

Naace
(A Company Limited by Guarantee)

Report and Financial Statements
for the year ending
30 June 2016

Charity Number: 1060683

Company Number: 03270148

Naace
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2016

The Trustees are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements 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 for Smaller Entities.

Having taken over from David Smith on his resignation during his year as Chair of the NAACE Board of Management (2016/17) it falls to me as Acting Chair to share with you the Trustees Report and Financial Accounts below.

Since the completion of these accounts in 2015/16 trading has continued to be challenging for NAACE and there has been an increasing draw down of our reserves in order to maintain our activities and services to members. During the year we have both attempted to control NAACE costs and increase revenue however, although much has been done by Board, Staff and NAACE Member volunteers we are yet to see any return on the investment of their time and effort and, due to a continuing sharp decline in membership, a deficit recovery plan was put in place which included organisational restructuring and monthly budgetary review. After careful consideration, a decision has been taken during the 2016/17 financial year to close NAACE Trading Ltd and transfer any assets appropriately from the company to the charity, NAACE. Having fulfilled their responsibility by taking this urgent step the focus of the Board is now on reviewing the parent charity, NAACE, with members, to ensure that it can maintain its aims in the interest of all the NAACE community. We encourage members to look for (through the web site and email) and take up the opportunity to be involved with the Board in determining the future of our association going forward.

Forward by Dr Carol Porter
Acting Chair of the Board of Management

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Report of the Trustees for the year ended 30 June 2016 – continued

Objectives and Activities

The objectives of the charitable company are to advance education through encouraging the appropriate and effective use of information and communication technology (ICT) and to offer support to those engaged in related activities. The objectives are achieved through the pursuance of major aims contained within the Strategic Plan. These are:

- By developing partnerships to support members and the wider education community.
- By developing products and services to members and to the wider education community.
- By developing reputation and influence.

Achievements to Date 2015/16

Over the past year Naace has continued to pursue activities that focus around the needs of members and on sharing the “voice” of members with national governments and with industry.

The Association has in the past year further developed the core parts of its business.

Membership

- Offered free membership to all in initial training to teach and on a number of other nationally recognised training programmes who are interested in using technology to enhance education. We have continued to work towards creating a more inclusive organisation.
- Offered subsidised membership to schools registering to use the Self Review Framework for school improvement, and negotiated a value offering from sponsoring partners that enables schools who wish to take advantage of these offers the chance to recover the cost of their Naace subscription.
- Developed further the Self Review Framework tool online – to help schools improve their ICT provision and to facilitate their access to the ICT Mark, and provided all members with free access to the tool as an added value membership service.
- Developed partnerships with other organisations to add services to members including, but not limited to, working with Fujitsu and Intel on their Ambassador programmes, and with DigitalMe on the Computing Badges and Open Badge Academy.
- Continued with the Naace ICT Impact Awards.
- Continued to update and improve the website to meet the requirements of its members and the public.
- Continued to engage with members by:
 - continuing to encourage members to actively take part in building the success of the Association by inviting them to volunteer their time and expertise to help in a number of tasks.

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Report of the Trustees for the year ended 30 June 2016 – continued

- Worked closely with Naace Fellows and Members to seek their views on various matters including, but not limited to,
 - Naace PDE
 - Naace SRF Review
 - Naace Open Badge Academy
 - Naace responses to government consultation
- In response to new market conditions:
 - provided a free-of-charge recruitment service on its website
 - bundled membership with attendance fees at major Naace events or within the fees of Naace products.

Accreditation and CPD

- Enhanced its role as a quality assurance agency by:
 - continuing to operate the ICT Mark
 - providing support to schools undertaking the accreditation, and support for assessors of that scheme
 - continuing a process towards achieving ISO 9001.
- Continued to offer and maintain resources inherited from Becta.
- Continued to be a host for the ICT Research Network.
- Continued to review the Naace Mark for Service Providers (“NMSP”) scheme, introducing additional benefits for NMSPs such as the opportunities to deliver some of Naace’s products and services.
- Developed Naace Regional Delivery Partners as a new opportunity for members to collaborate and cooperate in reaching schools with an improvement agenda focussed on the advantages of IT.
- Continued to support the 3rd Millennium Award to enable schools to demonstrate how they are providing an education fit for the 21st century.
- Continued the development of a Naace PDE accreditation of quality course event provision, tutors and course description.
- Continued to:
 - deliver high quality face-to-face professional development opportunities
 - make available to members blended learning experiences that extend learning opportunities
 - further enabled remote participation in face-to-face events through the use of online technology and social media.
- Encouraged and engaged members in research-based projects and CPD using methods including personal research, face-to-face, blended and online courses including e.g. The Primary ICT Subject Leaders Course.
- Revised Naace ICT Impact awards to celebrate successful work in ICT in schools and other organisations.

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Report of the Trustees for the year ended 30 June 2016 – continued

Partnership with the Industry

- Enhanced our relationship with industry to provide a unique partnership by:
 - hosting three education briefing events for sponsoring partners of Naace
 - new ways of engagement through new initiatives and marketing opportunities to maximise promotional opportunities for partners.
- Developed partnership products with sponsors such as the Naace Computing Badge.
- Encouraging sponsors to actively participate in Naace events including the Annual Conference and training events; inviting sponsors to help us in developing new offerings such as the Naace Essential Guides (e-Guides) which have been provided as a service to members.

Partnership with other Stakeholder Groups

- Collaborated with an increased number of schools across the UK.
- Encouraged schools to share their good practice and celebrate their success by participation in the 3rd Millennium agenda and entering for the Naace Impact Awards.
- Continued to develop relationships with new groups of schools including academies, free and independent schools offering them help and guidance.
- Actively engaged as a full member of the Council for Subject Associations.
- Worked with the RAEng to further the cause of Computer Education through the UK ForCE Group.
- To consider how good practice can be shared more readily Naace met with:
 - NAHT
 - CAS
 - BCS
 - BESA
 - MIRANDANET
 - ASCL
 - ISBA
 - in the UK; and
 - Continued its engagement with ISTE and overseas
 - Invited representatives from outside the UK to the Naace Annual Strategic Conference.

In addition, Naace has been actively engaged and continues to commit to the following:

- The effective use of online tools to extend interaction between members.
- Extended use by members of the Naace online community enabling greater sharing of knowledge and practice, collaboration on and contribution to Naace responses to key educational policies and papers.
- Acting as the voice of the community and contributing to influencing policy development including attendance at meetings including, but not limited to, the ETAG established by DFE, the English and Welsh Ministers for Education, Westminster Forums, the National Educational Network Managers Group, Stakeholder Groups for the English and Welsh National Curriculum review, review of the Self-Review Framework for ICT, and the Scottish ICT Development Group.

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Report of the Trustees for the year ended 30 June 2016 – continued

- Partnerships and projects with industry, research organisations and other bodies to expand member services and assist with the transformation process.
- Research and publication work including, but not limited to, the continuation of the Naace online journal, Advancing Education.

Attendance at trade shows including, but not limited to, NEEC, BETT, bMobLe, E2BN Conference, Frog Conference and SWGfL.

Public Benefit Statement

The Trustees have paid regard to the Charity Commission guidance on public benefit when deciding on activities to undertake and the focus they should take and believe they have met the legal requirement of S17 of the Charities Act 2011.

In particular, in assessing the contribution that Naace makes for public benefit, members of the public and other agencies were able to:

- Continue to apply membership for students, NQTs, other trainees and retired persons at significantly reduced or, more commonly, free rates.
- Access free of charge online training materials for all ICT practitioners.
- Freely download Naace's self-review documentation for organisations wishing to review their quality procedures.
- Freely download the self-review documentation for international schools looking to develop and review their systems.
- Access resources for the delivery of extensive primary classroom teaching materials.
- Host a Naace Advocates session and receive free training and a free DVD with valuable resources.
- Benefit from the delivery of consultation and review of policy for the advancement of computing/ICT.
- Receive support in developing strategies and policies for the advancement of computing/ICT in education.
- Receive opportunities for professional development through a broad range of engagements.
- Benefit from exchanges between agencies and suppliers to ensure value for money services for educational users such as the Microsoft Select Agreement for schools.
- Engage in a debate to ensure check and balance in the development of computing/ICT policy in education; attend free events drawing out the views of the community with regard to the future of technology and the development of a Computing Curriculum in schools.

Report of the Trustees for the year ended 30 June 2016 – continued

Additionally, Naace has:

- Worked with students from universities to develop their understanding of the new Computing Curriculum.

Financial Review

The results for the year are shown in the statement of financial activities on page 12.

Naace carries out many of its activities through its wholly owned subsidiary, Naace Trading Limited. The subsidiary company made a profit of £6,276 (2015: profit of £18,656), of which £6,276 (2015: £18,656) has been paid under Gift Aid to the charity.

The statement of financial activities shows net outgoing resources for the charity of £73,810 (2015: net outgoing resources £49,574).

At 30 June 2016 Naace had total funds of £317,200 (2015: £391,010).

The annual planning process revises the figure retained as a reserve in the light of staffing, commitments and operational costs at the time and in each annual business plan a “Reserves” figure will be identified according to this Policy. The Board therefore considers that the ideal level of reserves would be £500,000.

The actual free reserves that are those funds not tied up in fixed assets at 30 June 2016 were £292,284.

Reserves Policy

The Board have approved a Reserves Policy which underpins the use of unspent funds at the end of a financial year. Part of such funds are retained against the need, in exceptional and unforeseen circumstances, to wind down the charity in a managed and effective manner, taking account of legal and other commitments and obligations. The balance is transferred to the new financial year and is available for expenditure on meeting the aims and objectives of the charity.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the charitable company has the power to invest in any way the trustees’ wishes.

The Board, having regard to the liquidity requirements of delivering its objectives and to the reserves policy, have operated a policy of keeping available funds in an interest-bearing deposit account.

Plans for Future Periods

The Board aims to continue with the progress made on the strategic plan and to ensure the charitable company remains relevant nationally.

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Reference and Administrative Details

Charity Name: Naace

Governing Instruments: The Charity is a company incorporated in England, Limited by Guarantee and having no share capital. As such, it is governed by its Memorandum and Articles of Association.

Registered Charity Number: 1060683

Registered Company Number: 3270148

**Members of the Board
of Management (Trustees):**

A Allen (resigned March 2016)
D Buddie (appointed March 2013)
D McCormick (resigned March 2016)
O Bray (resigned June 2015)
D Smith (appointed March 2014)
C Porter (appointed March 2017)
C Preston (appointed March 2014)
D Whyley (co-opted March 2015)
N Madhavji (appointed March 2015)
L Searle (appointed March 2015)
M Berry (resigned March 2016)
S Johnson (appointed March 2016)
S Sharma (appointed March 2016)
M Bailey (appointed March 2016)
M Payton (appointed March 2016)
P Carroll (appointed March 2016)
D Vaughan (appointed March 2016)

Directors: D Vaughan
D Buddie
C Porter (chair)
M Payton

Secretary: M Payton

Chief Executive Officer: M Chambers

Registered Office: The University of Nottingham Innovation Park
The Sir Colin Campbell Building
Triumph Road
Nottingham
NG7 2TU

Bankers: National Westminster Bank Plc
309 High Street
West Bromwich
B70 8LX

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Report of the Trustees for the year ended 30 June 2016 – continued

Reference and Administrative Details (continued)

Solicitors: Anthony Collins
St Phillips Gate
5 Waterloo Street
Birmingham
B2 5PG

Independent Examiner: Mrs D J Lockwood
Ling Phipp
Chartered Accountants and Registered Auditors
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham
NG9 8AA

Structure, Governance and Management

Governing Document

Naace is a charitable company limited by guarantee, incorporated on 28 October 1996 and registered as a charity on 13 February 1997. It is governed by its Memorandum and Articles of Association as amended by special resolution dated 15 October 2003. In the event of the charitable company being wound up, members are required to contribute an amount not exceeding £1.

Naace has two legal statuses

Charitable Status

As defined by the Charity Commission, Naace is “An organisation set up exclusively for charitable purposes which carries out activities to achieve the advancement of education.”

Trading Status

Naace is not simply a charity. It also carries out commercial activities which are not covered by its charitable status, these are delivered by the subsidiary undertaking, Naace Trading Limited.

Responsibilities

The responsibilities for fulfilling obligations as a registered charity fall on the Naace Board of Management. Members of the Board are trustees as defined by the Charity Legislation.

Responsibility for Naace Trading falls within the remit of the Chair of the Board of Management.

Naace carries out all of its commercial duties within the specifications set out in the Articles and Memorandum of Association. The Chair of the Board of Management holds responsibility to ensure that the work of Naace falls within the remit contained within these documents.

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Report of the Trustees for the year ended 30 June 2016 – continued

Members of the Board of Management are elected by a vote of the membership conducted by online ballot. All elections are conducted according to a 'first past the post' system as defined by the Electoral Reform Society. The Chair of the Board of Management is elected by the membership and takes office in their third year.

Members of the Board of Management are also registered as members of the company. The number of members is unlimited.

Trustee Induction and Training

Induction and training for all Trustees takes place at the annual induction event. At this event, full information packs containing details of strategic priorities, structure, policies, procedures, regulations and codes of practice are distributed for future reference.

Board of Management

The Board of Management is responsible for the overall strategic direction of Naace, for monitoring activity against the Articles and Memorandum of Association, for scrutiny and approval of the Naace Strategic Plan and associated Actions Plans, and for risk assessment and management.

Chief Executive Officer

The Chief Executive Officer leads the Core Team and has overall responsibility for the services provided by the team. He also provides support to the Board of Management.

Sub-Committees

The Board of Management has the power to create sub-committees drawn from the membership to undertake particular tasks on a voluntary basis where their expertise is particularly valued. The Conference sub-committee is one example which arranges annually the Naace Strategic Conference.

Risk Management

All major risks to which the charity and trading subsidiary are exposed, as identified by the Trustees, are reviewed on a quarterly basis and systems and procedures are in place to manage those risks.

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Trustees' Responsibilities in relation to the Financial Statements

The Trustees (who are also directors of Naace 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 which 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 group 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that 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.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015) and in accordance with the provisions applicable to companies entitled to small company exemptions.

The auditors, RSM UK Audit LLP, were not re-appointed at the Annual General Meeting and the board also passed a resolution to no longer require the accounts to be audited. Mrs D J Lockwood of Ling Phipp Chartered Accountants was appointed as Independent Examiner at the Annual General Meeting.

On behalf of the Board of Trustees of Naace.


.....
Dr C Porter (Chair)

22.3.2017
.....
Dated

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Independent Examiner's Report
to the Trustees of Naace

I report on the accounts of the company for the year ended 30 June 2016 which are set out on pages 12 to 21.

Respective Responsibilities of the Trustees and Examiner

The Trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to an audit under part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- Examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- To state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention;

- which gives me reasonable cause to believe that, in any material respect, the requirements:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) have not been met, or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
D. J. Lockwood
Diane Lockwood ACA FCA ATT (Fellow)
Independent Examiner
Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham
NG9 8AA

Date: 23.3.2017

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**Statement of Financial Activities
for the Year Ended 30 June 2016**

	<u>Note</u>	<u>Unrestricted Funds</u>	
		<u>2016</u> £	<u>2015</u> £
Income			
Charitable Activities	3	133,309	166,885
Investment income	2	<u>431</u>	<u>501</u>
Total incoming resources		<u>133,740</u>	<u>167,386</u>
Expenditure			
Expenditure on charitable activities	4	87,974	92,836
Support costs	5	<u>119,576</u>	<u>124,124</u>
Total resources expended		<u>207,550</u>	<u>216,960</u>
Net incoming resources	6	(73,810)	(49,574)
Reconciliation of funds			
Fund balances brought forward at 1 July 2015		<u>391,010</u>	<u>440,584</u>
Fund balances carried forward at 30 June 2016		£ <u>317,200</u>	£ <u>391,010</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

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Balance Sheet as at 30 June 2016

	<u>Note</u>	<u>2016</u> £	<u>2015</u> £
Fixed Assets			
Tangible assets	10	24,914	27,815
Investments	18	<u>2</u>	<u>2</u>
		<u>24,916</u>	<u>27,817</u>
Current Assets			
Debtors	11	21,482	38,339
Cash at bank		<u>346,529</u>	<u>402,570</u>
		368,011	440,909
Creditors: amounts falling due within one year	12	<u>(75,727)</u>	<u>(77,716)</u>
Net Current Assets		<u>292,284</u>	<u>363,193</u>
Net Assets		<u>317,200</u>	<u>391,010</u>
Reserves			
Unrestricted funds	14	<u>317,200</u>	<u>391,010</u>
		£ <u>317,200</u>	£ <u>391,010</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies for the year ended 30 June 2016.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2016 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) Ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) Preparing financial statements which give a true and fair view of the statement of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 14 to 20 were approved by the Board of Directors and authorised for issue on 22nd March 2017.



 Dr C Porter
 Director

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Notes to the Accounts for the year ended 30 June 2016

1. Basis of Preparation

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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern

Despite the inherent risks associated with future funding, as well as certain costs and the generally difficult economic climate, the Trustees have prepared a cash flow forecast for the twelve month period following the date of approval of these financial statements which demonstrates that the charity has sufficient cash to continue to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

Incoming Resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received, and all the monetary value of incoming resources can be measured with sufficient reliability. Incoming resources represent the amount derived from the provision of services which fall within the ordinary activities, stated gross or net of Value Added Tax as appropriate.

Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when the charitable company becomes unconditionally entitled to the grant.

Investment income is recognised on a receivable basis.

Provision is made for amounts due to the charity at the year end date (see note 11).

Gifts in Kind

Assets given for use by the charity are recognised as incoming resources when received at a reasonable estimate of their value to the charity. Assets are depreciated over their expected useful lives.

Donated Services and Facilities

Donated services or facilities are recognised as income 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 by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and 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.

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Notes to the Accounts for the year ended 30 June 2016 - continued

1. Basis of Preparation – continued

Resources Expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for beneficiaries. It includes both costs that can be allocated directly to such activities and those cost of an indirect nature necessary to support them.

Support and governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Operating Leases

Rental charges are charged on a straight line basis over the term of the lease.

Defined Contribution Pension Scheme

Contributions are charged to expenditure as they become payable in accordance with the rules of the scheme.

Tangible Fixed Assets

Individual fixed assets costing over £150 are capitalised at cost.

Depreciation of fixed assets is charged by annual instalments commencing with the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

Office equipment	7 years – straight line
Computer equipment	4 years – straight line

Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1.

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Notes to the Accounts for the year ended 30 June 2016 - continued

2. Investment Income and Interest

	<u>2016</u>	<u>2015</u>
	£	£
Investment income	431	501

3. Income from Charitable Activities

	<u>2016</u>	<u>2015</u>
	£	£
Membership Fees	55,084	80,769
Gift Aid	6,276	18,656
Sponsorship	57,694	65,368
Educational projects and programmes	14,255	2,092
	£ 133,309	£ 166,885

4. Expenditure on Charitable Activities

	<u>2016</u>	<u>2015</u>
	£	£
Educational projects and programmes		
Project and delivery costs	11,181	15,553
Staff costs	76,793	77,283
	£ 87,974	£ 92,836

5. Support and Governance Costs

	<u>2016</u>	<u>2015</u>
	£	£
Staff costs	66,365	66,379
Overheads	41,343	44,715
Board/constitution costs	3,935	2,037
Professional fees	7,933	10,993
	£ 119,576	£ 124,124

6. Net Incoming Resources

	<u>2016</u>	<u>2015</u>
	£	£
Net incoming resources are stated after charging:		
Depreciation of fixed assets – owned assets	11,901	7,723
Operating lease rentals		
- land and buildings	11,045	21,087
- plant and machinery	1,640	1,367
Auditor's remuneration		
- in respect of audit services	-	5,750
Independent Examination Fees	1,800	-
	£ 18,386	£ 24,927

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Notes to the Accounts for the year ended 30 June 2016- continued

7. Employees

	<u>2016</u>	<u>2015</u>
	£	£
Staff costs		
Wages and salaries	127,807	125,615
Social security costs	6,221	7,157
Pension	9,130	9,876
Agency costs	-	1,014
	<u>£ 143,158</u>	<u>£ 143,662</u>
 Average number of full time equivalent employed	<u>6</u>	<u>6</u>

The charity employed the following number of staff at annual salaries above
£60,000:

	<u>2016</u>	<u>2015</u>
	£	£
Salary band £60,001 to £70,000 pa	<u>1</u>	<u>1</u>

Pension contributions of £Nil were accrued in 2015/16 in respect of this employee (2014/15: £Nil).

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund during the year. An amount of £959 (2015: £2,112) was held due to the pension company at the year end date.

8. Directors/Trustees

No remuneration is paid to any member of the Board of Management (Trustees). Expenses reimbursed to 7 board members during the year (2015: 7) amounted to £3,696 (2015: £1,983). Trustees' indemnity insurance charged during the year totalled £515 (2015: £470).

9. Taxation

The company is a registered charity and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

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Notes to the Accounts for the year ended 30 June 2016 - continued

10. Fixed Assets

	<u>Computer Equipment</u> £	<u>Office Equipment</u> £	<u>Total</u> £
Cost			
At 1 July 2015	55,512	13,952	69,464
Additions	9,000	-	9,000
At 30 June 2016	<u>64,512</u>	<u>13,952</u>	<u>78,464</u>
Depreciation			
At 1 July 2015	27,697	13,952	41,649
Charge for the year	11,901	-	11,901
At 30 June 2016	<u>39,598</u>	<u>13,952</u>	<u>53,550</u>
Net Book Value			
At 30 June 2016	<u>24,914</u>	<u>-</u>	<u>24,914</u>
At 30 June 2015	<u>27,815</u>	<u>-</u>	<u>27,815</u>

11. Debtors: amounts falling due within one year

	<u>2016</u> £	<u>2015</u> £
Trade debtors	7,135	10,935
Provision for bad debts	(2,250)	(7,390)
Other debtors	959	2,112
Amount due from subsidiary undertaking	11,511	27,161
Prepayments and accrued income	4,127	5,521
	<u>21,482</u>	<u>38,339</u>

12. Creditors: amounts falling due within one year

	<u>2016</u> £	<u>2015</u> £
Trade creditors	6,948	4,831
Other taxation and social security	4,587	3,414
Accruals	5,297	8,580
Deferred income (note 13)	58,895	60,891
	<u>75,727</u>	<u>77,716</u>

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Notes to the Accounts for the year ended 30 June 2016 - continued

13. Deferred Income

	<u>2016</u>	<u>2015</u>
	£	£
Balance at 1 July 2015	60,891	96,354
Released to incoming resources	(60,891)	(96,354)
Amount deferred in the year	<u>58,895</u>	<u>60,891</u>
Balance at 30 June 2016	<u>58,895</u>	<u>60,891</u>

Deferred income represented income received in advance of the period to which it relates.

14. Reserves (Unrestricted)

	<u>2016</u>	<u>2015</u>
	£	£
At 1 July 2015	391,010	440,584
Net outgoing resources for the year	<u>(73,810)</u>	<u>(49,574)</u>
At 30 June 2016	<u>317,200</u>	<u>391,010</u>

15. Share Capital

The company is a company limited by guarantee, having no share capital. In the event of the company being wound up, each person who is at that time a member, or has ceased to be a member within one year of that date, is liable to contribute to the company such amount as may be required not exceeding £1.

16. Financial Commitments

The following commitments fall due under non-cancellable operating leases:

	<u>2016</u>	<u>2015</u>
	£	£
Land and buildings:		
Within one year	11,405	11,405
Plant and machinery:		
Within two to five years	<u>1,640</u>	<u>1,367</u>

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Notes to the Accounts for the year ended 30 June 2016 - continued

17. Related Party Transactions

During the year the following trustees and their associated businesses invoiced for consultancy work provided to the group:

	<u>2016</u> £	<u>2015</u> £
A Allen (Outstream Ltd)	3,570	250
S Shaw	-	240
R Broadie	-	1,338
S Johnson	1,000	-
	<u>4,570</u>	<u>1,828</u>

Amounts due to these individuals at the year end:

R Broadie	-	250
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D Smith a previous chair of the charity is employed by London Borough of Havering, an agreement has been made to reimburse London Borough of Havering for 26 days work from March 2016 to compensate his employer. In the year an accrual is provided for March to June 2016 for £3,300.

Naace Trading Limited, 100% owned trading subsidiary of Naace, operated an inter-company account during the year to share joint costs and to transfer monies. The balance on the inter-company account at 30 June 2016 was £11,511 (2015: £27,161).

18. Investment in Subsidiary

The charity owns the only two shares in Naace Trading Limited representing effectively a 100% holding. The principal activity of Naace Trading Limited is the promotion of information and communications technology throughout education. A summary of the results of Naace Trading Limited is shown below.

	<u>2016</u> £	<u>2015</u> £
Income	326,856	280,987
Cost of sales	259,612	157,774
Gross profit	67,244	123,213
Other income	83	54

The aggregate of the assets, liabilities and funds was:-

Assets	117,310	125,053
Liabilities	103,205	109,859
Reserves	14,105	15,194
Investment in subsidiary at cost - £1 ordinary share	2	2

19. Group Accounts

The company has taken advantage of examples provided by the Charities Act 2011 in not preparing Group Accounts on the basis that the group qualifies as a small group.