

Naace
(A Company Limited by Guarantee)

Report and Financial Statements
for the year ending
30 June 2017

Charity Number: 1060683

Company Number: 03270148

Naace
(A Company Limited by Guarantee)

Report of the Trustees for the year ended 30 June 2017

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 30 June 2017 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 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015).

Due to significant financial pressure, it became necessary during 2016/17 to undertake a complete rationalisation of the Naace organisation to ensure its future sustainability. This included the closure of the Naace central office in Nottingham and removal of the associated staff. This has resulted in some of the previous services to be put on hold and under review for the 12 month period such as:

- Naace Impact award
- Naace Regional Conference (cancelled as not financially viable due to poor numbers)
- Further development of Naace PDE accreditation
- Research based projects

The key priorities for the board over the next year are:

- To engage with membership about the future of Naace by holding a series of hub meetings to ensure that we have an organisation moving forward that meets the needs of its membership
- To ensure the smooth running of the SRF and ICT accreditation programme and support schools in this process
- To ensure the smooth running of the 3MLA accreditation programme and support schools in this process
- To produce and make available to all members the Naace Advancing Education Journal
- Resolve ongoing issues since migration to the new website
- Ensure that Naace has a robust financial control system to allow for careful and strategic budget planning
- To continue to forge partnership with other key educational partners to ensure that we influence the development of national education technology strategies and play a key role in the successful implementation of the same.

Forward by Steve Moss
Chair of the Board of Management

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Report of the Trustees for the year ended 30 June 2017 – 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 2016/17

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 or **subsidised** 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.
- 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.
- 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.
- Worked closely with Naace Membership to seek their views on various matters including, but not limited to,
 - Naace future
 - Naace SRF Review
 - Naace responses to government consultation

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Report of the Trustees for the year ended 30 June 2017 – continued

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
- Continued to offer and maintain resources inherited from Becta.
- Continued to operate the 3rd Millennium Award to enable schools to demonstrate how they are providing an education fit for the 21st century.
- Continued to review the Naace Mark for Service Providers (“NMSP”) scheme,
- Continued to review the Naace Regional Delivery Partners programme

Partnership with the Industry

- Continued to review our relationship with Industry to ensure that it is focussed solely on helping us to achieve our charitable objectives.

Partnership with other Stakeholder Groups

- Collaborated with schools across the UK.
- Encouraged schools to share their good practice and celebrate their success by participation in the 3rd Millennium award.
- Continued to develop relationships with new groups of schools including academies, free and independent schools offering them help and guidance.
- Actively engaged with Council for Subject Associations.
- 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

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Report of the Trustees for the year ended 30 June 2017 – continued

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.
- 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, E2BN Conference, 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 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.
- Benefit from the delivery of consultation and review of policy for the advancement of computing/ICT.

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Report of the Trustees for the year ended 30 June 2017 – continued

- 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.

Financial Review

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

Naace carried out many of its activities through its wholly owned subsidiary, Naace Trading Limited. The subsidiary company ceased to trade in March 2017 and is currently in the process of being liquidated.

The statement of financial activities shows net outgoing resources for the charity of £129,370 (2016: net outgoing resources £73,810).

At 30 June 2017 Naace had total funds of £187,830 (2016: £317,200).

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 £50,000.

The actual free reserves that are those funds not tied up in fixed assets at 30 June 2017 were £164,017.

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.

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Report of the Trustees for the year ended 30 June 2017 – continued

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. (ASK Steve or Diane if it is accurate).

Plans for Future Periods

The Board aims to continue to maintain its focus on the strategic plan and to ensure the charitable company remains relevant nationally through the continued development of and support for the SRF/ICT Mark and 3MLA and the Advancing Education journal.

Due to significant financial pressure, it became necessary during 2016/17 to undertake a complete rationalisation of the Naace organisation to ensure its future sustainability. This included the closure of the Naace central office in Nottingham and removal of the associated staffing. This has resulted in some of the previous services to be put on hold and under review for this 12-month period such as

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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: 03270148

Members of the Board of Management (Trustees): D Buddie
D Smith
C Porter
C Preston
D Whyley
N Madhavji
L Searle
S Johnson
S Sharma
M Bailey
M Payton
P Carroll
D Vaughan
S Moss (appointed 18 July 2017)

Directors: S Moss (chair) (appointed 19 September 2017)
M Payton (appointed 23 February 2017) (resigned 18 September 2017)
D Buddie (resigned 24 March 2016)
C Porter (resigned 18 September 2017)
C Preston (appointed 19 September 2017)
D Vaughan (appointed 28 February 2017)

Secretary: Not Appointed

Chief Executive Officer: M Chambers (left September 2017)

Registered Office: Cliffe Hill House
22-26 Nottingham Road
Stapleford
Nottingham NG9 8AA

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 2017 – 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 2017 – 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 and in accordance with the special provisions of the Companies Act 2006 applicable to companies entitled to small company exemptions.

On behalf of the Board of Trustees of Naace.

.....
S Moss (Chair)

.....
Dated

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Independent Examiner's Report
to the Trustees of Naace

I report to the Charity Trustees on my examination of the accounts of the company for the year ended 30 June 2017.

Responsibilities and Basis of Report

As the Charity's Trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Company are not required to be audits under part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your Charity's accounts as carried out under Section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5)(b) of the 2011 Act.

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act;
or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

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

Date:

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Statement of Financial Activities
for the Year Ended 30 June 2017

| | <u>Note</u> | <u>Unrestricted Funds</u> | |
|--|-------------|---------------------------|------------------|
| | | <u>2017</u> £ | <u>2016</u> £ |
| Income | | | |
| Charitable Activities | 3 | 101,714 | 133,309 |
| Investment income | 2 | <u>186</u> | <u>431</u> |
| Total incoming resources | | <u>101,900</u> | <u>133,740</u> |
| Expenditure | | | |
| Expenditure on charitable activities | 4 | 119,974 | 87,974 |
| Support costs | 5 | <u>111,596</u> | <u>119,576</u> |
| Total resources expended | | <u>231,570</u> | <u>207,550</u> |
| Net incoming resources | 6 | (129,670) | (73,810) |
| Reconciliation of funds | | | |
| Fund balances brought forward at 1 July 2016 | | <u>317,200</u> | <u>391,010</u> |
| Fund balances carried forward at 30 June 2017 | | £ <u>187,530</u> | £ <u>317,200</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 2017

| | <u>Note</u> | <u>2017</u> £ | <u>2016</u> £ |
|---|-------------|------------------|------------------|
| Fixed Assets | | | |
| Intangible Assets | 10 | 10,800 | - |
| Tangible assets | 11 | 13,013 | 24,914 |
| Investments | 19 | - | 2 |
| | | 23,813 | 24,916 |
| Current Assets | | | |
| Debtors | 12 | 9,004 | 21,482 |
| Cash at bank | | 194,998 | 346,529 |
| | | 204,002 | 368,011 |
| Creditors: amounts falling due within one year | 13 | (40,285) | (75,727) |
| Net Current Assets | | 163,717 | 292,284 |
| Net Assets | | 187,530 | 317,200 |
| Reserves | | | |
| Unrestricted funds | 15 | 187,530 | 317,200 |
| | | £ 187,530 | £ 317,200 |

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 2017.

The members have not required the charitable company to obtain an audit of its financial statements for the year ended 30 June 2017 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.

The financial statements on pages 14 to 20 were approved by the Board of Directors on and were signed on its behalf by:

.....
S Moss
Director

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Notes to the Accounts for the year ended 30 June 2017

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

a) 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 applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) 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).

b) Preparation of accounts on a going concern basis

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.

The Charity meets the definition of a public benefit entity under FRS102.

Reconciliation with Previous Generally Accepted Accounting Practice

In preparing the accounts, the directors have considered whether in applying the accounting policies required by the FRS102 and the Charities SORP FRS102 the restatement of comparative items was required.

No restatement was required.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. During this year following the closure of the trading company there have been reorganisation costs and internal restructuring has taken place within the charity. The reserves held are available to support the continuing activities of the charity during this period of change.

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 12).

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.

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Notes to the Accounts for the year ended 30 June 2017 - continued

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.

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.

Intangible Assets

The cost of the Self Review Framework Tool is written off over a 10 year period.

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 2017 - continued

2. Investment Income and Interest

| | <u>2017</u> | <u>2016</u> |
|-------------------|-------------|-------------|
| | £ | £ |
| Investment income | 186 | 431 |

3. Income from Charitable Activities

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| Membership Fees | 35,853 | 55,084 |
| Gift Aid | - | 6,276 |
| Sponsorship | 44,720 | 57,694 |
| Educational projects and programmes | 19,166 | 14,255 |
| SRF Fees | 1,975 | - |
| | £ 101,714 | £ 133,309 |

4. Expenditure on Charitable Activities

| | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|
| | £ | £ |
| Educational projects and programmes | | |
| Project and delivery costs | 26,782 | 11,181 |
| Staff costs (including redundancy pay see note 7) | 93,192 | 76,793 |
| | £ 119,974 | £ 87,974 |

5. Support and Governance Costs

| | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|
| | £ | £ |
| Staff costs (including redundancy pay see note 7) | 69,292 | 66,365 |
| Overheads | 32,664 | 41,343 |
| Board/constitution costs | 6,418 | 3,935 |
| Professional fees | 3,220 | 7,933 |
| Write off cost of subsidiary investment (see note 19) | 2 | - |
| | £ 111,596 | £ 119,576 |

6. Net Incoming Resources

| | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|
| | £ | £ |
| Net incoming resources are stated after charging: | | |
| Depreciation of fixed assets – owned assets | 11,901 | 11,901 |
| Amortisation of SRF Tool | 1,200 | - |
| Operating lease rentals | | |
| - land and buildings | 8,550 | 11,045 |
| - plant and machinery | - | 1,640 |
| Independent Examination Fees | 2,100 | 1,800 |

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Notes to the Accounts for the year ended 30 June 2017 - continued

7. Employees

| | <u>2017</u> | <u>2016</u> |
|--|-------------|-------------|
| | £ | £ |
| Staff costs | | |
| Wages and salaries (including redundancy pay of £21,556) | 129,844 | 127,807 |
| Social security costs | 14,768 | 6,221 |
| Pension | 17,872 | 9,130 |
| | £ 162,484 | £ 143,158 |
| Average number of full time equivalent employed | <u>6</u> | <u>6</u> |

During the year redundancies were undertaken leaving staff on the payroll at 30 June 2017 totalling 2.

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

| | <u>2017</u> | <u>2016</u> |
|-----------------------------------|-------------|-------------|
| | £ | £ |
| Salary band £60,001 to £70,000 pa | <u>1</u> | <u>1</u> |

Payments made to key personnel in the year totalled £69,292.

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 £224 (2016: £959) 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 10 board members during the year (2016: 7) amounted to £6,322 (2016: £3,696). Trustees' indemnity insurance charged during the year totalled £719 (2016: £515).

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.

10. Intangible Assets

| | <u>Self Review</u> <u>Framework</u> <u>Tool</u> |
|----------------|---|
| Cost | 12,000 |
| Amortisation | 1,200 |
| NBV at 30.6.17 | <u>10,800</u> |

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Notes to the Accounts for the year ended 30 June 2017 - continued

11. Fixed Assets

| | <u>Computer Equipment</u> £ | <u>Office Equipment</u> £ | <u>Total</u> £ |
|-----------------------|------------------------------------|----------------------------------|-------------------|
| Cost | | | |
| At 1 July 2016 | 64,512 | 13,952 | 78,464 |
| Additions | - | - | - |
| At 30 June 2017 | <u>64,512</u> | <u>13,952</u> | <u>78,464</u> |
| Depreciation | | | |
| At 1 July 2016 | 39,598 | 13,952 | 53,550 |
| Charge for the year | 11,901 | - | 11,901 |
| At 30 June 2017 | <u>51,499</u> | <u>13,952</u> | <u>65,451</u> |
| Net Book Value | | | |
| At 30 June 2017 | <u>13,013</u> | - | <u>13,013</u> |
| At 30 June 2016 | <u>24,914</u> | - | <u>24,914</u> |

12. Debtors: amounts falling due within one year

| | <u>2017</u> £ | <u>2016</u> £ |
|--|------------------|------------------|
| Trade debtors | 6,860 | 7,135 |
| Provision for bad debts | - | (2,250) |
| Other debtors | - | 959 |
| Amount due from subsidiary undertaking | - | 11,511 |
| Prepayments and accrued income | 2,144 | 4,127 |
| | <u>9,004</u> | <u>21,482</u> |

13. Creditors: amounts falling due within one year

| | <u>2017</u> £ | <u>2016</u> £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 5,036 | 6,948 |
| Other taxation and social security | 609 | 4,587 |
| Accruals | 2,100 | 5,297 |
| Deferred income (note 13) | 32,316 | 58,895 |
| Other Creditors | 224 | - |
| | <u>40,285</u> | <u>75,727</u> |

Naace
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Notes to the Accounts for the year ended 30 June 2017 - continued

14. Deferred Income

| | <u>2017</u> | <u>2016</u> |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Balance at 1 July 2016 | 58,895 | 60,891 |
| Released to incoming resources | (58,895) | (60,891) |
| Amount deferred in the year | 32,316 | 58,895 |
| Balance at 30 June 2017 | 32,316 | 58,895 |

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

15. Reserves (Unrestricted)

| | <u>2017</u> | <u>2016</u> |
|-------------------------------------|-------------|-------------|
| | £ | £ |
| At 1 July 2016 | 317,200 | 391,010 |
| Net outgoing resources for the year | (129,670) | (73,810) |
| At 30 June 2017 | 187,530 | 317,200 |

16. 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.

17. Financial Commitments

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

| | <u>2017</u> | <u>2016</u> |
|-----------------------------|-------------|-------------|
| | £ | £ |
| Land and buildings: | | |
| Within one year | - | 11,405 |
| Plant and machinery: | | |
| Within two to five years | - | 1,640 |

The charity ceased to rent the premises and assets at 31 March 2017 when the trading subsidiary ceased to trade.

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Notes to the Accounts for the year ended 30 June 2017 - continued

18. Related Party Transactions

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

| | <u>2017</u> | <u>2016</u> |
|-------------------------|-------------|--------------|
| | £ | £ |
| A Allen (Outstream Ltd) | 63 | 3,570 |
| S Johnson | 451 | 1,000 |
| | <u>514</u> | <u>4,570</u> |

D Smith was the chair of the charity and is employed by London Borough of Havering, an agreement was made to reimburse London Borough of Havering for 26 days work from March 2016 to compensate his employer, for the period March to June 2016 for an amount of £3,300 (2017 : NIL).

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 2017 was £NIL (2016: £11,511). The trading subsidiary known as Naace Trading Ltd ceased to trade on 31 March 2017 and is now in liquidation. The value of the asset is written off to nil, no recharge for payroll after 31 March 2017 were made or monies transferred.

Before its closure Naace Trading Ltd sold to Naace the Self Review Framework Tool as an arm's length transaction for £12,000. Income was transferred to the charity to complete the Maple Contract of £13,830.83 which has now been achieved. There are no outstanding balances between the entities at 30 June 2017.

19. Investment in Subsidiary

The charity owned 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>2017</u> | <u>2016</u> |
|---------------|-------------|-------------|
| | £ | £ |
| Income | - | 326,856 |
| Cost of sales | - | 259,612 |
| Gross profit | - | 67,244 |
| Other income | - | 83 |

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

| | | |
|--|-----|---------|
| Assets | - | 117,310 |
| Liabilities | - | 103,205 |
| Reserves | - | 14,105 |
| Investment in subsidiary at cost - £1 ordinary share | NIL | 2 |

The company known as Naace Trading Ltd is now in liquidation, the liquidators appointed on 24 April 2017 to deal with this are Elwell Watchorn and Saxton LLP (Nottingham office).

20. Group Accounts

The company took advantage of examples provided by the Charities Act 2011 in not preparing Group Accounts on the basis that the group qualified as a small group in 2016.