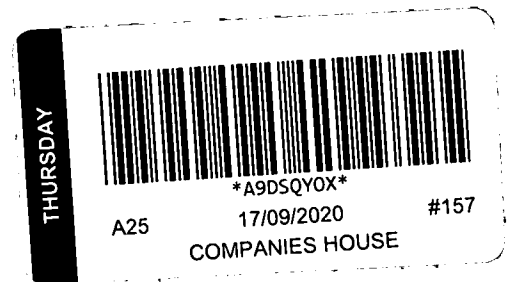


REGISTERED COMPANY NUMBER: 03549029 (England and Wales)
REGISTERED CHARITY NUMBER: 1070331

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2020
for
National Governance Association**



Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

National Governance Association

**Contents of the Financial Statements
for the Year Ended 31 March 2020**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 24

National Governance Association

Report of the Trustees for the Year Ended 31 March 2020

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 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The National Governance Association (NGA) aims to improve the educational well-being of children and young people by promoting high standards in England's state funded schools and by improving the effectiveness of their governing boards. The NGA is the school and trust governance expert organisation, and represents and supports governors, trustees and clerks from schools and academy trusts,

This is done by:

- Influencing and shaping the practice and culture of school governance and relevant policy in a way which strengthens accountability in order to improve the education of pupils
- Continuing to be the leading independent source of information, support and e-learning for all those involved in school governance
- Ensuring the voices of those involved in school governance are heard
- Being a trusted partner of school improvement organisations, school leadership organisations and local and regional governance support and training organisations
- Being a resilient, well-managed and successful organisation through effective internal operations, sound financial management, and the development of the organisation, its business and its people

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

At NGA we value: the voices of all, evidence, expertise, and our independence.

As well as embracing the Nolan Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; leadership), we aim to be courageous, creative, visionary and light on our feet. We champion fairness and opportunity for all young people.

Ensuring our work delivers our aims

We review our strategy, 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, objectives, strategy and activities remain focused on our stated purposes.

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.

National Governance Association
Report of the Trustees
for the Year Ended 31 March 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Key achievements and successes during the period include the following.

The annual survey of NGA members carried out in October 2019 showed continued high satisfaction with both membership services and the priced publications, "Welcome to Governance", "The Chair's Handbook" and "Welcome to a Multi-Academy Trust". "Welcome to Governance" remains the most widely used induction guide for school governors in England.

The key elements of the membership package, the knowledge centre (membership area of the website), our magazine "Governing Matters" and the e-newsletter sent to members each Friday during term-time, continue to be 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 the legal firm Browne Jacobson. The traffic to NGA's website has increased again with further content added to the knowledge centre.

NGA's new website and CRM system went live on March 30th 2019. This financial year NGA has focused on improving and embedding the new system and investing in infrastructure to support them. In order to increase the speed of the website NGA has invested in increased bandwidth. In addition, NGA moved across to new private virtual servers in November which has increased site speed.

Two national conferences for members were held during the year. The first in June 2019 in London, where Amanda Spielman HMCI delivered a speech to NGA members regarding the new Ofsted framework for inspections to be introduced from September 2019. Our second national conference was in November 2019 in Birmingham - both were full to capacity. NGA also held its first MATs conference in November, in addition to our community MATs events. We also held our national Clerks Conference in March 2020 which has become an annual event.

In the autumn of 2019, NGA also hosted our Outstanding Governance Awards at the Houses of Parliament in order to celebrate the achievements of governing boards. The awards were presented by Lord Agnew, the Government minister with responsibility for governance, after a thorough shortlisting and visits to the schools and trust involved.

We held regional conferences - in October our Yorkshire and Humber conference in York, our Eastern conferences in Stansted, and our South West conference in Taunton. We announced that from 2020 every NGA region would have an annual conference. In the spring of 2020 we held our East Midlands regional conference in Nottingham, but were unable to host our London regional conference and our South East regional conference in March due to Covid-19. Until then we had also continued to provide speakers for many national and local events on school governance. March saw the first of our series of webinars and was viewed 2,500 times.

We have also undertaken the annual governance survey again this year with the largest number of respondents in its nine years. It is now used by many others, including the Department for Education (DfE), e.g. we led a session on the findings to the DfE advisory group on governance as well as our own well attended roundtable of national partners.

As a result of the membership survey, we changed the format of the weekly newsletter which was well-received. NGA has changed publishers for Governing Matters this year and has moved forward with Redactive to deliver a new look magazine which is more environmentally friendly as it is packaging free. This year the climate crisis became an issue NGA is proactively considering, not just within our own operations, but also in our governance practice and policy work.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2020

NGA has continued this year to be at the front of the curve on the conversation and practice of MAT governance, hosting roundtables for MAT trustees and Community MAT events. We curated two further in-depth case studies from diverse MATs, focusing on the stories that each MAT has to tell. We published a third edition of "Welcome to a multi academy trust" and updated our well used guidance on the role of members in trusts. We undertook a major piece of work, bringing together the findings from all our aspects of our work with MATs, publishing the learning as "Moving MATs forward; the power of governance" in June 2019. It was well received and used in many conversations with stakeholders and policy makers. We also undertook research on the work of the chairs of academy trusts which was published in January as "Time to Chair". Much of our training and consultancy work is for MATs, and we provide the governance content to Association of School and College Leaders' National Professional Qualification for Executive Leadership (NPQEL) and ForumStrategy's Being the CEO programme.

NGA continues to highlight the important role of clerks and governance professionals through Clerking Matters and is reviewing our own support for them. Our research report into clerks' pay has raised the profile of the issue again and inform pay conversations between clerks and those who engage their services, especially where pay is lower than the amount found to be reasonable. Further work has begun to consider other roles over and above clerking individual schools.

Through our work we have been instrumental in informing and influencing policy, practice and guidance changes. The NGA continues to be represented at many DfE meetings, both at round-tables and bi-laterals. Three of the DfE standing groups on which we are represented are the Education Forum, the Advisory Group on Governance and the School and Academy Funding Group. We were represented on a number of DfE working groups including: Headteacher standards review group; Expert group on Teaching Wellbeing; Relationship and Sex education working group; Expert group on flexible working and the Expert group on the reform of National Leaders of Governance. The NGA responded to all relevant formal consultations and gave oral evidence including to the Schools Teachers Review Board. We have also held a number of round-tables, including on staffing issues and on parental and community engagement for MATs.

Our work with Ofsted continued this year on the new Ofsted Inspection framework, including a joint webinar in summer 2019. In particular we had an impact on the training for HMIs and our suggestion to allow the clerk to record the final feedback meeting with the governing board was agreed. We undertook a study of governing boards' experiences in the first term of the framework and the report "A view from the board" was published in March. Our recommendation on the need for a different format of reports had had much support.

Our 2019 "Funding the future" campaign added to the pressure on the government to accept that schools need additional funding, which led to a £7.1 billion increase over the next three years, the first part of which will reach schools in April. We have also been advocates of the pupil premium, in the light of some questioning its purpose and impact, and examined its scope and impact at a joint roundtable with Education Endowment Foundation and Fair Education Alliance. It was also intended that in the academic year 2020/21 SEND, both services and their funding, would also feature more highly due to the ever increasing strains reported by members; we extended the special schools advisory group to become a SEND advisory group but due to COVID-19 our planned conference was postponed.

Our main campaign for 2020 "Visible Governance" to raise the profile and understanding of school governance was launched with much support in February, but was then paused as a result of COVID19. Since the beginning of March, our information, guidance, advice and PR work has been very much focussed on the governing board's role during the pandemic.

We also work with a large number of partners to further the aims of our members and to improve the effectiveness of governing boards. We continue with Education & Employers to deliver the DfE funded "Inspiring Governance" programme providing support for new volunteers and are running a pilot to recruit future chairs. Our "Everyone on Board campaign" to increase the diversity of governing boards, in particular the participation of people from black and ethnic minorities backgrounds as well as young people in school governance continues to be much needed. We also began an "Educators on Board" campaign on which we also worked with BAMEed network. It has support from all key organisations in the sector. NGA continues to support the Young Governors' Network.

NGA continues to be one of the organisations driving the use of the Framework for Ethical Leadership in Education, coordinating the pathfinder project and organising the successful second ethical summit in January 2020.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2020

The NGA training and consultancy team has continued to grow, working with an increasing number of groups of schools. The work also provides a useful insight to the guidance needed for governing boards to help them improve and for those who are joining or growing federations or multi academy trusts. NGA has been the largest provider of Governance Development Programmes for chairs (1,413 supported), boards (198 supported) and clerks (405) nationally in the past two years. We have worked with 62 local partners to deliver these Leading Governance programmes this year, and have a very high satisfaction level.

We continue to deliver our e-learning service to governors, trustees and clerks "Learning Link". At the end of March 2020 44% of schools (including academies) subscribed to Learning Link. We have 30,212 users, an increase of 11,000 on the previous year, and our income increasing this year by just over £100,000, much of which is reinvested in improvements. As well as updating all modules, two new modules were developed: "Effective MAT Governance" added in April 2019 and "Succession Planning" in October 2019. We also delivered a significant upgrade to the new Arts Council Module to respond to the implications of the implementation of the new Ofsted Framework. We commissioned and started work on scoping nine new pieces of bite sized content to respond to sector needs and emerging learner preferences as detailed in our user survey. Our platform also underwent a significant functionality change and we created branded learner collections, to align with NGAs Knowledge Centre, and support greater clarity for our learners. 98% of users are satisfied with our new modules and platform.

Due to increasing membership numbers and the success of both DfE Governance Development Programme and Learning Link, we were able to further increase our staff team. We have split out our Marketing and Communications functions, and now have a Head of Marketing and a Head of Communications to improve services to members. We have also taken on an additional Leading Governance Officer, an additional Finance Officer and a Systems Development Officer. A Content Developer has been recruited to increase the capacity to further improve Learning Link.

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

We should also like to take this opportunity to thank those partners who promoted NGA membership and services alongside their own services during the year. NGA values these partnerships and is looking forward to continuing to work closely with our partners in the coming year.

FINANCIAL REVIEW

Investment policy and objectives

The trustees have full powers under the Memorandum of Association to make investments on behalf of the charity. The trustees, 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.

Reserves policy

The National Governance Association has a reserves policy to help secure the Association's viability beyond the immediate future and to ensure our ability to provide reliable services over the longer term. The trustees review the policy annually after receiving the draft audited accounts and has set a reserves policy based on a review of income, expenditure, projects and risks. The trustees have set the level of reserves required at £225,000 and will aim to achieve this over a three year period.

As at 31 March 2020 the amount of reserves were £223,037 (compared to £173,786 at 31 March 2019) of which £191,998 were free reserves (compared to £155,673 at 31 March 2019). Free reserves are reserves which do not include the restricted funds of £5,000 and reserves tied up in tangible fixed assets of £26,039. At 31 March 2020, free reserves represented 7.5% of annual income.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2020

FINANCIAL REVIEW

Going concern

The trustees in their virtual meetings at the end of March and in April considered the effect of COVID-19 on the services and the financial sustainability of NGA. The staff successfully moved to working remotely from home within 36 hours of the Government announcement, and planning accelerated for virtual events. NGA's services have been maintained during this period and much new information, advice and guidance relevant to governing virtually and in response to the COVID-19 has been produced, beginning during March 2020. The pandemic was taken into account when the Board assessed the risks, priorities and made its judgement that NGA continues as a going concern.

Financial review

The Statement of Financial Activities for the year ended 31 March 2020 shows total incoming resources of £2,554,535 (2019-£2,352,579) and total resources expended of £2,505,284 (2019 £2,326,242) generating net incoming resources of £49,251 (2019-£26,337).

Membership subscriptions, our principle source of income, increased by some 5.6% during the year ended 31 March 2020 from £1,121,059 to £1,183,709. The increase was due to a combination of an increase in membership numbers and an increase in fee levels to cover inflation from April 2019 as agreed by members at the AGM in November 2018.

Furthermore, during the financial year training and consultancy income has continued to grow and represents a significant source of income for the NGA. Our current fees, both membership and e-learning, are considerably more affordable for schools than other national providers; this is important to us.

FUTURE PLANS

To achieve our objectives NGA has prioritised:

- a) Ensuring the information produced across all services is accessible and relevant to practice in all contexts;
- b) The development and reach of Learning Link;
- c) Identifying and meeting regional and local needs;
- d) Developing a greater focus on clerking and governance professionals;
- e) Better communicating our offer to multi academy trusts.

As well as the areas above, NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers in order to meet the needs of and therefore retain members. While we wish to reach governing boards that are not currently engaged with our work in order to improve governance, this will be achieved in a way which is sustainable for the NGA as well as value for money for all types of schools and which does not detract from the services delivered to existing members.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The National Governance Association (NGA) 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 NGA was established under a Memorandum of Association, which established the objects and powers of the NGA and is governed by its Articles of Association.

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

National Governance Association

Report of the Trustees for the Year Ended 31 March 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Board of Directors consists of a maximum of nine elected Directors and up to four further co-opted Directors. The current Board will continue in office until the next Annual General Meeting of the NGA to be held in November 2020.

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

Organisational structure

Each December the Board of Directors appoints, from its members, four or five honorary officers: The Chair, one or two Vice-Chairs, a Treasurer and an Honorary Secretary. The officers' group acts as a staffing committee when necessary. During this year an external clerk to the board who also acts as Company Secretary was appointed.

The Directors meet five times during the year as a full board to confirm a strategic plan to guide the organisation's work and to monitor its implementation. 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.

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 the NGA and its Chief Executive or the Company Secretary. During this 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.

Increasing diversity

The Board of Trustees has also worked hard to increase the diversity on the NGA board this year and has appointed a young trustee. We will continue our work in this area.

Key management remuneration

In the trustees' opinion, the key management personnel of the NGA responsible for the direction, control, running and operation of the NGA on a day to day basis consists of the Board of Trustees and the Chief Executive.

Key management personnel - trustees

All trustees give of their time freely and no trustee received remuneration during the year.

Details of trustees' expenses and related party transactions are disclosed in notes 8 and 19 to the financial statements.

Key management personnel - chief executive

The pay of the NGA's senior staff is reviewed annually and normally increased based upon the position of the NGA's finances and the cost of living in general.

National Governance Association

**Report of the Trustees
for the Year Ended 31 March 2020**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 strategic plan 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 March meeting and is monitored through quarterly reports to trustees. Internal risks are minimised by sound financial procedures.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03549029 (England and Wales)

Registered Charity number

1070331

Registered office

4th Floor
36 Great Charles St
Birmingham
B3 3JY

Trustees

Margaret Bull
Ian Courtney MBE
Alastair Cowen (appointed 15.5.19)
Nigel Brent Fitzpatrick MBE
David Harries
Peter Duncan Haworth MBE
Lynn Howard (appointed 16.11.19)
Nicolette Joan Lamont
Katie Paxton
Ian Preston (resigned 15.11.19)
Lawayne Jefferson
Rachel Wilson (appointed 16.11.19)

Senior Statutory Auditor

David Williams FCA FCCA

Auditors

Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Company secretary

Emma Knights OBE 13 December 2018 to 11 November 2019
Emma Myers from 11 November 2019

Chief executive

Emma Knights OBE

National Governance Association

**Report of the Trustees
for the Year Ended 31 March 2020**

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

HSBC Bank
130 New Street
Birmingham
West Midlands
B2 4JU

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of National Governance 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) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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.

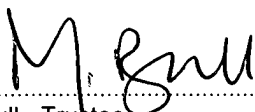
In so far as the trustees are aware:

- 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, Locke Williams Associates LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 9.7.20 and signed on its behalf by:


.....
Margaret Bull - Trustee

**Report of the Independent Auditors to the Members of
National Governance Association**

Opinion

We have audited the financial statements of National Governance Association (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2020 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of National Governance Association

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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


Our responsibilities for the audit of the financial statements

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

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

Use of our report

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.



David Williams FCA FCCA (Senior Statutory Auditor)
for and on behalf of Locke Williams Associates LLP
Chartered Accountants
Registered Auditors
Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Date:



TRUSTED ACCOUNTING SOLUTIONS



Registered number: 00350146
Registered in England and Wales
Kairina Williams FCA CTATEP
David Williams ACA FCCA

Locke Williams Associates LLP
Blackthorn House, St Pauls Square
Birmingham B3 1RL T: 0121 762 3980

National Governance Association

**Statement of Financial Activities
for the Year Ended 31 March 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
Charitable activities	4	2,495,946	10,000	2,505,946	2,297,403
Other trading activities	2	45,911	-	45,911	52,856
Investment income	3	<u>2,678</u>	-	<u>2,678</u>	<u>2,320</u>
Total		2,544,535	10,000	2,554,535	2,352,579
EXPENDITURE ON					
Charitable activities					
Charitable activities	5	<u>2,490,328</u>	<u>14,956</u>	<u>2,505,284</u>	<u>2,326,242</u>
NET INCOME/(EXPENDITURE)		54,207	(4,956)	49,251	26,337
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>163,830</u>	<u>9,956</u>	<u>173,786</u>	<u>147,449</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>218,037</u></u>	<u><u>5,000</u></u>	<u><u>223,037</u></u>	<u><u>173,786</u></u>

The notes form part of these financial statements

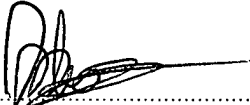
National Governance Association

**Balance Sheet
31 March 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	12	26,039	-	26,039	8,157
CURRENT ASSETS					
Stocks	13	7,588	-	7,588	8,556
Debtors	14	411,956	-	411,956	298,886
Cash at bank and in hand		<u>654,223</u>	<u>5,000</u>	<u>659,223</u>	<u>527,382</u>
		1,073,767	5,000	1,078,767	834,824
CREDITORS					
Amounts falling due within one year	15	<u>(881,769)</u>	-	<u>(881,769)</u>	<u>(669,195)</u>
NET CURRENT ASSETS		<u>191,998</u>	<u>5,000</u>	<u>196,998</u>	<u>165,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>218,037</u>	<u>5,000</u>	<u>223,037</u>	<u>173,786</u>
NET ASSETS/(LIABILITIES)					
		<u>218,037</u>	<u>5,000</u>	<u>223,037</u>	<u>173,786</u>
FUNDS					
Unrestricted funds	17			218,037	163,830
Restricted funds				<u>5,000</u>	<u>9,956</u>
TOTAL FUNDS				<u>223,037</u>	<u>173,786</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 9 July 2020 and were signed on its behalf by:


.....
Alastair Cowen - Trustee

National Governance Association

**Cash Flow Statement
for the Year Ended 31 March 2020**

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>152,187</u>	<u>313,371</u>
Net cash provided by operating activities		<u>152,187</u>	<u>313,371</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(23,024)	(9,553)
Interest received		<u>2,678</u>	<u>2,320</u>
Net cash used in investing activities		<u>(20,346)</u>	<u>(7,233)</u>
Change in cash and cash equivalents in the reporting period		131,841	306,138
Cash and cash equivalents at the beginning of the reporting period		<u>527,382</u>	<u>221,244</u>
Cash and cash equivalents at the end of the reporting period		<u><u>659,223</u></u>	<u><u>527,382</u></u>

The notes form part of these financial statements

National Governance Association

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2020**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		31.3.20	31.3.19
		£	£
Net income for the reporting period (as per the Statement of Financial Activities)		49,251	26,337
Adjustments for:			
Depreciation charges		5,142	1,396
Interest received		(2,678)	(2,320)
Decrease in stocks		968	7,703
Increase in debtors		(113,070)	(89,651)
Increase in creditors		<u>212,574</u>	<u>369,906</u>
Net cash provided by operations		<u>152,187</u>	<u>313,371</u>
2. ANALYSIS OF CHANGES IN NET FUNDS			
	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>527,382</u>	<u>131,841</u>	<u>659,223</u>
	<u>527,382</u>	<u>131,841</u>	<u>659,223</u>
Total	<u>527,382</u>	<u>131,841</u>	<u>659,223</u>

The notes form part of these financial statements

National Governance Association

Notes to the Financial Statements for the Year Ended 31 March 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the NGA, rounded to the nearest £1.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected level of income and expenditure is sufficient with the level of reserves for the NGA to be able to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Where entitlement is not met the income is deferred.

Income from trading activities includes income earned from activities to raise funds for the NGA. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from charitable activities includes membership fees, project, training and consultancy work undertaken and the sale of publications.

Income from government and other grant making bodies are recognised at fair value when the charity has entitlement after any performance conditions have been met.

Investment income is earned through holding assets such as cash on deposit. It includes interest receivable. Interest income is recognised using the effective interest rate method and is recognised as the NGA's right to receive payment is established.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is 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.

Allocation and apportionment of costs

Expenditure is categorised under the following headings.

- Expenditure on charitable activities.
- Other expenditure representing those items not falling into the above categories.

Support costs are those that assist with the work of the NGA but do not directly represent charitable activities and include office costs, governance costs and other administrative costs.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2020

1. ACCOUNTING POLICIES - continued

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% on cost

Items of equipment and fixtures and fittings individually costing in excess of £500 are capitalised and carried in the balance sheet.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

Stocks

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

Debtors

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Operating Leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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 NGA in independently administered funds.

Employee benefits

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

When employees have rendered service to the NGA, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Termination benefits are recognised immediately as an expense when the NGA is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2. OTHER TRADING ACTIVITIES

	31.3.20	31.3.19
	£	£
Advertising	<u>45,911</u>	<u>52,856</u>

3. INVESTMENT INCOME

	31.3.20	31.3.19
	£	£
Bank interest receivable	<u>2,678</u>	<u>2,320</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.20	31.3.19
	£	£
Membership fees	1,183,709	1,121,059
Project income	197,386	227,464
Training and consultancy income	1,059,996	834,352
Publications income	49,937	51,682
Grants	10,000	53,000
Miscellaneous income	<u>4,918</u>	<u>9,846</u>
	<u>2,505,946</u>	<u>2,297,403</u>

Grants received, included in the above, are as follows:

	31.3.20	31.3.19
	£	£
Arts Council	<u>10,000</u>	<u>53,000</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>1,809,448</u>	<u>695,836</u>	<u>2,505,284</u>

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Charitable activities	<u>650,998</u>	<u>4,051</u>	<u>40,787</u>	<u>695,836</u>

Support costs, included in the above, are as follows:

Management

	31.3.20 Charitable activities £	31.3.19 Total activities £
Salaries	257,624	293,719
Social security	28,116	32,299
Pensions	15,889	16,452
Office rent and services	107,163	78,517
Marketing and publicity	24,857	17,280
Insurance	6,403	5,182
Professional development	17,251	16,799
Office expenses	81,660	77,065
IT equipment and expenses	83,059	153,878
Bank charges	6,535	5,679
Office improvements	17,299	11,592
Depreciation of tangible and heritage assets	<u>5,142</u>	<u>1,396</u>
	<u>650,998</u>	<u>709,858</u>

Finance

	31.3.20 Charitable activities £	31.3.19 Total activities £
Corporation tax on non charitable trading profits	<u>4,051</u>	<u>-</u>

Governance costs

	31.3.20 Charitable activities £	31.3.19 Total activities £
Trustees' expenses	6,390	5,553
Auditors' remuneration	4,740	4,740
Auditors' remuneration for non audit work	1,200	-
Professional fees	14,033	5,609
Board expenses	<u>6,119</u>	<u>7,645</u>
Carried forward	32,482	23,547

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

6. SUPPORT COSTS - continued

Governance costs - continued

	31.3.20	31.3.19
	Charitable	Total
	activities	activities
	£	£
Brought forward	32,482	23,547
Clerk to the Board	8,305	-
	<u>40,787</u>	<u>23,547</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.20	31.3.19
	£	£
Auditors' remuneration	4,740	4,740
Taxation advisory services	1,200	-
Depreciation - owned assets	5,142	<u>1,396</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

During the year ended 31 March 2020 8 trustees (2019 - 10) were directly reimbursed a total of £6,390 (2019 - £5,553) for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the NGA.

9. STAFF COSTS

	31.3.20	31.3.19
	£	£
Wages and salaries	1,206,380	1,070,305
Social security costs	112,957	92,278
Other pension costs	81,304	62,164
	<u>1,400,641</u>	<u>1,224,747</u>

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

	31.3.20	31.3.19
Management and administration	<u>39</u>	<u>35</u>

National Governance Association
Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

9. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	31.3.20	31.3.19
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	2,244,403	53,000	2,297,403
Other trading activities	52,856	-	52,856
Investment income	<u>2,320</u>	<u>-</u>	<u>2,320</u>
Total	2,299,579	53,000	2,352,579
EXPENDITURE ON			
Charitable activities			
Charitable activities	2,283,198	43,044	2,326,242
NET INCOME	16,381	9,956	26,337
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	271,511	-	271,511
Prior year adjustment	<u>(124,062)</u>	<u>-</u>	<u>(124,062)</u>
As restated	147,449	-	147,449
TOTAL FUNDS CARRIED FORWARD	<u>163,830</u>	<u>9,956</u>	<u>173,786</u>

In preparing the financial statements for the year ended 31 March 2019, and in consultation with the incoming auditors Locke Williams Associates LLP, the trustees reviewed their application of the policy on recognition of revenue, specifically in respect of charges for membership fees and online training.

The Prior Year Adjustment in those financial statements was therefore reflective of a restatement of income in the prior periods of account (year ended 31 March 2018 and earlier), so as to include only membership and training income that meets the 'Entitlement' criteria within those respective accounting periods.

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

11. PENSION COMMITMENTS

The NGA 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 2020 amounted to £81,304 (2019 - £62,164) and outstanding contributions as at 31 March 2020 amounted to £10,281 (2019 - £7,931).

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2019	3,158	9,553	12,711
Additions	<u>1,337</u>	<u>21,687</u>	<u>23,024</u>
At 31 March 2020	<u>4,495</u>	<u>31,240</u>	<u>35,735</u>
DEPRECIATION			
At 1 April 2019	3,158	1,396	4,554
Charge for year	<u>61</u>	<u>5,081</u>	<u>5,142</u>
At 31 March 2020	<u>3,219</u>	<u>6,477</u>	<u>9,696</u>
NET BOOK VALUE			
At 31 March 2020	<u>1,276</u>	<u>24,763</u>	<u>26,039</u>
At 31 March 2019	<u>-</u>	<u>8,157</u>	<u>8,157</u>

All assets are used in direct furtherance of the Charity's objects.

13. STOCKS

	31.3.20 £	31.3.19 £
Books and publications for resale	<u>7,588</u>	<u>8,556</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £
Trade debtors	330,068	233,678
Other debtors and accrued income	1,000	15,695
Prepayments	<u>80,888</u>	<u>49,513</u>
	<u>411,956</u>	<u>298,886</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20	31.3.19
	£	£
Trade creditors	154,576	138,417
Social security and other taxes	35,813	31,402
Other creditors	9,079	8,584
Accruals	38,332	35,411
Deferred income	<u>643,969</u>	<u>455,381</u>
	<u>881,769</u>	<u>669,195</u>

Deferred income comprises:

Membership income deferred to commence on 1 April	90,940	107,619
Learning Link income deferred to commence on 1 April	165,635	132,671
Training income deferred - performance during 2020/2021	9,360	-
Leading Governance income deferred - performance during 2020/2021	<u>378,034</u>	<u>215,091</u>
	<u>643,969</u>	<u>455,381</u>

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.20	31.3.19
	£	£
Within one year	68,902	21,876
Between one and five years	<u>261,325</u>	<u>3,862</u>
	<u>330,227</u>	<u>25,738</u>

Leasing commitments are mostly in respect of the charity's office premises.

17. MOVEMENT IN FUNDS

	At 1.4.19	Net movement in funds	At 31.3.20
	£	£	£
Unrestricted funds			
General fund	163,830	54,207	218,037
Restricted funds			
Arts Council - Cultural Learning e-module	9,956	(4,956)	5,000
TOTAL FUNDS	<u>173,786</u>	<u>49,251</u>	<u>223,037</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

17. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,544,535	(2,490,328)	54,207
Restricted funds			
Arts Council - Cultural Learning e-module	10,000	(14,956)	(4,956)
TOTAL FUNDS	<u>2,554,535</u>	<u>(2,505,284)</u>	<u>49,251</u>

Comparatives for movement in funds

	At 1.4.18 £	Prior year adjustment £	Net movement in funds £	At 31.3.19 £
Unrestricted funds				
General fund	271,511	(124,062)	16,381	163,830
Restricted funds				
Arts Council - Cultural Learning e-module	-	-	9,956	9,956
TOTAL FUNDS	<u>271,511</u>	<u>(124,062)</u>	<u>26,337</u>	<u>173,786</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,299,579	(2,283,198)	16,381
Restricted funds			
Arts Council - Cultural Learning e-module	53,000	(43,044)	9,956
TOTAL FUNDS	<u>2,352,579</u>	<u>(2,326,242)</u>	<u>26,337</u>

Purpose of funds

General fund.

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

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

17. MOVEMENT IN FUNDS - continued

Restricted fund : Arts Council - Cultural Learning e-module

This fund represents a grant from the Arts Council to develop an e-learning module for governors on "School improvement: Arts and Cultural Education" and to host this module on NGA's e-learning platform.

18. ULTIMATE PARENT COMPANY

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

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.