

REGISTERED COMPANY NUMBER: 03549029 (England and Wales)
REGISTERED CHARITY NUMBER: 1070331

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015
FOR
NATIONAL GOVERNORS' ASSOCIATION

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

NATIONAL GOVERNORS' ASSOCIATION

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FOR THE YEAR ENDED 31 MARCH 2015**

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NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03549029 (England and Wales)

Registered Charity number
1070331

Registered office
7th Floor
36 Great Charles Street
Birmingham
West Midlands
B3 3JY

Trustees

Stephen Adamson	- Resigned 15 November 2014
Judith Bennett	- Resigned 15 November 2014
Margaret Bull	
Ian Courtney	
Terry Douris	- Resigned 15 November 2014
Nigel Brent Fitzpatrick	
Michael David Greenacre	- Resigned 15 November 2014
David Harries	- Appointed 15 November 2014
Peter Duncan Haworth	- Resigned 15 November 2014
Siddique Hussain	
Andrew Kent	- Resigned 15 November 2014
Nicolette Joan Lamont	
Charles Patrick Lowe	- Resigned 15 November 2014
Frederick Manning	
Susan Marsh	- Resigned 15 November 2014
Frank Ridley	- Resigned 15 November 2014
Brenda Steel	- Resigned 15 November 2014
Richard Thompson	- Resigned 15 November 2014
Dr Harry Ziman	- Resigned 15 November 2014

During the year the Articles of Association were amended to reduce the Board of Directors from eighteen elected members to a maximum of nine elected directors (see page 2 for further information).

Company secretary
Gillian Allcroft

Chief executive
Emma Knights

Senior statutory auditor
Peter Smith ACA

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditors

J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

Bankers

HSBC Bank
130 New Street
Birmingham
West Midlands
B2 4JU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The National Governors' Association is a company limited by guarantee (registered number 03549029) which was incorporated on 20 April 1998 and which achieved charitable status on 1 July 1998 (registered number 1070331).

The Association was established under a Memorandum of Association which established the objects and powers of the Association and is governed under its Articles of Association.

In the event of the Association being wound up members are required to contribute an amount not exceeding £1.

Recruitment and appointment of new trustees

The governance of the company is the responsibility of the Directors who are elected and appointed under the terms of the Articles of Association. Under charity law the directors are deemed to be trustees of the charity.

The articles were amended at an EGM on 14 June 2014 to reduce the Board of Directors from eighteen elected members to a maximum of nine elected Directors and then up to four further co-opted Directors. All nine places were open for election by postal ballot during the autumn and seven directors were duly elected from the AGM on 15 November 2014.

Each December the Board of Directors appoints, from its members, four or five honorary officers: the Chair, one or two vice-chairs, Treasurer and Honorary Secretary.

The current Board will continue in office until the next Annual General Meeting of the Association to be held on 14 November 2015. The board has carried out a skills audit and is now in the process of co-opting additional members to fill the identified gaps in experience and knowledge.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the Association are set out in the notes to the financial statements.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New board members undergo an induction training session before their first board meeting to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the schedule and structure of meetings, board protocols and the organisation's strategic plan. This is usually led by the Chair of NGA and its Chief Executive, but this year in the absence of a Chair after the AGM, this was conducted by the Chief Executive and the Company Secretary.

During the session, which takes place at the NGA's office, new trustees meet the staff of the organisation and are briefed on their roles. A Trustees' section of the NGA's website contains past and forthcoming papers, relevant policies and other useful resources.

Organisational structure

The Directors met four times during the year as a full board to confirm a strategic plan to guide the organisation's work, and to monitor its implementation. In addition, until November 2014, Directors served on committees covering finance and business development, communications, and policy. From December the smaller Board decided it has no need for committees and that all issues would be considered by the full Board with the exception of staffing issues which remain the province of the Officers' group.

Operational implementation of the strategic objectives is delegated to a Chief Executive, Emma Knights, who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. To facilitate effective operations, the Chief Executive also has authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and service delivery.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The Chief Executive reviews the risk assessment at regular intervals and reports on any changes in this risk assessment to the Board.

Progress against the objectives in the three-year strategic plan now forms the basis of the exception reporting by the Chief Executive to each meeting of the Board. The annual budget, first considered before the start of each financial year, is agreed by the Board at its April meeting and is monitored through quarterly reports to trustees. Internal risks are minimised by sound financial procedures.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

OBJECTIVES AND ACTIVITIES

Objectives and aims

The National Governors' Association aims to improve the well-being of children and young people by promoting high standards in our schools and by improving the effectiveness of their governing bodies. This is done by:

- o Providing information and advice to school governors
- o Extending the understanding and practice of good school governance
- o Ensuring that the voices of school governors are heard
- o Being recognised as the leading organisation concerning school governance, exercising influence through high quality policy publications and communications and through appropriate partnerships
- o Being a resilient, well-managed and successful organisation through effective internal operations, sound financial management and the development of the Association, its business and its people

NGA represents and supports governors and trustees from all state-funded schools, both maintained schools and academies.

Membership of the NGA is open to Governing Bodies (at a standard and a GOLD rate), to Associations of Governing Bodies (normally covering a local authority area but independent of the local authority), to individual governors, and to public authorities and companies who have an interest in school governance.

Ensuring our work delivers our aims

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help. The review also helps us to ensure that our aims, objectives and activities remain focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The focus of our work

The focus of the National Governors' Association continues to be the improvement of the well-being of children and young people through the encouragement and maintenance of good school governance via the provision of support and information to school governors.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

ACHIEVEMENT AND PERFORMANCE

Charitable activities

How our activities deliver public benefit

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit, including the guidance on public benefit and fee charging.

All of our charitable activities focus on our ability to encourage and maintain good school governance through the provision of information and support to school governors.

Key achievements and successes during the period include the following:

The annual survey of NGA members carried out in October 2014 showed continued high satisfaction with both membership services and the priced publications, *Welcome to Governance* and *The Chair's Handbook*. The price for non-members has been maintained for five years at £10 and for members the cost of the 2014 editions was reduced to £5. *Welcome to Governance* remains the most widely used induction guide for school governors in England.

Two of the key elements of the membership package, the bi-monthly magazine *Governing Matters* and the e-newsletter sent to members each Friday during term-time, continue to be very well received. The number of calls to the GOLD advice line continues to increase as the number of GOLD members grows. Legal advice is given in partnership with legal firm Browne Jacobson.

The NGA's website was altered over the summer to improve a number of the features, in particular the search facility and access from mobiles, and to create a guidance centre by integrating the members' area with freely available information. Additional material has been developed for the guidance centre.

Two national conferences for members were held during the year, June 2014 in London and November 2014 in Birmingham; both were full to capacity. Regional meetings were held for members in Autumn 2014 and Spring 2015. In addition we held three free regional conferences -Bradford and Stansted in October 14, and Taunton in March 15 - as well as our second conference for chairs of local associations in May 14. We also continue to provide speakers for many national and local events on school governance.

We opened our biennial awards for Outstanding Governance in September 2014 and entries for both outstanding Governing Boards and Clerks were shortlisted and then visited by judges before an awards ceremony being held in the House of Commons in 2015/16.

Our second research report *The move beyond effective: Key themes for local authority governor services from the 2013/14 Ofsted school improvement inspections* was published in February 2015 and launched at a conference supported by the Local Government Association. As well as our annual survey with TES, we also worked with the University of Bath to publish in May *the State of School Governing in England 2014*.

NGA continues to be represented at many Department for Education (DfE) meetings, both round-tables and bi-laterals. Three of the key DfE standing groups on which we are represented are the Education Forum, the Advisory Group on Governance, and the School and Academy Funding Group. The NGA responded to all relevant formal consultations, and gave oral evidence on a number of occasions, including to the House of Commons Education select committee, the Public Accounts Committee, and the STRB (School teachers' Review Board). We act as the secretariat of the All-party Parliamentary Group on Education Governance and Leadership, which issued a new edition of 20 questions for governing boards to ask themselves and a the first edition of 21 questions for multi-academy trusts to ask themselves. We were pleased for the first time to co-host fringe discussions at each of the then three main political party conferences

We also work with a large numbers of partners to further the aims of our members and to improve the effectiveness of governing boards. In January 2015 we published a *Framework for Governance* with the Wellcome Trust which has been widely distributed and welcomed.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

ACHIEVEMENT AND PERFORMANCE

Charitable activities

We were one of the founding members of the Inspiring governors alliance, coordinated by the Education & Employment Taskforce, to encourage volunteering as governors and provide a web portal for prospective volunteers. Its launch in May 2014 provided a appearance on Radio 4's Today programme for NGA's Chief executive; another was provided by the "Trojan Horse" affair. Emma Knights was involved in Birmingham City Council's review group and the NGA provided informed comment on the implications for governing boards across England.

Our Leading Governance partnership with the Eastern Leadership Centre (ELC) continues to grow in its third year, delivering the National College's Chairs' Development Programme, their governors' workshop and most recently the Clerks' Development programme in many areas of the country. We thank Jacqueline McCamphill from ELC for her sterling role in co-ordinating our partnership.

The NGA training & consultancy team piloted under Clare Collins' leadership was confirmed by the Board as an established part of our offer in June 2014 and the service has gone from strength to strength, developing new approaches such as a peer review for governing boards, reviews for multi-academy trusts and a 360 degree review for chairs of governing boards. The NGA does not aim to make any surplus from this service, but just to cover the cost both of the team of freelance consultants and our staff time. The work also provides useful insight to the guidance needed for governing boards to help them improve.

Due to increasing membership numbers, we were able to further increase our staff team - first with the arrival in September 2014 of four graduate trainees, two for the advice team, and two other information officers to work on projects, as well as supporting local associations and training events. To accommodate the growing staff team we moved onto the 7th Floor of 36 Great Charles Street.

But then as members joined NGA at a faster rate than our ambitious targets, we recruited for three more posts: Head of Information; Head of Communications and Marketing, and Head of Training Development, in addition to the Head of Advice. However their salaries did not take effect until the last couple of weeks of this financial year. Furthermore the budget set for 2015-16 allows for the recruitment of a Business Development Manager as well as two more graduate trainees.

The current staff group are:

Administrative Officer: Ravinder Banger
Advice Officer: Rani Kaur
Chief Executive: Emma Knights
Deputy Chief Executive Policy Manager: Gillian Allcroft
Finance Officer (part-time): Lisa Richards
Head of Advice: vacant (Christine Attfield replacing Philip Wood from August 2015)
Head of Communications & Marketing: Francey Smith
Head of Information: Sam Henson
Head of Training Development: Paul Aber
Information officers: Fay Holland, Katie Everett; Niki Gardham & Tom Fellows
Membership officer Adele Cotterill and Anicka Bashir: (job-share)
Office Manager: Victoria Stokoe
PA to the Chief Executive and PR assistant: Mark Gardner
Research & Information Officer: Ellie Howarth

The board would like to thank the staff group for their continued hard work and support during the year.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

FINANCIAL REVIEW

Reserves policy

The National Governors' Association has a reserves policy to help secure the Association's viability beyond the immediate future and to provide reliable services over the longer term.

In the trustees' opinion, as at 31 March 2015, the Association requires reserves totalling £200,000 of which £110,000 would represent the current legal requirements for any potential redundancies and settling of leases.

The Association's Board reconsider the level of any legal requirements in the event of any potential winding-up of the Association annually..

Financial review

The Statement of Financial Activities for the year ended 31 March 2015 shows total incoming resources of £999,149 (2014 - £760,431) and total resources expended of £899,289 (2014 - £661,627), generating net incoming resources of £99,860 (2014 - £98,804).

Membership subscriptions, our principle source of income, increased by some 35% during the year ended 31 March 2015 from £547,442 to £738,138 which was almost all due to an increase in membership numbers and type recorded during the year ended 31 March 2015 compared to the year ended 31 March 2014.

Membership fees	2013/14	2014/15	2015/16
Standard GB	£72	£75	£77
GOLD GB	£260	£260	£260
Corporate	£288	£288	£288
Individual	£36	£37	£38

Furthermore, during the year ended 31 March 2015, training and consultancy income has continued to represent a significant source of income for the Association.

Publications income continues to be a significant source of income for the Association, although it reduced slightly mainly due to prices being reduced and because more members were entitled to them free as part of their GOLD membership.

Principal funding sources

We would like to take this opportunity to thank those partners who promoted NGA membership alongside their own services during the year, in particular Cheshire East Council, Derby City Council, Derby Teaching School Alliance, Hackney Learning Trust, Halton Borough Council, Knowsley Council, Leicestershire County Council, Oxfordshire County Council, Peterborough City Council, Sandwell Association of Governing Bodies, Stockport Metropolitan Council, Swindon Borough Council, Warrington Borough Council and Wirral Borough Council.

In addition we received funding from seven sponsors: gel; modern governor; PS Financials; Target Tracker; TES Prime, Towergate education and Zurich Municipal.

Investment policy and objectives

The Directors have full powers under the Memorandum of Association to make investments on behalf of the charity. The Directors having regard to the liquidity requirements of the NGA's operations have operated a policy of keeping available funds in short-term interest-bearing deposit accounts, and seek to achieve the best available market return on such deposits, commensurate with the requirement for absolute security of capital.

NATIONAL GOVERNORS' ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2015

FUTURE DEVELOPMENTS

NGA's top priority over the coming year is to extend our reach to schools which are not currently engaged with our work to order to improve governance. To achieve this, in 2015/16 we need to focus on:

- improving the extent and scope of our guidance centre, while continuing to ensure the quality of all our services;
- continuing to raise our profile across the education sector;
- exploring new and innovative routes for extending our services and the influence of our expertise, for example, with a training offer available to governing boards who are currently not availing themselves of high quality training, and
- developing a meaningful 10th anniversary campaign.

Although we are increasing our training and consultancy offer, serving the members of NGA will remain at the heart of our work.

Given the surplus achieved in 2014/15, the Directors have set a deficit budget for the financial year 2015/16 based on a review of the NGA's activities and its strategic priorities, which will invest in the organisation while seeing its membership growth continue and so avoiding a structural deficit in future years.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of National Governors' Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, J W Hinks LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

NATIONAL GOVERNORS' ASSOCIATION

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2015**

Approved by order of the board of trustees on 23 June 2015 and signed on its behalf by:



Ian Courtney - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NATIONAL GOVERNORS' ASSOCIATION

We have audited the financial statements of National Governors' Association for the year ended 31 March 2015 on pages twelve to twenty. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NATIONAL GOVERNORS' ASSOCIATION**

Matters on which we are required to report by exception

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

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



Peter Smith ACA (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
West Midlands
B15 3BH

23 June 2015

NATIONAL GOVERNORS' ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2015

		Unrestricted fund £	Restricted fund £	2015 Total funds £	2014 Total funds £
INCOMING RESOURCES					
	Notes				
Incoming resources from generated funds					
Activities for generating funds	2	25,433	-	25,433	40,033
Investment income	3	1,494	-	1,494	552
Incoming resources from charitable activities					
Income from charitable activities	4	<u>972,222</u>	<u>-</u>	<u>972,222</u>	<u>719,846</u>
Total incoming resources		999,149	-	999,149	760,431
RESOURCES EXPENDED					
Charitable activities					
Charitable activities	5	541,303	-	541,303	398,424
Support costs	6	355,386	-	355,386	259,299
Governance costs	7	<u>2,600</u>	<u>-</u>	<u>2,600</u>	<u>3,904</u>
Total resources expended		899,289	-	899,289	661,627
NET INCOMING RESOURCES		99,860	-	99,860	98,804
RECONCILIATION OF FUNDS					
Total funds brought forward		265,359	-	265,359	166,555
TOTAL FUNDS CARRIED FORWARD		<u>365,219</u>	<u>-</u>	<u>365,219</u>	<u>265,359</u>

The notes form part of these financial statements

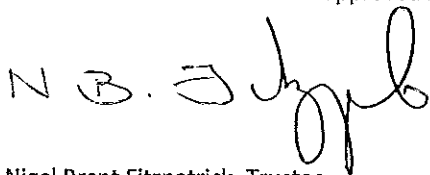
NATIONAL GOVERNORS' ASSOCIATION

BALANCE SHEET
AT 31 MARCH 2015

	Notes	Unrestricted fund £	Restricted fund £	2015 Total funds £	2014 Total funds £
FIXED ASSETS					
Tangible assets	12	3,614	-	3,614	8,131
CURRENT ASSETS					
Stocks		4,251	-	4,251	6,612
Debtors	13	85,750	-	85,750	57,744
Cash at bank		<u>303,978</u>	-	<u>303,978</u>	<u>252,722</u>
		393,979	-	393,979	317,078
CREDITORS					
Amounts falling due within one year	14	(32,374)	-	(32,374)	(59,850)
NET CURRENT ASSETS		<u>361,605</u>	-	<u>361,605</u>	<u>257,228</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>365,219</u>	-	<u>365,219</u>	<u>265,359</u>
NET ASSETS		<u>365,219</u>	-	<u>365,219</u>	<u>265,359</u>
FUNDS					
Unrestricted funds	16			365,219	265,359
Restricted funds				-	-
TOTAL FUNDS				<u>365,219</u>	<u>265,359</u>

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 April 2008).

The financial statements were approved by the Board of Trustees on 23 June 2015 and were signed on its behalf by:



Nigel Brent Fitzpatrick -Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the Association charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grant income, where entitlement is not conditional on the delivery of a specific performance by the Association, is recognised when the Association becomes unconditionally entitled to the grant. Where related to performance and specific deliverables, grant income is accounted for as the Association earns the right to consideration by performance.

Subscriptions income is accounted for on a received basis.

RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33.3% on cost

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

Contributions to the personal pension schemes of certain employees are charged to the Statement of Financial Activities in the period in which they relate. The assets of these personal pension schemes are held separately from those of the Association in independently administered funds.

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES - continued

TAXATION

The Association is exempt from corporation tax on its charitable activities.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

COMPANY STATUS

The Association is a company limited by guarantee and the members of the company are the trustees named in the Report of the Trustees.

In the event of the Association being wound up the liability in respect of the guarantee is limited to £1 per member of the Association.

2. ACTIVITIES FOR GENERATING FUNDS

	2015	2014
	£	£
Advertising and sponsorships	<u>25,433</u>	<u>40,033</u>

3. INVESTMENT INCOME

	2015	2014
	£	£
Bank interest receivable	<u>1,494</u>	<u>552</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015	2014
	Income from charitable activities	Total activities
	£	£
Membership fees	738,138	547,442
Project income	11,248	13,036
Training and consultancy income	149,534	81,625
Publications income	65,036	73,088
Miscellaneous income	<u>8,266</u>	<u>4,655</u>
	<u>972,222</u>	<u>719,846</u>

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

5. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2015	2014
	£	£
Staff costs	231,434	188,291
Training and consultancy expenses	117,255	53,302
Project costs	6,608	8,462
Conferences and regional meeting expenses	52,485	55,118
Members' magazine expenses	84,271	60,265
Other publication costs	19,692	15,984
Representation expenses	17,928	8,842
Business development costs	<u>11,630</u>	<u>8,160</u>
	<u>541,303</u>	<u>398,424</u>

6. SUPPORT COSTS

	2015	2014
	Support costs	Total activities
	£	£
Wages	135,552	124,240
Social security	11,642	10,798
Pensions	7,475	5,922
Office rent and services	46,974	34,853
Marketing and publicity	2,565	12,537
Insurance	1,774	1,513
Professional development	8,606	2,793
Office expenses	48,654	34,933
IT equipment and expenses	17,866	17,388
Trustees' expenses	6,076	5,093
Other support costs	63,684	4,301
Depreciation of tangible fixed assets	<u>4,518</u>	<u>4,928</u>
	<u>355,386</u>	<u>259,299</u>

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

7. GOVERNANCE COSTS

	2015	2014
	£	£
Legal fees	-	1,304
Auditors' remuneration	<u>2,600</u>	<u>2,600</u>
	<u>2,600</u>	<u>3,904</u>

8. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2015	2014
	£	£
Auditors' remuneration	2,600	2,600
Depreciation - owned assets	<u>4,517</u>	<u>4,929</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2015 nor for the year ended 31 March 2014.

TRUSTEES' EXPENSES

During the year ended 31 March 2015 19 trustees (2014 - 15) were reimbursed a total of £6,076 (2014 - £5,093) for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the Association.

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

10. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	337,533	287,341
Social security costs	31,370	27,335
Other pension costs	<u>17,200</u>	<u>14,575</u>
	<u>386,103</u>	<u>329,251</u>

The average monthly number of employees during the year was as follows:

	2015	2014
Management and administration	<u>14</u>	<u>12</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	<u>1</u>	<u>1</u>

	2015	2014
	£	£
High paid staff pension contributions to money purchase schemes	<u>3,697</u>	<u>3,661</u>

The number of high paid staff to whom retirement benefits were accruing was as follows.

	2015	2014
Money purchase schemes	<u>1</u>	<u>1</u>

11. PENSION COMMITMENTS

The Association contributes to the individual pension plans of certain employees. The assets of these schemes are held separately from those of the Association in independently administered funds.

Total contributions for the year ended 31 March 2015 amounted to £17,200 (2014 - £14,575) and outstanding contributions as at 31 March 2015 amounted to £472 (2014 - £2,304).

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2014 and 31 March 2015	<u>3,158</u>	<u>25,042</u>	<u>28,200</u>
DEPRECIATION			
At 1 April 2014	3,158	16,911	20,069
Charge for year	<u>-</u>	<u>4,517</u>	<u>4,517</u>
At 31 March 2015	<u>3,158</u>	<u>21,428</u>	<u>24,586</u>
NET BOOK VALUE			
At 31 March 2015	<u>-</u>	<u>3,614</u>	<u>3,614</u>
At 31 March 2014	<u>-</u>	<u>8,131</u>	<u>8,131</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade debtors	60,591	52,881
Other debtors	19,516	-
VAT	<u>5,643</u>	<u>4,863</u>
	<u>85,750</u>	<u>57,744</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	15,863	20,329
Social security and other taxes	8,672	8,256
Other creditors	472	2,304
Deferred income	4,767	26,361
Accrued expenses	<u>2,600</u>	<u>2,600</u>
	<u>32,374</u>	<u>59,850</u>

NATIONAL GOVERNORS' ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2015

15. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2015 £	2014 £
Expiring: Between one and five years	<u>30,228</u>	<u>28,700</u>

16. MOVEMENT IN FUNDS

	At 1.4.14 £	Net movement in funds £	At 31.3.15 £
Unrestricted funds			
General fund	265,359	99,860	365,219
	<u>265,359</u>	<u>99,860</u>	<u>365,219</u>
TOTAL FUNDS			

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	999,149	(899,289)	99,860
	<u>999,149</u>	<u>(899,289)</u>	<u>99,860</u>
TOTAL FUNDS			

Purpose of unrestricted funds

General fund.

This fund represents the free funds of the Association that have not been designated for particular purposes.

17. ULTIMATE CONTROLLING PARTY

The Association is controlled by the trustees as listed in the Report of the Trustees.