

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 2018

NEW SCHOOLS NETWORK
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018

Trustees	David Ross, Chair Barbara Harrison (resigned 9 January 2018) Barnaby Lenon Diana Berry (resigned 9 January 2018) Dr Jo Saxton (resigned 26 April 2017) Geoffrey Davies Justin Dowley Michael George (resigned 9 January 2018) Katharine Birbalsingh (appointed 9 January 2018) Andrew Law (appointed 9 January 2018) Sir Nicholas Weller (appointed 9 January 2018) Stephen de Heinrich (appointed 18 April 2018)
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	Mark Lehain, Interim Director (appointed 31 March 2018) Toby Young, Director (resigned 31 March 2018) Sigrun Olafsdottir, Director of Finance & HR Cassandra Howe, Head of Advisory Services & Outreach Emily Duncan, Head of External Relations Sophie Byrne, Head of the Open and Pre-Open Schools Team Kirsty Watt, Head of Academy Ambassadors Programme
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 CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2018**

Advisers (continued)

Solicitors	Stone King LLP 91 Charterhouse Street Clerkenwell London England EC1M 6HR
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NEW SCHOOLS NETWORK
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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 charity) for the year 1 April 2017 to 31 March 2018.

The Trustees confirm that the Annual report and financial statements of the charity 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).

The charity operates under the name of NSN.

Structure, Governance and Management

Constitution

The charity is a charitable 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 2018, there were seven guarantor members (the Trustees) with four leaving us during this period as noted on page one.

Organisational Structure and Decision Making

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

The Trustees are the directors in accordance with the provisions of the Companies Act 2006. The appointment of new trustees is made by resolution of the 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 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 Trustees accepted the resignation of Jo Saxton, Barbara Harrison, Diana Berry and Michael George and welcomed Sir Nicholas Weller, Andrew Law and Katharine Birbalsingh to the board. Stephen de Heinrich was welcomed to the board in April 2018.

The Trustees operates three sub-committees – 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 the charity's fundraising reach.

The day to day management of the charity is the responsibility of the Senior Management Team led by the Director. The members of the Senior Management Team are considered to be the key management personnel of the charity.

The remuneration committee recommends the Director's remuneration as well as general salary increases. The Director is not a trustee.

Related Parties

The charity requires all Trustees and key management personnel to declare any business interests. Related party transactions are disclosed in the notes to the accounts.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Risk Management

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

Objectives and Activities Objectives

The objects of the charity are to promote, through advice and assistance, the advancement of education in maintained charitable schools (within the meaning of the Education Acts) and academies (established in accordance with the Academies Act 2010 and any successor legislation), including by assisting with the creation of new schools of this sort, with a view to improving educational opportunities for young people and in particular those in necessitous circumstances.

Activities

The charity continues to be the only charitable organisation providing free, high-quality advice and support to free school applicants. Nowadays our work is split into four parts, and we:

- identify and encourage applicants (especially new applicants) to set up free schools – be they growing trusts, local employers, charities, sports clubs or existing outstanding schools;
- provide intensive support and challenge through our Development Programme to applicants that have the potential to open outstanding new schools;
- 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; and
- recruit experienced business leaders to the boards of Multi Academy Trusts.

We take a research-led approach to identifying where new schools should be set up and which groups are best suited to do so. Amongst other activities, to support this we have established a permanent outreach programme in Greater Manchester, and offer our Development Programme (DP) to high-potential applicants to develop the vision and plans for their school.

Between 1 April 2017 and 31 March 2018, 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; and mock interviews.

Due to the delay in the DfE launching wave 13 ultimately there was not an opportunity for applicants to apply to the DfE through the central application round, however we continued to support 97 applicants during the year, ahead of Wave 13 (for mainstream groups) and a special and alternative provision wave that will launch in summer 2018.

Also, following a successful pilot, we expanded the DP to "presumption free school" projects, to support strong applicants bidding to open and run Local Authority-commissioned free schools. We also piloted lead generation work across eight presumptions competitions launched by LAs across England in this time frame, contacting 39 potential proposers. The charity plans to continue this approach in the next financial year.

The charity's Delivery Team supports applicants in pre-opening and during their first few years of opening. Launched in 2014, the team has developed and formalised a programme of free support to assist schools in the time before they open, and the months and years that follow. This includes:

- 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 free schools and networking opportunities.
- A dedicated question-and-answer service via telephone and email, as well as tailored surgery sessions for open schools on issues such as governance, site development and staff recruitment.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

- Providing free intensive media and spokesperson training for all open free schools
- A regular e-newsletter to all open and pre-open free schools highlighting events, funding opportunities, policy updates, free school news and case studies.
- A library of online resources and tools, and discounted offers for free schools from education service providers.

The Academy Ambassadors programme specialises in multi-academy trust (MAT) board recruitment, introducing over 900 high-calibre leaders to voluntary trustee roles since forming in 2013. They provide pro-bono challenge, scrutiny, strategic direction and accountability on boards. This year the programme generated 405 appointments – a rise of 27%.

The recruitment of high-quality candidates was supported by ongoing partnerships with organisations including BT, CIPD, Lloyds Banking Group, nurole, the Institute of Directors, Mishcon de Reya, PwC and Rolls Royce. In 2017 new partnerships were formed with Santander, JP Morgan, Merlin Entertainments, Northern Powergrid and Pearson UK. The programme also works with organisations such as Women on Boards to support the recruitment of diverse candidates and 30%+ appointees have been women.

The programme also provided support for newly appointed board members, including induction and orientation materials, business breakfasts, informal advice and support and a major national conference. In 2017 the Board Development Day conference was attended by ~230 appointed non-executive directors and ~50 speakers.

Going Concern

The current grant funding from the Department for Education will end in March 2020 with a possible extension until 31 March 2021.

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

In total, we have advised two thirds of all of the free schools that have either opened or been approved to open. When asked, 96% of our groups say they found our support helpful or very helpful.

Our presence in Manchester has given us a much better understanding of the educational landscape in the North, particularly the North West, with free school applications in the target areas up by just over 40% from wave 11 to wave 12. Furthermore, the percentage of all applicants in these areas supported in the charity's Development Programme increased from 18% to 58% following the campaigning activity. This trend carried through to approval.

The charity's Development Programme supported only 33% of successful free school applicants across these two areas in Wave 11, but 53% in Wave 12. We continue to support proposals in these areas and will use similar outreach techniques to help identify new high-quality proposals in DfE education priority areas across England.

The DfE announced the successful Wave 12 applications in April 2017. Wave 12 saw the largest round of DP approvals ever with 49 DP projects approved into pre-opening. Applicants that worked with the charity were more likely to be approved than those who did not. Of the 111 groups approved in Wave 12, 76% had contact with the charity.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

The DfE, in conjunction with local authorities (LAs), ran competitions in 19 authorities across England. Only 14 of the 19 competitions had providers approved. On 29 March 2018 DfE announced that 14 new special schools were approved to open. The schools were approved through a new process called the Local Authority (LA) Commissioned Special Schools process. The Advisory Team provided support to 18 groups applying through this process. As a result a number of these trusts were competing against each other, and of the 14 successful trusts the charity supported 11.

In September 2017, the charity launched three paid for services for free schools in pre-opening wishing to procure more extensive support than the free support described above. The three services fill gaps in capacity and capability, providing a range of support options, from advisory services to project management, to prepare schools for a successful opening. The charity currently has five clients.

The Academy Ambassadors programme in the north of England saw a 360% increase in appointments in a focused drive of activity. New academy trusts and those in the critical stages of early growth were a particular focus. The South West also saw a 64% increase in appointments. In both regions the business community was enlisted to support education in more deprived, coastal and rural communities where there may not be ready access to the skills required by the board.

Improving the quality of board leadership is a priority for the programme and 24 Chair appointments across all regions were made during 2017/18, compared to 13 2016/17. A number of past participants were also promoted to Chair roles, marking the maturation of the programme and appointees having influence and impact.

In surveys of appointed non-executive trustees and trusts all said they would rate the service received from Academy Ambassadors as Good or Excellent. 1,062 potential board members were recruited across all regions during 2017/18. This 14% year-on-year growth in the number of candidates allowed the programme to present the highest-calibre of candidates for selection by trusts.

Financial Review

A surplus before depreciation of £122,211 was generated in the year (2017 - £2,496). Reserves at the year end totalled £1,190,017 (2017 - £1,075,977) of which cash reserves totalled £1,337,303 (2017 - £992,299).

The charity is grateful for the support of the Garfield Weston Foundation, the Blavatnik Family Foundation and all our other donors this year.

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 are required and designate reserves specifically for this purpose.

Investment Policy

The charity seeks to produce the best financial return with a minimal level of risk.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

Plans for the Future

Future Activity

Over the next year we will focus our resources on:

- Continuing to be an advocate for free schools and establishing the charity as an authoritative voice in education debates on the challenges facing our school system, and free schools in particular.
- Driving demand and applications for free schools in areas that have not fully benefited from the free school programme to date.
- Remaining the first choice for all groups seeking advice on how to open a free school.
- Identifying and sharing good practice on setting up and running a new school with open free schools and pre-opening projects (in any geographical area).
- Continuing to develop our fundraising efforts.
- Growing the income-generating services within the Delivery Programme for free schools in pre-opening that require more intensive advice and guidance prior to opening.
- Continuing to identify and match high-calibre leaders to pro-bono board roles at multi-academy trusts, while also supporting these board members to have greater influence and impact. We aim to build stronger trust boards that result in good governance, well-managed finances, reduced risk and improved educational outcomes for young people.

In addition, the charity 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' Responsibilities

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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 charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity 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 charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2018

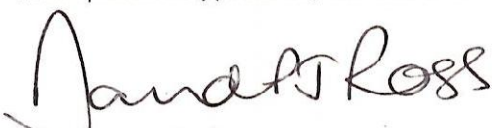
Provision of Information to Auditors

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 charity'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 charity's auditors in connection with preparing their report and to establish that the charity'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



David Ross, Chair

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

OPINION

We have audited the financial statements of New Schools Network (the 'charity') for the year ended 31 March 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

This report is made solely to the charity'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 charity'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 charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's 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:

NEW SCHOOLS NETWORK
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	245,850	160,092	405,942	348,748
Charitable activities	3	-	2,129,771	2,129,771	2,126,512
Other trading activities:					
Fundraising	4	2,700	-	2,700	1,350
Trading activities	5	18,742	-	18,742	-
Investments	6	5,858	-	5,858	5,443
TOTAL INCOME		273,150	2,289,863	2,563,013	2,482,053
EXPENDITURE ON:					
Raising funds	5,8	72,861	-	72,861	45,778
Charitable activities		147,305	2,228,807	2,376,112	2,455,815
TOTAL EXPENDITURE	7	220,166	2,228,807	2,448,973	2,501,593
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		52,984	61,056	114,040	(19,540)
NET MOVEMENT IN FUNDS		52,984	61,056	114,040	(19,540)
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,004,562	71,415	1,075,977	1,095,517
TOTAL FUNDS CARRIED FORWARD		1,057,546	132,471	1,190,017	1,075,977

The notes on pages 15 to 27 form part of these financial statements.

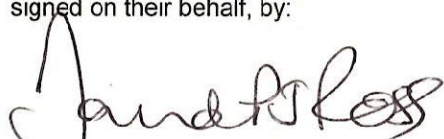
NEW SCHOOLS NETWORK
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REGISTERED NUMBER: 06953650

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		19,595		21,794
CURRENT ASSETS					
Debtors	13	349,916		367,488	
Cash at bank and in hand		1,337,303		992,299	
		<u>1,687,219</u>		<u>1,359,787</u>	
CREDITORS: amounts falling due within one year	14	(516,797)		(305,604)	
NET CURRENT ASSETS			<u>1,170,422</u>		<u>1,054,183</u>
NET ASSETS			<u>1,190,017</u>		<u>1,075,977</u>
CHARITY FUNDS					
Restricted funds	15		132,471		71,415
Unrestricted funds	15		1,057,546		1,004,562
TOTAL FUNDS			<u>1,190,017</u>		<u>1,075,977</u>

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on _____ and signed on their behalf, by:



David Ross, Chair

The notes on pages 15 to 27 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	<u>350,976</u>	<u>(210,624)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(5,972)</u>	<u>(18,562)</u>
Net cash used in investing activities		<u>(5,972)</u>	<u>(18,562)</u>
Change in cash and cash equivalents in the year		345,004	(229,186)
Cash and cash equivalents brought forward		<u>992,299</u>	<u>1,221,485</u>
Cash and cash equivalents carried forward	18	<u><u>1,337,303</u></u>	<u><u>992,299</u></u>

The notes on pages 15 to 27 form part of these financial statements.

NEW SCHOOLS NETWORK
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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 Company status

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

1.3 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 charity 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 charity 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.

1.4 Income

All income is recognised once the charity 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 charity 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 charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

1.5 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. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 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.

1.7 Tangible fixed assets and depreciation

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

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
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1.8 Interest receivable

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

NEW SCHOOLS NETWORK
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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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.

1.11 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 charity 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.

1.12 Financial instruments

The charity 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	245,850	160,092	405,942	318,963
Donated consultancy services	-	-	-	29,785
	<u>245,850</u>	<u>160,092</u>	<u>405,942</u>	<u>348,748</u>
<i>Total 2017</i>	<u>88,000</u>	<u>260,748</u>	<u>348,748</u>	

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3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Grants	-	2,129,771	2,129,771	2,126,512
<i>Total 2017</i>	-	2,126,512	2,126,512	

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

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	2,700	-	2,700	1,350
<i>Total 2017</i>	1,350	-	1,350	

5. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Delivery services	18,742	-	18,742	-
	18,742	-	18,742	-

6. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	5,858	-	5,858	5,443
<i>Total 2017</i>	5,443	-	5,443	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

7. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	59,961	-	12,900	72,861	45,778
Costs of raising funds	59,961	-	12,900	72,861	45,778
Charitable activities	1,078,371	8,171	1,289,570	2,376,112	2,455,815
	1,138,332	8,171	1,302,470	2,448,973	2,501,593
<i>Total 2017</i>	<i>982,040</i>	<i>22,036</i>	<i>1,497,517</i>	<i>2,501,593</i>	

8. COSTS OF RAISING FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising expenses	12,900	-	12,900	4,411
Fundraising staff costs	59,961	-	59,961	41,367
	72,861	-	72,861	45,778
<i>Total 2017</i>	<i>42,778</i>	<i>3,000</i>	<i>45,778</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. DIRECT COSTS

	Total 2018 £	Total 2017 £
Office costs	224,824	219,984
Media, communication and events	129,186	184,515
Telephone, website and IT costs	47,999	64,288
Consultancy costs	79,641	204,363
Development programme costs	34,532	185,465
NSN North	59,618	50,564
Other legal & professional fees	-	19,980
Open school support	78,638	43,120
Free schools & academy brokering	614,332	512,127
Governance costs	20,800	8,700
Wages and salaries	949,769	847,151
National insurance	89,082	85,813
Pension cost	39,520	7,709
Depreciation	8,171	22,036
	<u>2,376,112</u>	<u>2,455,815</u>
<i>Total 2017</i>	<u>2,455,815</u>	

Consultancy costs includes gifts in kind of £NIL (2017 - £29,785).

Direct costs includes grants paid to organisations and institutions of £34,532 (2017 - £194,229). This primarily relates to the Development Programme as set out in the Trustees' Report. None of the grants are individually material.

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	8,171	22,036
Auditor's remuneration - audit services	5,000	5,000
Auditor's remuneration - other services	2,800	2,800
Pension costs	40,863	7,947
	<u>56,834</u>	<u>37,783</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

11. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,002,993	884,276
Social security costs	94,476	89,817
Other pension costs	40,863	7,947
	1,138,332	982,040

Included within Wages and salaries is £55,000 relating to staff restructuring during the year.

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

	2018	2017
	No.	No.
Management and Advisory	30	27
Administration	2	2
	32	29

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	0	1
In the band £150,001 - £160,000	1	0

Remuneration of higher paid employees above includes staff restructuring costs of £55,000.

Key Management Personnel, being the Senior Management Team listed on page 1, received aggregate remuneration of £347,076 (2017 - £312,576).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. TANGIBLE FIXED ASSETS

	Furniture and equipment £
Cost	
At 1 April 2017	44,476
Additions	5,972
At 31 March 2018	<u>50,448</u>
Depreciation	
At 1 April 2017	22,682
Charge for the year	8,171
At 31 March 2018	<u>30,853</u>
Net book value	
At 31 March 2018	<u><u>19,595</u></u>
At 31 March 2017	<u><u>21,794</u></u>

13. DEBTORS

	2018 £	2017 £
Accrued income	275,610	334,428
Prepayments & other debtors	74,306	33,060
	<u><u>349,916</u></u>	<u><u>367,488</u></u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Accruals and deferred income	<u><u>516,797</u></u>	<u><u>305,604</u></u>
Deferred income		
Deferred income at 1 April 2017		298,104
Resources deferred during the year		185,000
Amounts released from previous years		<u>(34,532)</u>
Deferred income at 31 March 2018		<u><u>448,572</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

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. In addition donations and grants have been received which relate to the following financial year.

15. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Designated funds				
Contingency Fund	750,000	-	-	750,000
General funds				
General Fund	254,562	273,150	(220,166)	307,546
Total Unrestricted funds	1,004,562	273,150	(220,166)	1,057,546
Restricted funds				
Government Grants	59,503	2,129,771	(2,105,160)	84,114
Other Restricted Donations	-	125,560	(77,203)	48,357
Barclays Development Programme Grant	-	34,532	(34,532)	-
Etassian	11,912	-	(11,912)	-
	71,415	2,289,863	(2,228,807)	132,471
Total of funds	1,075,977	2,563,013	(2,448,973)	1,190,017

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 2018**

15. STATEMENT OF FUNDS (continued)

Restricted Funds

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

Other Restricted Donations include donations received where the donor has specified which part of the charity's activities are to benefit, or where funds have been raised as part of a specific fundraising campaign aimed at a specific part of the charity's activities.

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

Etassian provided £60,000 in total for a specific project to be utilised over a two year period. This funding has now been fully utilised.

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2017 £</i>
Designated funds				
Contingency Fund	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 Grants	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
	80,467	2,387,260	(2,396,312)	71,415
Total of funds	1,095,517	2,482,053	(2,501,593)	1,075,977

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Designated funds	750,000	-	-	750,000
General funds	254,562	273,150	(220,166)	307,546
	<u>1,004,562</u>	<u>273,150</u>	<u>(220,166)</u>	<u>1,057,546</u>
Restricted funds	71,415	2,289,863	(2,228,807)	132,471
	<u>1,075,977</u>	<u>2,563,013</u>	<u>(2,448,973)</u>	<u>1,190,017</u>

SUMMARY OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £	Income £	Expenditure £	Balance at 31 March 2017 £
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>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	348	19,247	19,595
Current assets	1,057,198	630,021	1,687,219
Creditors due within one year	-	(516,797)	(516,797)
	<u>1,057,546</u>	<u>132,471</u>	<u>1,190,017</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	1,314	20,480	21,794
Current assets	1,003,248	356,539	1,359,787
Creditors due within one year	-	(305,604)	(305,604)
	<u>1,004,562</u>	<u>71,415</u>	<u>1,075,977</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	114,040	(19,540)
Adjustment for:		
Depreciation charges	8,171	22,036
Decrease in debtors	17,572	2,345
Increase/(decrease) in creditors	211,193	(215,465)
Net cash provided by/(used in) operating activities	<u>350,976</u>	<u>(210,624)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at Bank	1,337,303	992,299
Total	<u>1,337,303</u>	<u>992,299</u>

19. PENSION COMMITMENTS

During the year employer pension contributions paid into a defined contribution scheme amounted to £40,863 (2017 - £7,947). Of this amount £5,543 (2017 - £nil) remained due at the year end.

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NOTES TO THE FINANCIAL STATEMENTS
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20. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	-	32,333
Between 1 and 5 years	329,220	-
Total	329,220	32,333

21. RELATED PARTY TRANSACTIONS

During the year £25,000 was donated by the David Ross Foundation. No conditions were attached to the donation. In addition a further £116,000 was donated by Trustees or related entities upon which no conditions were attached. £81,000 of the donations were restricted to specific activities of the charity.

During the year £15,622 was paid to Stone King LLP, a law firm to which G Davies provides consultancy services.

