u>2,482,053</u>	<u>(2,501,593)</u>	<u>1,075,977</u>

Unrestricted Funds

As levels of donations may be variable and there is no commitment to ongoing donations, the Trustees have established a contingency fund so as to ensure continuity of the charity's charitable activities. Included within the contingency fund are some unspent funds relating to resources received from donors.

General funds are resources available for use towards the fulfillment of any of the charity's charitable objectives at the discretion of the Trustees.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

14. STATEMENT OF FUNDS (continued)

Restricted Funds

Government Grant represents funds received from the DfE to support free school proposers. The carried forward represents the net book value of fixed assets acquired from the funds and other prepaid expenses.

Barclays Development Programme Grant represents funds donated by Barclays Bank plc to be used towards the "Development Programme".

Etassian have provided £60,000 in total to be utilised over a two year period. The funds donated are to be used for a specific project over two years.

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Designated funds	750,000	-	-	750,000
General funds	265,050	94,793	(105,281)	254,562
	<u>1,015,050</u>	<u>94,793</u>	<u>(105,281)</u>	<u>1,004,562</u>
Restricted funds	80,467	2,387,260	(2,396,312)	71,415
	<u>1,095,517</u>	<u>2,482,053</u>	<u>(2,501,593)</u>	<u>1,075,977</u>

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	7 month period 2016 £
Tangible fixed assets	1,314	20,480	21,794	25,268
Current assets	1,003,248	356,539	1,359,787	1,591,318
Creditors due within one year	-	(305,604)	(305,604)	(521,069)
	<u>1,004,562</u>	<u>71,415</u>	<u>1,075,977</u>	<u>1,095,517</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

**16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(19,540)	41,003
Adjustment for:		
Depreciation charges	22,036	4,086
Decrease/(increase) in debtors	2,345	(191,209)
Decrease in creditors	(215,465)	(75,821)
Net cash used in operating activities	(210,624)	(221,941)

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	992,299	1,221,485
Total	992,299	1,221,485

18. PENSION COMMITMENTS

During the year employer pension contributions paid into a defined contribution scheme amounted to £7,947 (2016 - £nil). Of this amount £nil (2016 - £nil) remained due at the year end.

19. OPERATING LEASE COMMITMENTS

At 31 March 2017 the charitable company had annual commitments under non-cancellable operating leases as follows:

	2017 £	2016 £
Amounts payable:		
Within 1 year	32,333	161,665

20. RELATED PARTY TRANSACTIONS

During the year £50,000 was donated by the David Ross Foundation. No restrictions were attached to the donation.