

NATIONAL GOVERNANCE ASSOCIATION

England & Wales · Charity number 1070331

Details

Other names	NATIONAL GOVERNORS' ASSOCIATION, THE NATIONAL GOVERNORS' COUNCIL, NGA
Status	Registered
Legal form	Charitable company
Company number	03549029
Registered	1998-07-01
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE COMPANY IS ESTABLISHED FOR THE GENERAL BENEFIT OF THE PUBLIC AND PARTICULAR BUT NOT SO AS TO LIMIT THE GENERALITY OF THE FOREGOING THE IMPROVEMENT OF EDUCATIONAL WELFARE OF CHILDREN THROUGH (A) THE PROMOTION OF HIGH STANDARDS IN SCHOOLS, COLLEGES AND OTHER EDUCATIONAL INSTITUTIONS; AND(B) THE RAISING OF THE EFFECTIVENESS OF GOVERNING BODIES OF SUCH INSTITUTIONS ("GOVERNING BODIES") BY THE PROVISION OF RELEVANT INFORMATION, ADVICE AND TRAINING TO SUCH GOVERNING BODIES, AND TO MEMBERS THEREOF ("GOVERNORS")

Activities: The encouragement and maintainance of good school governance, and the support, by the provision of relevant information and other means, of school governors

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,378,016	£3,080,841	£903,813	43
2024-03-31	£3,339,031	£3,229,840	£606,638	46
2023-03-31	£2,867,015	£3,212,239	£497,447	49
2022-03-31	£2,713,800	£2,412,073	£842,671	49
2021-03-31	£2,679,629	£2,357,547	£540,119	41

Trustees

Name	Role	Appointed
Annie McMaster		2022-11-12
Anthea Jane Kenna		2020-11-28
Anthony Langan		2023-11-17
Bobby Thandi		2021-11-27
Cheryl Kuit		2025-11-20
Jane Edminson		2024-11-15
Joanne Sanchez-Thompson		2025-11-20
Lawayne Alexandria jefferson		2018-10-26
Simon Blackburn		2025-11-20

Accounts

National Governance Association

Annual Report and Financial Statements

Year ended 31 March 2025

Company Registration number

03549029 (England & Wales)

Registered Charity Number 1070331

Feltons

Chartered Accountants

Birmingham

B1 3JR

National Governance Association

(A Company Limited by Guarantee)

Report and financial statements
Year ended 31 March 2025

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National Governance Association
(A Company Limited by Guarantee)

Reference and Administrative Details

Trustees	Tim Brock Janice Light Lawayne Jefferson Anthea Kenna Bobby Thandi Annie McMaster Jane Edminson James Tulley Michelle Anne Foster Alastair Cowen Anthony Langan Jeff Quantrill	resigned 15 November 2024 resigned 15 November 2024 appointed Chair 12 December 2024 appointed Vice Chair 12 December 2024 appointed Honorary Treasurer 12 December 2024 appointed Vice Chair 12 December 2024 appointed 15 November 2024 appointed 15 January 2025 appointed Honorary Treasurer 15 January 2025
Company secretary	Lara Angell-Wood	
Key management personnel	Emma Knights OBE Emma Balchin Sam Henson	Chief Executive (resigned 10 September 2024) Chief Executive (appointed 02 September 2024) Deputy Chief Executive
Registered office		NGA Office 102 Colmore Row Birmingham B3 3AG
Charity number		1070331
Company registration number		03549029
Auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		HSBC Bank plc 130 New Street Birmingham B2 4JU Unity Trust Bank plc PO Box 7193 Planetary Road Willenhall WV1 9DG

Report of the trustees

For the year ended 31 March 2025

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 2025. 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 2015).

OBJECTIVES AND ACTIVITIES

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 by improving the effectiveness of their governing boards. NGA is the charitable membership association for governors, trustees and governance professionals in England's state schools and trusts.

Membership of the NGA is open to Governing Boards of single or federated schools (at a standard and a GOLD rate) and of multi academy trusts (MATs), to Associations of Governing Boards (normally covering a local authority area but independent of the local authority), to individual governors, trustees, clerks/governance professionals, and to public authorities and companies who have an interest in school/trust governance. We also offer a range of professional development services for governors, trustees, chairs of boards, governance professionals and executive leaders. Our e-learning; Learning Link is now the market leader.

At NGA we value:

- **Selflessness:** We prioritise supporting governance to benefit children and young people, staying true to our purpose as a charity.
- **Integrity:** We uphold the highest standards of credibility and trust, using evidence and objectivity to give our members confidence in our work and actions.
- **Courage:** We address challenges boldly, influencing and driving positive change for members.
- **Inclusivity:** We value and promote diverse perspectives, ensuring every member is listened to, valued and represented in shaping governance.
- **Innovation:** We embrace creative solutions to better serve the sector and members' evolving needs in an agile way.

We embrace:

- The Nolan Principles of Public Life and
- The Framework for Ethical Leadership in Education

Ensuring our work delivers our aims

We aim to be the go-to trusted and valued authority for school and trust governance, and to ensure the voices of those involved in school and trust governance are heard. We strive to influence relevant policy and shape the practice and culture of governance in a way which strengthens accountability. We empower those in school and trust governance with valuable resources, expert support and e-learning so that pupils can flourish.

We review our three-year-strategy annually, looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success towards achieving each strategic priority and the benefits they have brought to those groups of people we exist to help. The review allows the trustees to ensure that our strategy and activities remain focused on our stated purpose, and the chief executive reports on that throughout the year.

As part of NGA's commitment to ongoing service improvement and listening to members, Trustees agreed to invest in a series of technology-based improvements, under the title of Project Phoenix. The project will see the consolidation of our existing member-facing online platforms. Our new platform will be created in-house and provide members with a streamlined portal to access our knowledge centre resources, guidance and eLearning and reduce NGAs reliance on expensive external providers when we want to make changes or improvements.

Report of the trustees

For the year ended 31 March 2025

Project Phoenix also incorporates the launch of our own AI based tool, enabling members to ask questions and receive AI responses with links for further reading. The platform will also include our own board management system, where boards can upload meeting documents, add comments and post updates. The platform will not only be a major step forward for NGA in terms of technology, but also a valuable asset to our members with our sector leading governance knowledge and guidance at its core.

Most notably this year our leadership structure changed from Co Chief Executives to a single Chief Executive model. Further, to free up resources to invest into our offer to members, NGA moved its office to a smaller, more collaborative but fully serviced building.

ACHIEVEMENTS AND PERFORMANCE

Charitable activities

Key achievements and successes during the period include the following:

The annual membership survey in autumn 2024 confirmed that NGA's core services continue to be valued by members. Learning Link was rated **4.3 out of 5**, the highest of all services. The Knowledge Centre followed with **4.2**, while the Gold Advice Service and the weekly e-newsletter received **4.0**. These results show consistent use and satisfaction with NGA's main member services.

NGA's publications also scored well. The Chair's Handbook, Welcome to Governance and Governing a Multi Academy Trust all scored 4. The three publications continue to support governors, trustees, and governance professionals by providing clear, practical guidance across key areas of governance.

The number of queries resolved by NGA's Gold Advice line has continued to grow, with 71% of queries from trusts and academies. The Advice team has supported members in relation to a variety of topics, including governance roles and responsibilities, admissions, exclusions, complaints, constitution of the board, and conflicts of interest. Gold Advice is supported by leading education law firm Browne Jacobson, the approved legal partner of NGA.

The membership survey also highlighted positive ratings for events, with virtual events maintaining their popularity. Between April 2024 and March 2025, we ran thirty-seven events consisting of twelve webinars, twenty-four other virtual events, and 1 in-person conference (The National Governance Conference for Schools and Trusts). The overall attendance for this period totalled 4,972 for the year, with an additional 1780 post-event views of webinar recordings. Post-event viewing figures were captured approximately 4 weeks after uploads, meaning true long-term engagement is likely significantly higher as members continue to access recordings throughout the year.

Professional development offer: Demand for our training and consultancy services is increasing significantly year on year. This work continues to provide a useful insight to the challenges the sector faces as well as informing NGA's work. To increase capacity within the system, we extended our Leading Governance development offer to include a programme for those new to or considering clerking as a career. Our MAT chairs programme now better reflects the considerable responsibility this role holds. Our consultancy service continues to be the largest supplier of external reviews of governance in the sector. New support products have been launched to support the academy sector, and the overall service has seen considerable growth in the last twelve months.

Our e-learning offer, Learning Link grew to over 99,700 registered users, an increase of close to 10,000 learners or 10% on last year. 96% would recommend it to others. New module releases this year include an introduction to local governance, safer recruitment, handling complaints, a guide to Ofsted. NGA won a contract with the DfE to design and host a module supporting governors and trustees regarding their responsibilities around school food. This has been enormously successful with those that have completed it reporting 99% satisfaction.

Report of the trustees

For the year ended 31 March 2025

Services for different school structures: We continue to serve all governance structures through our guidance, thought leadership and events. Our termly virtual governance forums and MAT specific networks provide those governing and executive leaders in similar school structures with a specific learning opportunity, and a format to share experiences and good practice. Specific forums are provided for local authority-maintained schools, single academy trust (SATs), MAT trustees, and local academy committees. We consider each of these structures, and the differing audiences for each area of content and development produced.

NGA has continued to be at the front of the curve on conversations and recommendations for best practice regarding MAT governance. MAT members have benefited from our conference with a MAT specific conference stream in July and we continue to run an enhanced series of MAT focused webinars.

In November 2024, NGA released 'The Mature MAT Model – an evidence driven report charting the academy trust system's evolution, progress, and priorities for the future.

Working with partners: We work with many partners in the sector to further the effectiveness of governing boards. Some of our content has been the result of collaboration with partners, with for example ASCL, NAHT, ISBL and Browne Jacobson.

In December 2024, NGA, along with 12 other education bodies and national associations, reaffirmed their commitment to fostering equality, diversity, and inclusion within the education sector by outlining new commitments for action for 2024/25. In April 2025, NGA contributed to a national school funding lobby on school cuts, with the subsequent STRB pay award including a surprise announcement of some additional funding.

In the last year, NGA has continued to produce joint guidance with partners working together for the wider benefit of the sector. This has included:

- Procurement guidance, updated in collaboration with DfE (partly to reflect new Procurement Act) - January 2025
- Good careers guidance: monitoring toolkit - The toolkit was developed with support from The Careers and Enterprise Company (CEC) and The Gatsby Foundation in the summer 2024.
- PE and sport premium toolkit - this monitoring tool, produced in partnership with the Department for Education (DfE) and the Local Government Association (LGA) in December 24, sets out areas of focus for governing boards evaluating PE and sport premium spending decisions.
- Joint guidance from NGA and Parentkind was published in December 24, and explains why parent participation in pupils' learning is important, actions schools and trusts can take, and how boards monitor and support effective parental engagement.

Research and governance policy:

As well as developing new guidance, NGA has continued to produce thought leadership and research reports, with the aim of using the role of governance and the voice of our members to inform national education policy and support best practice:

- In June 2024, NGA published a report that captures the state of governance practice in England. The report draws upon the analysis of external reviews of governance (ERG) reports from the National Leaders of Governance (NLG) programme and NGA's wider sector-intelligence.
- This was followed, also in June, when NGA published a report on the time it takes to govern in schools and trusts, based on our own quantitative research and highlighting evaluations from other volunteering workforces and wider sector research, providing valuable context around the expectations placed upon governors and trustees.

Report of the trustees

For the year ended 31 March 2025

- In July 2024, we published the annual governance survey 2024, securing media coverage and sector attention. This forms the only significant data on the experiences of those who govern our schools and trust and is used by many others, including the DfE.
- Following the release of our MAT specific report, the Mature MAT model in October, we published a report on governance professional perspectives in December, detailing the progress and potential of GP roles in the sector.

Influence and representation:

NGA has continued to prioritise representing and creating change for the governance community as a core part of our mission and in delivering on our charitable objective.

- In May 2024, NGA helped to secure the then Minister for Schools, Damian Hinds MP, letter, written directly to governors and trustees to thank them for their continued support in improving school attendance.
- Since the general election, NGA has secured one-to-one meetings with the Minister of State for School Standards and the Parliamentary Under-Secretary of State minister for early education. We have increased our parliamentary focus, appointed a Head of External Affairs and Advocacy, and attended a number of APPG's, and provided evidence as a consultee to the STRB 2025 session.

Through our work, we have continued to be instrumental in informing and influencing policy, practice and guidance changes. NGA continues to be represented at many DfE meetings, both at roundtables and bilaterals. Since the general election, NGA has engaged in an intensive period of securing greater presence at many DfE stakeholder groups and policy influencing sessions, including:

- Direct meetings with Ministers of state for Education
- Introductory meeting with the new HMCI Ofsted
- Meeting with Lord Knight at the Houses of Parliament
- One to one meetings with DfE directors and deputy directors
- Improving Education Together sub-groups on workforce, accountability and SEND
- The School Academy Funding Group
- The Academies Finance and Assurance Steering Group
- Ofsted stakeholder and responsible bodies stakeholder group
- The DfE's flexible working advisory group.
- DfE AI working group and workshop programme
- Ofsted MAT expert advisory group
- DfE National Associations meetings
- DfE School and Colleges forum
- Primary aged childcare steering group
- DfE commercial and procurement
- Ofqual Exam stakeholder group
- Regular meetings with DfE governance unit and contributing to the DfE Governance Sufficiency programme

NGA responded to several formal consultations including:

- STRB 2025 - Evidence summarises and validates NGA's stance on teacher pay increase at a minimum in line with inflation. NGA subsequently gave oral evidence
- Education Select committee 2025 – solving the SEND crisis
- DfE accountability consultation 2025
- Ofsted consultation 2025
- Government consultation on reasonable force 2025
- Child poverty taskforce 2024
- Government curriculum review 2024

Report of the trustees

For the year ended 31 March 2025

Priority topics, in addition to our manifesto mentioned above:

1. We have continued to raise the awareness and understanding of the role of governance in schools and trusts, through building a new Case for Governance, timed to reestablish a governance narrative with the new Labour government.
2. Governance recruitment – following extensive feedback on this issue directly from members, at networking events and in our survey, we have continued to push this area of priority, attempting to gain more sector, press and DfE attention.
3. Pupils, communities and families – this was a multi-focused agenda, from SEND, poverty to attendance and behaviour – activities ranged from utilising a consistent narrative on schools as the 4th emergency service, upping our focus on child poverty, including speaking at events on the topic, and we have worked with stakeholders across the sector, including the DfE, Well Schools, The Children's Commissioner's office, and NFER on attendance. In May 2025, we focussed on resetting the narrative in a new webinar. NGA ran its online SEND conference, which was a great success.
4. Collaboration – we have positioned ourselves as the 'go to' voice for the DfE on school collaborations, commissioning research which will be published in June 2025.
5. School funding – as mentioned above, we have altered our approach, choosing to concentrate efforts in a combined campaign with leaders and teaching unions for the Schools Cuts Campaign.

Staffing; With NGA's long standing Chief Executive, and latterly Co-chief Executive, leaving in August 2024, Emma Balchin (previously Co-Chief Executive), became full time Chief Executive. This followed a 12-month transitional job share arrangement instigated and overseen by trustees following a recruitment process the previous year. An external review of Marketing and Comms was done leading to a new post of Director of Marketing and Communications, filled in April 2024. A further post to cover External Affairs and Advocacy was recruited to in December 24.

The board would like to thank staff for their continued hard work and support making a year of transition incredibly successful. Despite the major changes, staff continue to go above and beyond. The board are also very proud of the support for governance within our staff with many governing either at school or trust level themselves.

FINANCIAL REVIEW

Principal funding sources

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

Investment policy and objectives

The trustees have full powers under the Memorandum of Association to make ethical 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 provide reliable services over the longer term. NGA has set a reserves policy based on a review of income, expenditure, projects and risks which is regularly reviewed. In March 2025 the trustees revised the level of fixed reserves required at £250,000 and free reserves at £350,000. The trustees revised the level of reserves required to reach £391,550. The NGA's board reconsiders the level of any legal requirements in the event of any potential winding-up of the NGA on an annual basis.

Report of the trustees

For the year ended 31 March 2025

Financial review

The Statement of Financial Activities for the year ended 31 March 2025 shows total incoming resources of £3,378,016 (2024: £3,339,031) and total resources expended of £3,080,841 (2024: £3,229,840) generating net incoming resources of £297,175 (2024 net income resources £109,191). Membership subscriptions, increased during the year ended 31 March 2025 from £1,626,739 (2024) to £1,708,858.

Total funds at the year end were £903,813 (2024 – £606,638) representing the total of unrestricted funds carried forward.

FUTURE PLANS

NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers to retain members and extend our services to others. While we wish to reach governing boards that are not currently engaged with our work to improve governance, this must 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. We anticipate the number of MATs and Gold memberships growing after recent and ongoing reviews, and improvements to our products and services. New technology has increased functionality to drive better use of all our resources, and we have further plans to improve our offer in the coming year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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 under its Articles of Association. In the event of the NGA 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. 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.

The Board of Directors contains 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 2025.

The NGA has worked hard to ensure that there are some elections held each year and that together with the limits on length of service ensures there should always be a mix of new and more experienced trustees. We are also conscious of diversity on the board and regularly make efforts to ensure the diversity of the board, particularly as regards ethnicity and age.

National Governance Association

Report of the trustees

For the year ended 31 March 2025

Organisational structure

Each December the Board of Directors appoints, from its members, four or five honorary officers: The Chair or co-chairs, one or two Vice-Chairs, a Treasurer and an Honorary Secretary. The officers' group acts as a staffing committee when necessary. The board's meetings are supported by the company secretary who is externally appointed.

The Directors meet five times during the year as a full board, in person, if possible, to confirm a strategy to guide the organisation's work and to monitor its implementation. The board also holds two specific shorter virtual 'strategy and risk' meetings which successfully enable more generative discussion.

Operational implementation of the strategic objectives is delegated to the Chief Executive, 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 (if elected at the time) and its Chief Executive and, or the Company Secretary. During this session, new trustees meet the staff of the organisation and are briefed on their roles. A trustees' section of the NGA's SharePoint contains past and forthcoming papers, relevant policies and other useful resources.

Board development

The Board undertake an annual Development Day at the start of each autumn term, in recognition of the importance of regular whole-board training to ensure trustees remain focused on their core mission and have the necessary skills and knowledge to be effective in their role. The training is provided by external experts in the charity governance field. Every three years the board also undertakes an external review of governance from an independent, externally appointed charity governance expert to enable them to plan for continual improvement.

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 the financial statements. There were no trustees' remuneration or other benefits for the year ended 31 March 2024.

Key management personnel – Chief executive and deputy CEO

The pay of the NGA's senior staff is reviewed annually following the organisation's pay policy, normally increased by the cost of living where the board of trustees decides that is affordable. In April 2024 the board of trustees decided the cost-of-living increase was affordable and so it was awarded to all staff.

Report of the trustees

For the year ended 31 March 2025

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 priorities in the strategy 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.

National Governance Association

Statement of Trustees Responsibilities For the year ended 31 March 2025

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.

Approved by order of the Board of Trustees on 9 July 2025 and signed on its behalf by:



.....
Lawayne Jefferson – Trustee

**Independent Auditor's Report to the Trustees of
National Governance Association
(A Company Limited by Guarantee)**

Opinion

We have audited the financial statements of National Governance Association (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements :

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

**Independent Auditor's Report to the Trustees of
National Governance Association
(A Company Limited by Guarantee)
(continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 5), 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.

**Independent Auditor's Report to the Trustees of
National Governance Association
(A Company Limited by Guarantee)
(continued)**

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the company's control and risk management procedures and planned our work based on our assessment of those controls and procedures;
- This review included an assessment of the risk of material misstatement due to errors, fraud and management override of controls for all material areas in the financial statements;
- We made enquiries of management and the company's lawyers regarding any actual or potential litigation and/or claims;
- Financial statements disclosures were reviewed and checked for compliance with applicable laws;
- Detailed testing was conducted on balances and transactions including unusual items and those of individual significance to the financial statements;
- Data analytics were used in order to identify unusual or significant trends;
- Communications with management and those charged with governance regarding relevant matters was undertaken throughout the audit and on completion.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**Independent Auditor's Report to the Trustees of
National Governance Association
(A Company Limited by Guarantee)
(continued)**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

Date : *13/10/2025*

National Governance Association
(A Company Limited by Guarantee)

Statement of financial activities
for the year ended 31 March 2025

	Notes	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Income					
Income from charitable activities	3	3,263,779	91,586	3,355,365	3,305,568
Income from trading activities	4	8,570	-	8,570	15,122
Investment income	5	14,081	-	14,081	4,926
Other income		-	-	-	13,415
Total income		3,286,430	91,586	3,378,016	3,339,031
Expenditure					
<i>Charitable activities:</i>					
Operational and support costs	6	2,989,255	91,586	3,080,841	3,229,840
Total expenditure		2,989,255	91,586	3,080,841	3,229,840
Net income/(expenditure) before transfers		297,175	-	297,175	109,191
Gross transfers between funds	18	-	-	-	-
Net movement in funds		297,175	-	297,175	109,191
Reconciliation of funds					
Total funds brought forward	18	606,638	-	606,638	497,447
Total funds carried forward		903,813	-	903,813	606,638

All income and expenditure derives from continuing activities.

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

**National Governance Association
(A Company Limited by Guarantee)**

**Company Number : 03549029 / Charity number : 1070331
Balance sheet as at 31 March 2025**

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Fixed assets					
Tangible assets	12	24,220	-	24,220	8,301
Current assets					
Stock	13	6,327	-	6,327	9,409
Debtors	14	368,984	-	368,984	423,878
Cash at bank and in hand		995,589	-	995,589	717,771
		<u>1,370,900</u>	<u>-</u>	<u>1,370,900</u>	<u>1,151,058</u>
Creditors: amounts falling due within one year	15	<u>(491,307)</u>	<u>-</u>	<u>(491,307)</u>	<u>(552,721)</u>
Net current assets		<u>879,593</u>	<u>-</u>	<u>879,593</u>	<u>598,337</u>
Net assets		<u>903,813</u>	<u>-</u>	<u>903,813</u>	<u>606,638</u>
Funds of the charity :					
Unrestricted fund	18			<u>903,813</u>	<u>606,638</u>
Total funds				<u>903,813</u>	<u>606,638</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 18 to 30 form part of these accounts.

The financial statements were approved by the board of trustees on 9th July 2025 and were signed on its behalf by:



Bobby Thandi
Trustee

National Governance Association
(A Company Limited by Guarantee)

Statement of cash flows
for the year ended 31 March 2025

	Notes	2025 £	2024 £
Cash flow from operating activities	20	289,410	(11,816)
Net cash flow from operating activities		<u>289,410</u>	<u>(11,816)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(25,673)	-
Interest received		14,081	4,926
Net cash flow from investing activities		<u>(11,592)</u>	<u>4,926</u>
Net increase / (decrease) in cash and cash equivalents		<u>277,818</u>	<u>(6,890)</u>
Cash and cash equivalents at 1 April 2024		717,771	724,661
Cash and cash equivalents at 31 March 2025		<u>995,589</u>	<u>717,771</u>

**National Governance Association
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 March 2025

1. Accounting policies

a) General information and basis of preparation

National Governance Association is a charitable company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are the encouragement and maintenance of good school governance, and the support, by the provision of relevant information and other means, of school governors.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated

b) 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 a period of 12 months from the date of authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

d) Income recognition (continued)

- **Grants receivable**
Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.
- **Trading activities**
Income from trading activities includes income earned from activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raised funds and is recognised when entitlement has occurred.
- **Charitable activities**
Income from charitable activities includes membership fees, project, training and consultancy work undertaken and the sale of publications.
- **Interest receivable**
Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- **Costs of generating funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- **Charitable activities**
These are costs incurred in activities undertaken to further the purposes of the charity and their associated support costs.
- **Governance costs**
These include the costs attributable to the trust's compliance with constitutional and statutory requirements, including strategic management and trustees' meetings and reimbursed expenses.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

**National Governance Association
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

f) Allocation of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

g) Tangible fixed assets

Items of computer equipment and fixtures and fittings individually costing in excess of £500 are capitalised and carried on the Balance Sheet.

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures and fittings	- 25% per annum on a straight line basis
Computer equipment	- 33% per annum on a straight line basis

h) Stock

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

i) Debtors

Operational 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.

j) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

**National Governance Association
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 March 2025 (continued)

1. Accounting policies (continued)

l) Operating leases

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

m) 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.

n) 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 to which they relate. The assets of these personal pension schemes are held separately from those of the charity in independently administered funds.

o) Employee benefits

When employees have rendered service to the charity, 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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

2. Prior year Statement of Financial Activities (year end 31 March 2024)

	Unrestricted funds £	Designated fund £	Restricted funds £	Total 2024 £
Income				
Income from charitable activities	3,305,568	-	-	3,305,568
Income from trading activities	15,122	-	-	15,122
Investment income	4,926	-	-	4,926
Other income	13,415	-	-	13,415
Total income	3,339,031	-	-	3,339,031
Expenditure				
Charitable activities	3,229,015	-	825	3,229,840
Total expenditure	3,229,015	-	825	3,229,840
Net income/(expenditure) before transfers	110,016	-	(825)	109,191
Gross transfers between funds	-	-	-	-
Net movement in funds	110,016	-	(825)	109,191
Reconciliation of funds				
Total funds brought forward	496,622	-	825	497,447
Total funds carried forward	606,638	-	-	606,638

3. Income from charitable activities

	Unrestricted funds £	Designated fund £	Restricted funds £	Total 2025 £	Total 2024 £
Membership fees	1,708,858	-	-	1,708,858	1,626,739
Project income	-	-	91,586	91,586	150
Training and consultancy income	1,509,659	-	-	1,509,659	1,423,840
Publications income	15,555	-	-	15,555	40,089
Miscellaneous income	29,707	-	-	29,707	13,884
NLG income	-	-	-	-	200,866
	3,263,779	-	91,586	3,355,365	3,305,568

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

4. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Advertising income	8,570	-	8,570	15,122
	<u>8,570</u>	<u>-</u>	<u>8,570</u>	<u>15,122</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Bank interest receivable	14,081	-	14,081	4,926
	<u>14,081</u>	<u>-</u>	<u>14,081</u>	<u>4,926</u>

6. Expenditure on charitable activities

	Core activity £	Total 2025 £	Total 2024 £
Operational and support costs			
Direct staff costs	1,505,557	1,505,557	1,600,660
Other operational costs	585,434	585,434	669,385
Support costs (see note 7)	951,517	951,517	929,663
Governance costs (see note 7)	38,333	38,333	30,132
	<u>3,080,841</u>	<u>3,080,841</u>	<u>3,229,840</u>

Total expenditure on charitable activities was £3,080,797 (2024 - £3,229,840) of which £2,989,211 (2024 - £3,329,015) was unrestricted and £91,586 (2024 - £825) was restricted.

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

7. Analysis of support and governance costs

	Basis of allocation	General support £	Governance function £	Total 2025 £	Total 2024 £
Salaries	Staff time	338,387	-	338,387	281,226
Social security	Staff time	38,830	-	38,830	30,091
Pensions	Staff time	22,964	-	22,964	18,118
Office rent and services	Usage	134,636	-	134,636	168,170
Office expenses	Usage	47,861	-	47,861	146,632
Dilapidations	Usage	60,000	-	60,000	-
Marketing and publicity	Usage	76,526	-	76,526	82,470
Insurance	Usage	7,214	-	7,214	7,995
Professional development	Usage	21,471	-	21,471	6,969
IT equipment and expenses	Usage	195,143	-	195,143	201,097
Bank charges	Usage	5,452	-	5,452	7,601
(Recoverable)/Irrecoverable VAT	Usage	(6,721)	-	(6,721)	(34,400)
Depreciation	Usage	9,754	-	9,754	13,694
Trustees expenses	Governance	-	4,204	4,204	4,083
Audit fees	Governance	-	6,900	6,900	4,980
Professional fees	Governance	-	10,976	10,976	8,611
Board expenses	Governance	-	6,522	6,522	2,738
Clerk to the Board	Governance	-	9,731	9,731	9,720
		<u>951,517</u>	<u>38,333</u>	<u>989,850</u>	<u>959,795</u>

8. Net income/(expenditure) for the year

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

	Total 2025 £	Total 2024 £
Depreciation of tangible fixed assets	9,754	13,694
Auditors remuneration	<u>6,900</u>	<u>4,980</u>

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

9. Trustees and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2024 - £nil).

During the year ended 31 March 2025 expenses totalling £4,204 (2024 - £4,083) were reimbursed or paid directly to 7 trustees (2024 - 9) for travel, subsistence, telephone and other items performed on behalf of the charity.

The Trust considers its key management personnel comprise the board of trustees, the Chief Executive Officer and the deputy Chief Executive Officer. The total amount of employee benefits received by key management personnel was £204,348.

10. Analysis of staff costs and numbers

Staff costs :

	Total 2025 £	Total 2024 £
Wages and salaries	1,624,930	1,651,606
Social security costs	170,091	167,172
Defined contribution pension schemes	110,717	111,317
	<u>1,905,738</u>	<u>1,930,095</u>

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

	2025 Number	2024 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
	<u>6</u>	<u>3</u>

Staff numbers :

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

	2025 Number	2024 Number
Headcount	43	46
	<u>43</u>	<u>46</u>

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

11. Pension commitments

The charity 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 2025 amounted to £110,717 (2024 - £111,317) and outstanding contributions as at 31 March 2025 amounted to £12,484 (2024 - £13,985).

12. Tangible fixed assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2024	4,495	76,482	80,977
Additions	-	25,673	25,673
Disposals	-	-	-
At 31 March 2025	<u>4,495</u>	<u>102,155</u>	<u>106,650</u>
Depreciation			
At 1 April 2024	4,288	68,388	72,676
Charge for the year	207	9,547	9,754
Released by disposals	-	-	-
At 31 March 2025	<u>4,495</u>	<u>77,935</u>	<u>82,430</u>
Net book values			
At 31 March 2025	<u>-</u>	<u>24,220</u>	<u>24,220</u>
At 31 March 2024	<u>207</u>	<u>8,094</u>	<u>8,301</u>

13. Stocks

	Total 2025 £	Total 2024 £
Books and publications for resale	6,327	9,409
	<u>6,327</u>	<u>9,409</u>

14. Debtors

	Total 2025 £	Total 2024 £
Debtors from operations	277,394	300,076
Prepayments	80,258	105,961
Accrued income	11,332	17,841
	<u>368,984</u>	<u>423,878</u>

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

15. Creditors - amounts falling due within one year

	Total 2025 £	Total 2024 £
Creditors from operations	103,088	182,064
Taxation and social security	45,497	41,166
Accruals	77,593	68,276
Deferred income	196,373	248,432
Dilapidations provision	60,000	-
Other creditors	8,756	12,783
	<u>491,307</u>	<u>552,721</u>
Deferred income		
Deferred income at 1 April 2024	248,432	182,110
Resources deferred in the year	196,373	248,432
Amounts released from previous years	(248,432)	(182,110)
Deferred income at 31 March 2025	<u>196,373</u>	<u>248,432</u>

At the balance sheet date the charity was holding funds received in advance for membership fees £103,381 (2024 - £113,125), professional and development fees £90,212 (2024 - £130,307) and other income £2,780 (2024 - £5,000).

Following the charity's departure from its previous office premises in September 2024, a provision of £60,000 has been recognised for expected dilapidation costs under the terms of the lease. The amount represents management's best estimate of the cost to restore the premises to the required condition, and is expected to be settled within the next 12 months.

16. Commitments under operating leases

At 31 March 2025, the charity was committed to making the following payments under non-cancellable operating leases :

	Total 2025 £	Total 2024 £
Within one year	-	45,370
Within two to five years inclusive	-	-
In over five years	-	-
	<u>-</u>	<u>45,370</u>

The charity vacated its previous office premises in September 2024 upon the expiry of its lease. In October 2024, the charity entered into a new licence agreement for office premises. The new agreement does not confer exclusive use and is therefore treated as a service contract rather than an operating lease (see note 17).

**National Governance Association
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 March 2025 (continued)

17. Other financial commitments

At 31 March 2025, the charity was committed to making payments under a licence agreement for office premises entered into in October 2024. The estimated commitment under this agreement is as follows:

	Total 2025 £	Total 2024 £
Within one year	100,250	-
Within two to five years inclusive	160,000	-
In over five years	-	-
	<u>260,250</u>	<u>-</u>

18. Analysis of funds

	Balance at 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2025 £
Restricted funds					
Food Project	-	91,586	(91,586)	-	-
	<u>-</u>	<u>91,586</u>	<u>(91,586)</u>	<u>-</u>	<u>-</u>
Unrestricted funds					
General fund	606,638	3,286,430	(2,989,255)	-	903,813
	<u>606,638</u>	<u>3,286,430</u>	<u>(2,989,255)</u>	<u>-</u>	<u>903,813</u>
Total funds	<u>606,638</u>	<u>3,378,016</u>	<u>(3,080,841)</u>	<u>-</u>	<u>903,813</u>

Name of fund	Description, nature and purpose of fund
Restricted general fund	Money given to the charity where the donor requires that a grant or donation be spent for a specific project. The Food Project income received from the DfE relates to an e-learning development project supporting school governance around food quality and curriculum, with the corresponding expenditure also restricted to this purpose.
Unrestricted general fund	The free reserves of the charity which are not designated for particular purposes.

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

18. Analysis of funds (continued)

Comparative movement in funds is as follows:

	Balance at 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2024 £
Restricted funds					
ASCL - joint publication	825	-	(825)	-	-
	825	-	(825)	-	-
Unrestricted funds					
General fund	496,622	3,339,031	(3,229,015)	-	606,638
Designated fund	-	-	-	-	-
	496,622	3,339,031	(3,229,015)	-	606,638
Total funds	497,447	3,339,031	(3,229,840)	-	606,638

19. Analysis of net assets between funds

Fund balances at 31 March 2025
are represented by:

	Unrestricted funds £	Designated fund £	Restricted funds £	Total funds £
Tangible fixed assets	24,220	-	-	24,220
Current assets	1,370,900	-	-	1,370,900
Current liabilities	(491,307)	-	-	(491,307)
Total net assets	903,813	-	-	903,813

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Total 2025 £	Total 2024 £
Net income/(expenditure) for the year	297,175	109,191
Depreciation	9,754	13,694
Interest receivable	(14,081)	(4,926)
(Increase) / decrease in stock	3,082	378
(Increase) / decrease in debtors	54,894	133,257
Increase / (decrease) in creditors	(61,414)	(263,410)
Net cash flow from operating activities	289,410	(11,816)

National Governance Association
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 March 2025 (continued)

21. Ultimate controlling party

The charity is controlled by the trustees listed in the reference and administrative details on page 1.

22. Related party transactions

There were no related party transactions for the year ended 31 March 2025 (2024 - none).

Accounts

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2024
for
National Governance Association**

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

National Governance Association

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National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

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 2024. 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. NGA is the membership association for governors, trustees and governance professionals in England's state schools and trusts.

Membership of the NGA is open to Governing Boards of individual schools (at a standard and a GOLD rate) and of multi academy trusts (MATs), to Associations of Governing Boards (normally covering a local authority area but independent of the local authority), to individual governors, trustees, clerks/governance professionals, and to public authorities and companies who have an interest in school/trust governance. We also offer a range of professional development for governors, trustees, chairs of boards, governance professionals and executive leaders. Our e-learning Learning Link is now the market leader.

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) and the Framework for Ethical Leadership in Education (trust; wisdom; kindness; justice; service; courage; optimism) we champion fairness and opportunity for all young people, equality, diversity and inclusion for all. We aim to be creative, visionary and agile.

Ensuring our work delivers our aims

We aim to be the go-to trusted and valued authority for schools and trust governance, and to ensure the voices of those involved in school and trust governance are heard. We strive to influence relevant policy and shape the practice and culture of governance in a way which strengthens accountability. We empower those in school and trust governance with valuable resources, expert support and e-learning so that pupils can flourish.

We review our strategy annually, looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success towards achieving each strategic priority and the benefits they have brought to those groups of people we are set up to help. The review allows the trustees to ensure that our strategy and activities remain focused on our stated purposes, and the co -chief executive reports on that throughout the year.

As part of NGA's commitment to ongoing service improvement and listening to members, Trustees agreed to invest in a new website and rebrand in 22/23. Work has been on going and the launch of both the new branding and website have taken place (later than expected) in this financial year. Much development was done in the preceding financial year however, £55,000 of investment from reserves has supported these innovations.

NGA's two main areas of income and service come from our membership offers and our e-learning, Learning Link, part of our professional development offer. One of the improved functionalities on the new website has enabled single sign on for membership and learning link.

Following extensive consultation with trusts on their governance needs, 2023/24 saw the introduction of a revised membership offer to MATs. This includes access to GOLD advice services and more support available to local governors as well as the trustees, such as access to "Welcome to Governance Live" induction sessions. The MAT membership offer has been well received, and even more successful than we predicted in further increasing the number of MATs in membership.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Key achievements and successes during the period include the following:

The annual survey of NGA members conducted in autumn 2023 showed again that Learning Link e-learning, Knowledge Centre (a website membership area), Gold Advice, the weekly e-newsletter, and publications are all well-received.

The number of calls to our Gold Advice line has continued to grow, with 66% of enquiries from Trusts and academies, a testament to our members' trust in this service. Legal advice is given in partnership with Browne Jacobson.

NGAs induction guides: 'Welcome to Governance', 'Governing a Multi Academy Trust' and 'The Chair's Handbook' have consistently received high satisfaction ratings, demonstrating the quality and usefulness of these resources. The new edition of Governing in a Multi Academy Trust published in September 2023 was significantly enhanced and now acts as resource for all those involved in trust governance, not just those new to it.

The membership survey also highlighted positive ratings for events, with virtual events maintaining their popularity. Between April 2023 and March 2024, we ran 40 events consisting of 11 webinars, 26 other virtual events, and 3 in-person events (Summer Conference in Manchester, MAT Conference in London, and our bi-annual Outstanding Governance Awards in the House of Commons). The overall attendance for this period totaled 5,301 for the year (over 1000 more people than last year), with an additional 2,113 post-event views of webinar recordings.

Professional development offer: We have continued to deliver our training and consultancy services this year both online and face to face. Demand for these services is increasing significantly year on year. This work continues to provide a useful insight to the guidance needed for governing boards to help them improve. We have also extended our Leading Governance development offer to include a programme for academy trustees which is well received by our members as shown by the additional sessions we have opened to meet demand. We also developed governance sessions for executive senior leaders in schools and trusts and ran six of these over the year which received excellent feedback. Our consultancy service continues to be the largest supplier of external reviews of governance in the sector, including for trusts. Since the service began, we have conducted over 1000 reviews.

We continue to deliver and continuously improve our e-learning offer, Learning Link. Almost half of schools in England, including academies, are subscribed to Learning Link. By the end of 23/24 we have over 90,000 registered users, an increase of approximately 35,000 or 65% on last year. This large increase is due in part to our development of a single sign on process with the new NGA website, which has made it easier than ever for users from subscribing schools to access the platform. Alongside improvements to the login process and user experience, we continue to develop and release new modules to meet our users' needs, with recent releases covering topics such as safer recruitment, handling complaints and environmental sustainability. 96% of users who have completed modules on Learning Link would recommend them to others.

National Leaders of Governance (NLG) programme: NGA successfully delivered and closed the NLG programme for the Department for Education after just two years delivery. October 2023 saw the culmination of over 400 reviews carried out successfully, and 90% of progress reviews undertaken demonstrated significant improvements, with 97% of participating schools and trusts recommending the process. This contract represented a substantial area of funding for NGA, although most of the income received was paid out to NLGs (National Leaders of Governance). Associated NGA staff posts had to be made redundant in a graduated way as the project ended.

Services for different school structures: We continue to serve all governance structures, though our guidance, thought leadership and events. Our termly virtual governance forums and MAT network provide those governing and executive leaders in similar school structures with a format to share experiences and good practice, with specific forums provided for local authority-maintained schools, single academy trust (SATs), MAT trustees, and local academy committees. We consider each of these structures, and differing audiences for each area of content and development we produce.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

NGA has continued to be at the front of the curve on conversations and recommendations for best practice regarding MAT governance. MAT members have benefited from our flagship MAT conference at the start of the academic year and we also introduced a new series of MAT focused webinars.

In September 2023, NGA held its prestigious bi-annual Outstanding Governance awards at the House of Commons, where excellence in school and trust governance was celebrated, joined by influential colleagues from across the sector and from within the Department for Education.

Working with partners: We work with many partners in the sector to further the effectiveness of governing boards. Some of our content has been the result of collaboration with partners, with for example ASCL, NAHT, ISBL and Browne Jacobson.

In the last year, NGA has continued to produce joint guidance with partners, providing joint support for the wider benefit of the sector. This has included:

- PE premium tool published with the Department for Education
- Ofsted deferring and pausing policy guidance working with Ofsted
- Trust executive pay working with Pay in Education
- Working with NAHT, ASCL, and WomenEd to release their annual analysis of the gender pay gap in education
- The 'statement of action' signed by 14 key sector bodies and National Associations including NGA outlining the collective and individual commitments to help improve equity and diversity in education.

Research and governance policy: In the summer term we undertook the annual governance survey 2023, publishing an interim report in July which secured significant media coverage and sector attention, followed by a full report in September. This forms the only significant data on the experiences of those who govern our schools and trust and is used by many others, including the DfE.

In November 2023 NGA published a very well received report detailing the findings on a study into governance workload, using this to inform the sector including partners, ministers and civil servants on the main causes and issues contributing to governor and trust workload.

Influence and representation

NGA has continued to prioritise representing and creating change for the governance community as a core essential part of our mission and in delivering on our charitable objective.

In September 2023 NGA published its Manifesto for schools and trusts, documenting our key asks on behalf of the governance community ahead of the general election.

Through our work we have been instrumental in informing and influencing policy, practice and guidance changes. NGA continues to be represented at many DfE meetings, both at roundtables and bilaterals. We are represented on several DfE stakeholder groups, including:

- the School Academy Funding Group
- the Academies Finance and Assurance Steering Group
- Ofsted stakeholders group and responsible bodies stakeholder group
- the DfE's workload reduction taskforce.

We were represented on other influential DfE and government agency discussions, working groups or enquiries including:

- Providing oral evidence to the Education Select Committee's inquiry into Ofsted and being referenced numerous times in the select committee report
- Informing and influencing the content of the DfE's new governance handbooks
- Influence the schools minister to write a letter addressing and thanking the governance community for their work on attendance

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

NGA responded to all relevant formal consultations including:

- National Audit Office evidence on disadvantage - NGA's key point encouraging the government to adopt a wider definition of disadvantage that incorporates the five dimensions identified by NGA.
- Government consultation on Minimum Service Levels - NGA's main conclusion being that the minimum service level should not be pursued
- STRB 2024 - Evidence summarises and validates NGA's stance on teacher pay increase at a minimum in line with inflation. NGA subsequently gave oral evidence
- Government consultation on Gender questioning guidance - the subject matter of the guidance is primarily approached from a legal perspective, and we have included several recommendations.

Priority topics, in addition to our manifesto mentioned above:

1. We continue raise the awareness and understanding of the role of governance in schools and trusts, through the Visible Governance in Schools and Trusts campaign
2. Governance workload - following extensive work and the publication of our initial report, we have engaged with members on key findings, primarily exclusions workload and the appetite for pay. Building on over 2000 responses to our survey questions about the stresses of the role, we extended the project by and commissioned research on the time it takes to govern in 2024
3. Governance recruitment - following extensive feedback on this issue directly from members, at networking events and in our survey, we have continued to push this area of priority, attempting to gain more sector, press and DfE attention
4. Pupils Attendance and behaviour - we have worked with stakeholders across the sector, including the DfE, Well Schools, The Children's Commissioner's office, and NFER, synthesising their work for boards. This topic was covered in best attended annual seminar in our November conference week.
5. SEND - NGA ran its online SEND conference, conducted a SEND specific webinar, produced new guidance and explored new opportunities to engage and work with partners
6. School funding - our campaigning on funding has featured in most public facing activity we have engaged with, and our flagship funding ask in our manifesto was updated. We have carried out two specific webinars on funding, one being trust specific.
7. People and leadership: workload; well-being; appraisal and development; pay; working with leadership and our STRB response have all taken priority. Following on from our 2023 survey results we have also pushed the need to address support staff pay.

Staffing; With NGA's long standing chief executive giving notice for August 2024, the board of trustees developed a recruitment and succession plan from September 2023. Following a recruitment process, Emma Knights became a job-share with Emma Balchin (previously Director of Professional Development), each three days a week as co-chief executives, allowing a year of transition. Two other members of the senior leadership team (SLT) (the Director of Advice and Guidance and Chief Operating Officer) left the organisation, allowing for a small restructure, in which a Deputy Chief Executive role was created and filled by Sam Henson from January 2024 (previously Director of Policy and Communications).

As part of these changes, we also commissioned an external review of our marketing and communications functions, which resulted in a restructuring of our staff team and the creation of a Director of Marketing and Communications SLT role which was recruited to externally to start in April 2024. The changes were almost complete by the end of the financial year with the recruitment of a further post to cover External Affairs and Advocacy still underway.

The board would like to thank the staff group for their continued hard work and support during what was expected to be a challenging year but has in fact turned out to be incredibly successful. Staff continue to go above and beyond. The board are also very proud of the support for governance within our staff team with many governing either at school or trust level themselves.

FINANCIAL REVIEW

Principal funding sources

We should 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.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

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 provide reliable services over the longer term. NGA has set a reserves policy based on a review of income, expenditure, projects and risks which is regularly reviewed. In March 2024 the trustees revised the level of reserves required at £391,550. The NGA's board reconsiders the level of any legal requirements in the event of any potential winding-up of the NGA on an annual basis.

As at 31 March 2024 the amount of reserves were £606,638 (compared to £497,447 at 31 March 2023) of which £598,337 were free reserves (compared to £474,627 at 31 March 2023). Free reserves are reserves which do not include restricted funds, or reserves tied up in tangible fixed assets of £8,301. At 31 March 2023, free reserves represented 14% of annual income.

The Statement of Financial Activities for the year ended 31 March 2024 shows total incoming resources of £3,339,031 (2023 £3,143,593) and total resources expended of £3,229,840 (2023 £3,488,817) generating net incoming resources of £109,191 (2023 net income resources expended £345,224).

Membership subscriptions, increased during the year ended 31 March 2024 from £1,540,031 to £1,626,739.

FUTURE PLANS

NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers to retain members. While we wish to reach governing boards that are not currently engaged with our work to improve governance, this must 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. We expect that the number of MATs in membership will continue to grow after the recent review and improvement of that offer. The new website has increased functionality to drive better use of all our resources, and we are planning how technology could improve our offer.

NGAs lease at 36 Great Charles Street ends on the 18/09/2024, at which point the organisation will have secured more flexible premises to reduce future costs.

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 under 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 2024

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. 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.

The Board of Directors contains 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 2024.

The NGA has worked hard to ensure that there are some elections held each year and that together with the limits on length of service ensures there should always be a mix of new and more experienced trustees. We are also conscious of the diversity on the board and have made efforts to improve the diversity of the board, particularly as regards ethnicity and age.

Organisational structure

Each December the Board of Directors appoints, from its members, four or five honorary officers: The Chair or co-chairs, one or two Vice-Chairs, a Treasurer and an Honorary Secretary. The officers' group acts as a staffing committee when necessary. The board's meetings are supported by the company secretary who has been externally appointed. For the first time in December 2023 NGAs board of trustees have appointed both co-chairs.

The Directors meet five times during the year as a full board, in person, if possible, to confirm a strategy to guide the organisation's work and to monitor its implementation. The board also holds two specific shorter virtual strategy and risk meetings (established in 2023) which successfully enable more generative discussion.

Operational implementation of the strategic objectives is delegated to the Chief Executive and from September 2023 for one year the job share Chief Executives, Emma Knights and Emma Balchin, who are responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. To facilitate effective operations, the Chief Executive(s) also have 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 (if elected at the time) and its Chief Executive or the Company Secretary. During this session, new trustees meet the staff of the organisation and are briefed on their roles. A trustees' section of the NGA's sharepoint contains past and forthcoming papers, relevant policies and other useful resources.

Board development The Board undertake an annual Development Day at the start of each autumn term, in recognition of the importance of regular whole-board training to ensure trustees remain focused on their core mission and have the necessary skills and knowledge to be effective in their role. The training is provided by external experts in the charity governance field. Every three years the board also undertakes an external review of governance from an independent, externally appointed charity governance expert to enable them to plan for continual improvement.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Co-Chief Executives.

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 the financial statements. There were no trustees' remuneration or other benefits for the year ended 31 March 2024.

Key management personnel - Chief executive and deputy CEO

The pay of the NGA's senior staff is reviewed annually following the organisation's pay policy, normally increased by the cost of living where the board of trustees decides that is affordable. In April 2023 the board of trustees decided the cost-of-living increase was not affordable at that time and a flat rate increase of £1,000 was instead given to all staff alongside 3 additional days for Christmas leave.

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 priorities in the strategy forms the basis of the exception reporting by the Co-Chief Executives 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

Tim Brock
Alastair Cowen
Howard Davies (resigned 17.11.23)
Duncan Haworth MBE (resigned 17.11.23)
Lynn Howard (resigned 17.11.23)
Lawayne Jefferson
Anthea Kenna
Bobby Thandi
Annie McMaster
Michelle Anne Foster (appointed 17.11.23)
Anthony Langan (appointed 17.11.23)
Janice Ann Light (appointed 14.12.23)
Jeff Quantrill (appointed 17.11.23)

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Trustee attendance at Board Meetings

Lynn Howard - Attended 9 of 9
Anthea Kenna - Attended 7 of 9 Apologies 2
Lawayne Jefferson - Attended 10 of 11
Duncan Haworth - Attended 4 of 5 Apologies 1
Alastair Cowen - Attended 9 of 9
Howard Davies - Attended 5 of 5
Tim Brock - Attended 6 of 9 Apologies 2
Bobby Thandi - Attended 7 of 9
Annie McMaster - Attended 7 of 9 Apologies 2
Janice Light attended 2 of 2
Jeff Quantrill attended 2 of 2
Anthony Langan attended 2 of 2
Michelle Foster attended 2 of 2

Senior Statutory Auditor

David Williams FCA FCCA

Auditors

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

Company secretary

Lara Angell-Wood

Chief executives

Emma Knights OBE (full time until September 2023 and job-share from then)
Emma Balchin (Co-chief executive from 1 September 2023)

Deputy Chief Executive

Sam Henson

Bankers

HSBC Bank
130 New Street
Birmingham
West Midlands
B2 4JU

National Governance Association

Report of the Trustees for the Year Ended 31 March 2024

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 9th July 2024 and signed on its behalf by:



Lawayne Jefferson - Trustee



A Cowen - 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 2024 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 2024 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, as outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We concentrated on those laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP (FRS 102 and UK tax legislation). Our audit tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management and with third parties, where relevant.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and checking the authorisation of expenditure as part of our substantive testing, using analytical review to identify any significant or unusual transactions and evaluating whether there was evidence of bias by the trustees or management that represented a risk of material misstatement due to fraud.

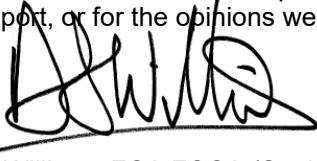
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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.

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

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
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

Date: 09/07/24

National Governance Association

**Statement of Financial Activities
for the Year Ended 31 March 2024**

	Notes	Unrestricted fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable activities		3,305,568	-	3,305,568	3,133,142
Other trading activities	2	15,122	-	15,122	7,924
Investment income	3	4,926	-	4,926	2,527
Other income		13,415	-	13,415	-
Total		3,339,031	-	3,339,031	3,143,593
 EXPENDITURE ON					
Charitable activities	5				
Charitable activities		3,229,015	825	3,229,840	3,488,817
 NET INCOME/(EXPENDITURE)		110,016	(825)	109,191	(345,224)
 RECONCILIATION OF FUNDS					
Total funds brought forward		496,622	825	497,447	842,671
 TOTAL FUNDS CARRIED FORWARD		606,638	-	606,638	497,447

The notes form part of these financial statements

National Governance Association

Balance Sheet 31 March 2024

	Notes	Unrestricted fund £	Restricted funds £	31.3.24 Total funds £	31.3.23 Total funds £
FIXED ASSETS					
Tangible assets	13	8,301	-	8,301	21,995
CURRENT ASSETS					
Stocks	14	9,409	-	9,409	9,787
Debtors	15	423,878	-	423,878	557,135
Cash at bank and in hand		717,771	-	717,771	724,661
		1,151,058	-	1,151,058	1,291,583
CREDITORS					
Amounts falling due within one year	16	(552,721)	-	(552,721)	(816,131)
NET CURRENT ASSETS		598,337	-	598,337	475,452
TOTAL ASSETS LESS CURRENT LIABILITIES		606,638	-	606,638	497,447
NET ASSETS/(LIABILITIES)		606,638	-	606,638	497,447
FUNDS	18				
Unrestricted funds				606,638	496,622
Restricted funds				-	825
TOTAL FUNDS				606,638	497,447

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

9th July 2024 and were signed on its behalf by:



Bobby Thandi - Trustee

National Governance Association

**Cash Flow Statement
for the Year Ended 31 March 2024**

	Notes	31.3.24 £	31.3.23 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(11,816)</u>	<u>(289,884)</u>
Net cash used in operating activities		<u>(11,816)</u>	<u>(289,884)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(10,709)
Interest received		<u>4,926</u>	<u>2,527</u>
Net cash provided by/(used in) investing activities		<u>4,926</u>	<u>(8,182)</u>
Change in cash and cash equivalents in the reporting period		(6,890)	(298,066)
Cash and cash equivalents at the beginning of the reporting period		<u>724,661</u>	<u>1,022,727</u>
Cash and cash equivalents at the end of the reporting period		<u><u>717,771</u></u>	<u><u>724,661</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 2024**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.24	31.3.23
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	109,191	(345,224)
Adjustments for:		
Depreciation charges	13,694	19,361
Interest received	(4,926)	(2,527)
Decrease/(increase) in stocks	378	(2,917)
Decrease/(increase) in debtors	133,257	(181,284)
(Decrease)/increase in creditors	(263,410)	222,707
Net cash used in operations	<u>(11,816)</u>	<u>(289,884)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.23	Cash flow	At 31.3.24
	£	£	£
Net cash			
Cash at bank and in hand	<u>724,661</u>	<u>(6,890)</u>	<u>717,771</u>
	<u>724,661</u>	<u>(6,890)</u>	<u>717,771</u>
Total	<u>724,661</u>	<u>(6,890)</u>	<u>717,771</u>

The notes form part of these financial statements

National Governance Association

Notes to the Financial Statements for the Year Ended 31 March 2024

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 2024

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 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. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2020 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable 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.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Employee 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

	31.3.24	31.3.23
	£	£
Advertising	<u>15,122</u>	<u>7,924</u>

3. INVESTMENT INCOME

	31.3.24	31.3.23
	£	£
Bank interest receivable	<u>4,926</u>	<u>2,527</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.24	31.3.23
Activity	£	£
Membership fees	1,626,739	1,540,031
Project income	150	6,300
Training and consultancy income	1,423,840	1,273,663
Publications income	40,089	33,654
Miscellaneous income	13,884	2,916
NLG income	<u>200,866</u>	<u>276,578</u>
	<u>3,305,568</u>	<u>3,133,142</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>2,270,045</u>	<u>959,795</u>	<u>3,229,840</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>929,663</u>	<u>30,132</u>	<u>959,795</u>

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

Management

	31.3.24 Charitable activities £	31.3.23 Total activities £
Salaries	281,226	184,116
Social security	30,091	22,589
Pensions	18,118	12,868
Office rent and services	168,170	143,438
Marketing and publicity	82,470	59,911
Insurance	7,995	8,068
Professional development	6,969	16,155
Office expenses	146,632	134,020
IT equipment and expenses	201,097	451,133
Bank charges	7,601	7,381
(Recoverable)/Irrecoverable VAT	(34,400)	(1,760)
Depreciation of tangible and heritage assets	<u>13,694</u>	<u>19,361</u>
	<u>929,663</u>	<u>1,057,280</u>

Governance costs

	31.3.24 Charitable activities £	31.3.23 Total activities £
Trustees' expenses	4,083	3,075
Auditors' remuneration	4,980	4,800
Professional fees	8,611	17,616
Board expenses	2,738	3,797
Clerk to the Board	<u>9,720</u>	<u>14,268</u>
	<u>30,132</u>	<u>43,556</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.24 £	31.3.23 £
Auditors' remuneration	4,980	4,800
Depreciation - owned assets	<u>13,694</u>	<u>19,361</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2024 nor for the year ended 31 March 2023.

Trustees' expenses

	31.3.24	31.3.23
	£	£
Trustees' expenses	<u>4,083</u>	<u>3,075</u>

During the year ended 31 March 2023 9 trustees (2023 - 7) were directly reimbursed for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the NGA.

9. STAFF COSTS

	31.3.24	31.3.23
	£	£
Wages and salaries	1,651,606	1,712,524
Social security costs	167,172	176,541
Other pension costs	<u>111,317</u>	<u>114,642</u>
	<u>1,930,095</u>	<u>2,003,707</u>

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

	31.3.24	31.3.23
	<u>46</u>	<u>49</u>
Head count		

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

	31.3.24	31.3.23
	£	£
£60,001 - £70,000	3	1
£70,001 - £80,000	<u>-</u>	<u>1</u>
	<u>3</u>	<u>2</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	2,856,564	276,578	3,133,142
Other trading activities	7,924	-	7,924
Investment income	<u>2,527</u>	<u>-</u>	<u>2,527</u>
Total	<u>2,867,015</u>	<u>276,578</u>	<u>3,143,593</u>
EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>3,212,239</u>	<u>276,578</u>	<u>3,488,817</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
NET INCOME/(EXPENDITURE)	(345,224)	-	(345,224)
RECONCILIATION OF FUNDS			
Total funds brought forward	841,846	825	842,671
TOTAL FUNDS CARRIED FORWARD	<u>496,622</u>	<u>825</u>	<u>497,447</u>

11. FUNDS RECEIVED AS AGENT

As part of the contractual arrangements with the DfE, to design and deliver a programme to implement the recommendations for NLG Reform, the charity administers funds under the contract for payment to suppliers. The charity does not have discretion about the use to which these funds received are put and acts only in accordance with the instructions or directions of the DfE.

Therefore to present the appropriate substance of these transactions, these funds are not included as income or expenditure in the Statement of Financial Activities.

Under the terms of the arrangement, there is a timing difference between the receipt and payment of these funds, details of which are:

	31.3.23	31.03.23
	£	£
Funds received as agent in the year	185,305	450,577
Funds paid out in the year	(248,607)	(424,377)
	(63,303)	<u>26,200</u>
Funds held 31 March 2023 (included in accruals in note 16)	130,950	
Funds held 31 March 2024 (included in accruals in note 16)	<u>-</u>	

12. 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 2023 amounted to £111,317 (2023 - £114,642) and outstanding contributions as at 31 March 2023 amounted to £13,985 (2023 - £15,961).

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2023 and 31 March 2024	<u>4,495</u>	<u>76,482</u>	<u>80,977</u>
DEPRECIATION			
At 1 April 2023	4,021	54,961	58,982
Charge for year	<u>267</u>	<u>13,427</u>	<u>13,694</u>
At 31 March 2024	<u>4,288</u>	<u>68,388</u>	<u>72,676</u>
NET BOOK VALUE			
At 31 March 2024	<u>207</u>	<u>8,094</u>	<u>8,301</u>
At 31 March 2023	<u>474</u>	<u>21,521</u>	<u>21,995</u>

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

14. STOCKS

	31.3.24 £	31.3.23 £
Books and publications for resale	<u>9,409</u>	<u>9,787</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade debtors	300,076	412,286
Accrued income	17,841	8,508
Prepayments	<u>105,961</u>	<u>136,341</u>
	<u>423,878</u>	<u>557,135</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.24 £	31.3.23 £
Trade creditors	182,064	376,350
Social security and other taxes	41,166	88,873
Other creditors	12,783	14,759
Accruals	68,276	154,039
Deferred income	<u>248,432</u>	<u>182,110</u>
	<u>552,721</u>	<u>816,131</u>
Deferred income		
Deferred at 1 April	182,110	216,077
Released to income in the year	(182,110)	(216,077)
Additionally deferred in the year	<u>248,432</u>	<u>182,110</u>
Deferred at 31 March	<u>248,432</u>	<u>182,110</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred income comprises:

Membership	113,125	73,135
Professional & Development	130,307	108,975
Other	5,000	-
	<u>248,432</u>	<u>216,077</u>

17. LEASING AGREEMENTS

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

	31.3.24	31.3.23
	£	£
Within one year	45,370	91,170
Between one and five years	<u>-</u>	<u>45,370</u>
	<u>45,370</u>	<u>136,540</u>

Leasing commitments are in respect of the charity's office premises. The charity has given notice to end its current office lease when it terminates in September 2024.

18. MOVEMENT IN FUNDS

	At 1.4.23 £	Net movement in funds £	At 31.3.24 £
Unrestricted funds			
General fund	496,622	110,016	606,638
Restricted funds			
ASCL - joint publication	825	(825)	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>497,447</u>	<u>109,191</u>	<u>606,638</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,339,031	(3,229,015)	110,016
Restricted funds			
ASCL - joint publication	-	(825)	(825)
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>3,339,031</u>	<u>(3,229,840)</u>	<u>109,191</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2024

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	841,846	(345,224)	496,622
Restricted funds			
ASCL - joint publication	825	-	825
TOTAL FUNDS	<u>842,671</u>	<u>(345,224)</u>	<u>497,447</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,867,015	(3,212,239)	(345,224)
Restricted funds			
DfE - National Leaders of Governance (NLG) support	276,578	(276,578)	-
TOTAL FUNDS	<u>3,143,593</u>	<u>(3,488,817)</u>	<u>(345,224)</u>

Purpose of funds

General fund.

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

ASCL - joint publication

This fund represents income to be spent in funding a joint publication on the three Pillars of Leadership.

19. ULTIMATE CONTROLLING PARTY

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

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2024**

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2024.

Accounts

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

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2023
for
National Governance Association**

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

National Governance Association

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National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

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 2023. 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. NGA is the membership association for governors, trustees and governance professionals in England's state schools and trusts.

Membership of the NGA is open to Governing Boards) of individual schools (at a standard and a GOLD rate) and of multi academy trusts (MATs), to Associations of Governing Boards (normally covering a local authority area but independent of the local authority), to individual governors, trustees, clerks/governance professionals, and to public authorities and companies who have an interest in school/trust governance. We also offer a range of professional development for governors, trustees, chairs of boards, governance professionals and executive leaders. Our e-learning Learning Link is now the market leader.

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) and the Framework for Ethical Leadership in Education (trust; wisdom; kindness; justice; service; courage; optimism) we champion fairness and opportunity for all young people, equality, diversity and inclusion for all. We aim to be creative, visionary and agile.

Ensuring our work delivers our aims

We aim to be the go-to trusted and valued authority for schools and trust governance, and to ensure the voices of those involved in school and trust governance are heard. We strive to influence relevant policy and shape the practice and culture of governance in a way which strengthens accountability. We empower those in school and trust governance with valuable resources, expert support and e-learning so that pupils can flourish.

We review our strategy annually, looking at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success towards achieving each strategic priority and the benefits they have brought to those groups of people we are set up to help. The review allows the trustees to ensure that our strategy and activities remain focused on our stated purposes, and the chief executive reports on that throughout the year.

In order to improve NGA's services as part of the strategic review the board of trustees decided to invest some of our reserves in a new website with far more capability. This new website is to be live just after this financial period in the summer term of 2023, but the majority of the expenditure on its development occurs in this financial year.

Alongside this the trustees agreed that for the first time in NGA's 17 years we would update our brand which has also been launched after this financial year.

NGA's two main areas of income and service come from our membership offers and our e-learning, Learning Link, part of our professional development offer. One of the improved functionalities on the new website will be to enable a single sign on for membership and learning link.

To ensure we were meeting the needs of academy trusts, this year we undertook a substantial review of our membership offer to MATs, consulting trusts on their needs. The revised offer takes effect from the beginning of 2023/24, with improvements including access to the GOLD advice services and more support available to local governors as well as the trustees, such as access to "Welcome to Governance Live" sessions.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Key achievements and successes during the period include the following:

The annual survey of NGA members carried out in autumn 2022 showed again that the elements of the membership package - the Knowledge Centre (membership area of the website), "Governing Matters" magazine, and the weekly 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.

Virtual events are rated well in the survey with our monthly webinars remaining a popular part of our offer. We ran 34 online events as well as seeing the return of our annual conference/AGM as a face-to-face event in November. Attendance at the events in 2022/23 totalled 4,301 for the year, and there were more than an additional 5000 post-event views of the webinars.

Induction Guides: There is also continued high satisfaction with our publications, "Welcome to Governance", "The Chair's Handbook" and Welcome to a Multi- Academy Trust" (MAT). New editions of the Chairs Handbook and "Welcome to Governance" were published during this financial year.

The Governing Chatters podcast: audience has continued to grow with almost 14,000 downloads this year, in part due to two very popular episodes that have reached beyond the governance community. The podcast is now available on all major podcast apps which has helped to increase reach.

Professional development offer: We have continued to deliver our training and consultancy services this year with a choice of remote or face to face delivery. This work continues to provide a useful insight to the guidance needed for governing boards to help them improve. We have also extended our Leading Governance development offer to include a programme for academy trustees which has proved popular. We also developed induction sessions for senior leaders, at both school and trust level, on governance as there was a gap in the provision across the sector. Our consultancy service continues to be the largest supplier of external reviews of governance in the sector, particularly for trusts.

We continue to deliver and continuously improve our e-learning offer, Learning Link. By the end of 2022/23, very nearly half of schools, including academies, subscribed to Learning Link. We have 55,000 registered users, an increase of approximately 13,000 or 30% on the previous year, and 97% of users who have completed modules would recommend them to others. This year we have particularly increased and improved our offer to clerks/governance professionals and on panel work.

NGA successfully delivered the National Leaders of Governance programme for the Department for Education tender for its first full year. The autumn saw a successful independent evaluation report published by the DfE.

Governance professionals: We have also improved the services available to governance professionals and devoted considerable time to consulting them on their needs to inform the building of our substantial collection of resources, including for those working within trusts. Our Learning Link offer has been transformed. As well as providing resources and networking opportunities, NGA continues to raise the profile and status of governance professionals working in schools and academy trusts. December 2022 saw the publication of a career pathway for governance professionals, a freely available on the NGA website. The pathway has a wealth of content aimed at helping governance professionals to further their career and is also highly relevant to governing boards and employers in schools, trusts and service providers. The pathway was endorsed by Baroness Barran, Parliamentary Under Secretary of State for the Department for Education and has been warmly welcomed by the schools' sector.

Services for different school structures: we continue to serve all governance structures, example our termly virtual governance leadership forums have become business as usual, providing governance and executive leaders in similar school structures with a format to share experiences and good practice, with specific forums provided for local authority maintained schools, single academy trust (SATs), MAT trustees, and local academy committees. All our offers are considered as to whether they suit all four types of governance.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

NGA has continued to be at the front of the curve on the conversation and practice of MAT governance. For example, in April 2002 we published a thought piece on local governance in MATs which continued to gather traction as we tested its recommendations in various ways. We also published a MAT specific survey report in September that achieved significant media attention, as did a further survey report built on the responses from 100 different MATs showcasing their view on system development following the DfE's White Paper to inform its regulatory and commissioning review. We have continued to update and add to our guidance on trusts, including taking the lead on the third edition of our joint guide with Association School and College Leaders and BrowneJacobson for schools looking to join or form a MAT - Taking the Next Step.

Working with partners: We also work with a large number of partners in the sector to further the effectiveness of governing boards. Some of our content has been the result of collaboration with partners, for example, the popular guide covering what school leaders and those governing should expect from each other are written with and backed by the Association of School and College Leaders (ASCL), the National Association of Head Teachers (NAHT), the Local Government Association (LGA) and the Institute of School Business Leaders (ISBL). For its sixth edition in April 2022, the guide has been created as two distinct versions to reflect how governance models have changed with one for single schools and another for multi academy trusts.

We also updated our succession planning guidance which the two governor recruitment services (Inspiring Governance and Governors for Schools) supported. Inspiring Governance also provides a copy of "Welcome to Governance" to new governors successfully appointed. Our key projects on environmental sustainability, EDI (equality, diversity and inclusion) and disadvantaged pupils all gained substantially from input from many other expert organisations, as did our summer seminars which covered similar topics. Similarly our work on wellbeing gained enormously from us being part of the Well Schools initiative, coordinated by the Youth Sport Trust. We would like to acknowledge particularly for their support with our disadvantage toolkits: The Child Poverty Action Group, The Children's Society, Place 2 Be and Class 13. We are also active members of the Fair Education Alliance and the Foundation for Education Development.

Research and governance policy: In the summer term we undertook the annual governance survey 2022, publishing three themed reports in September which secured more media coverage and sector attention than ever before. It forms the only significant data on the experiences of those who govern our schools and trust and is used by many others, including the Department for Education (DfE). NGA raised concerns with Ofsted on the day of the publication of a new study "School inspection: a view from the board, two years on" in June 2022 looking at the experiences of governors, trustees and school leaders questioned during Ofsted inspections

Through our work we have been instrumental in informing and influencing policy, practice and guidance changes. NGA continues to be represented at many DfE meetings, both at roundtables and bi-laterals. We are represented on several DfE stakeholder groups, including the School Academy Funding Group, the Academies Finance and Assurance Steering Group, and the Ofqual stakeholders group. We were represented on a number of DfE working groups including its Flexible Working Advisory Group, Mental Health in Action group and its sustainability and climate change group. This year we also had instrumental roles in informing the DfE's response to their regulatory and commissioning review and the development of their MAT CEO programme where our idea of involving chairs of boards was taken up. NGA's parliamentary focus and visibility has also been targeted in the last 12 months, and we are now present at a number of All Party Parliamentary groups. and recently presented at the APPG on parental engagement.

NGA responded to all relevant formal consultations including on the School Teachers' Review Body (STRB), the SEND and Alternative Provision Green Paper, implementing the National Funding Formula for schools, ensuring the resilience of the qualifications system in 2023, keeping children safe in education, workforce reporting on disability and children's mental health in schools.

Priority topics: We continue to attempt to improve the awareness and understanding of the role of governance in schools and trusts, through the **Visible Governance** in Schools and Trusts campaign with the release of an animation. It has been widely used by numerous schools, trusts and local authorities to celebrate the power of governance, the value that good governance brings to the school system and to encourage people to volunteer for the role. We also published a range of resources to help equip schools and trusts tackle the volunteer recruitment challenge.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

We continued to act as sector leaders in promoting **equality, diversity and inclusion** through a range of resources. In particular we developed a suite of four Learning Link modules with ASCL which take the consideration of EDI beyond legal responsibilities and compliance to how the board works with leaders to ensure a culture of whole school/trust EDI.

Through our **Greener Governance** campaign we raised the topic of environmental sustainability with schools and trusts, providing leadership at a time when this topic had not yet been embedded as business in usual in the sector. We also produced well received resources to support governing boards in this work.

With the new academic year, we increased our work on **Widening the lens on disadvantage** which was very much a top priority for the remainder of this current financial year.

Finally **our reach** continues to grow and by the end of the year we were serving 70% of the state schools, including academies. An increasing number of MATs have taken out membership for all their schools: 47% of trusts have joined as MAT members and even more buy Learning Link.

We have restructured our staff team slightly to add an HR Manager; and the regional team is now fully staffed which has made a bit difference to members and Learning Link subscribers who want to talk to an experienced NGA member of staff. We successfully invested in the Learning Link team in the autumn with the extension of our graduate development scheme to include two junior content development support officers.

The board would like to thank the staff group for their continued hard work and support during a successful year. Staff continue to go above and beyond. The board are also very proud of the support for governance within our staff team with many governing themselves.

FINANCIAL REVIEW

Principal funding sources

We should 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.

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 provide reliable services over the longer term. NGA has set a reserves policy based on a review of income, expenditure, projects and risks which is regularly reviewed. In March 2023 the trustees revised the level of reserves required at £391,550. The NGA's board reconsiders the level of any legal requirements in the event of any potential winding-up of the NGA on an annual basis.

As at 31 March 2023 the amount of reserves were £497,447 (compared to £842,671 at 31 March 2022) of which £474,627 were free reserves (compared to £811,119 at 31 March 2022). Free reserves are reserves which do not include restricted funds, or reserves tied up in tangible fixed assets of £21,995. At 31 March 2023, free reserves represented 15% of annual income.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

FINANCIAL REVIEW

Financial review

The Statement of Financial Activities for the year ended 31 March 2023 shows total incoming resources of £3,143,593 (2022 £3,108,389) and total resources expended of £3,488,817 (2022 £2,805,837) generating net resources expended of £345,224 (2022 net incoming resources £302,552). The deficit reported is due to the use of our reserves to invest in a new website.

Membership subscriptions, our principle source of income, increased by some 9% during the year ended 31 March 2023 from £1,415,915 to £1,540,031: the increase was due to a combination of an increase in membership numbers during the year ended 31 March 2023 as well as an increase in the price of membership which occurs each January. Our current fees, including for our e-learning, are more affordable for schools than other national providers - this is important to us.

FUTURE PLANS

NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers in order retain members. While we wish to reach governing boards that are not currently engaged with our work in order to improve governance, this must 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. We expect that the number of MATs in membership will continue to grow after the recent review and improvement of that offer. The new website should also drive better use of all our resources, and we will continue to consider how technology could improve our offer.

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 under its Articles of Association.

In the event of the NGA 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. 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.

The Board of Directors contains 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 2023.

The NGA has worked hard to ensure that there are some elections held each year and that together with the limits on length of service ensures there should always be a mix of new and more experienced trustees. We are also conscious of the diversity on the board and have made efforts to improve the diversity of the board, particularly as regards ethnicity and age.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

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. The board's meeting are supported by the company secretary who has been externally appointed.

The Directors meet five times during the year as a full board, in person if possible, to confirm a strategy to guide the organisation's work and to monitor its implementation. This year the board introduced two specific shorter virtual strategy and risk meetings which successfully enable more generative discussion, and also held three additional meetings to decide on the succession plan for the organisation's leadership.

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 sharepoint contains past and forthcoming papers, relevant policies and other useful resources.

Board development In 2022, an annual Board Development Day has been added to the Trustees working calendar at the start of each autumn term. This step has been taken in recognition of the importance of regular whole board training to ensure trustees remain focussed on their core mission and have the necessary skills and knowledge to be effective in their role. The training is provided by external experts in the charity governance field.

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 the financial statements. There were no trustees' remuneration or other benefits for the year ended 31 March 2023.

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.

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 priorities in the strategy 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.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

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
Lynn Howard
Nigel Brent Fitzpatrick (until 12.11.2022)
Peter Duncan Haworth
Lawayne Jefferson
Alastair Cowen
Rachel Wilson (until 06.07.2022)
Howard Davies
Anthea Kenna
Tim Brock
Bobby Thandi
Annie McMaster (from 12.11.2022)

Trustee attendance at Board Meetings

Lynn Howard - Attended 10 of 10
Anthea Kenna - Attended 8 of 10. Apologies 2
Nigel Brent Fitzpatrick - Attended 4 of 4
Lawayne Jefferson - Attended 10 of 10
Duncan Haworth - Attended 9 of 10. Apologies 1.
Alastair Cowen - Attended 10 of 10.
Howard Davies - Attended 8 of 10. Apologies 1.
Tim Brock - Attended 7 of 10. Apologies 1.
Rachel Wilson - Attended 0 of 1. Apologies 1.
Bobby Thandi - Attended 9 of 10
Annie McMaster - Attended 4 of 6. Apologies 2

Senior Statutory Auditor
David Williams FCA FCCA

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

Company secretary
Lara Angell-Wood

Chief executive
Emma Knights OBE

National Governance Association

Report of the Trustees for the Year Ended 31 March 2023

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.

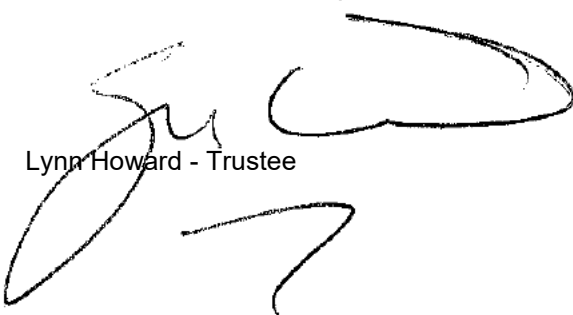
In so far as the trustees are aware:

- 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 4 July 2023 and signed on its behalf by:



Lynn Howard - 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 2023 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 2023 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, as outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We concentrated on those laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP (FRS 102 and UK tax legislation). Our audit tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management and with third parties, where relevant.

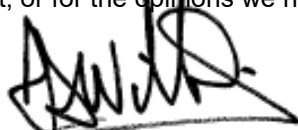
As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and checking the authorisation of expenditure as part of our substantive testing, using analytical review to identify any significant or unusual transactions and evaluating whether there was evidence of bias by the trustees or management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

25 September 2023



TRUSTED ACCOUNTING SOLUTIONS



Registered number: OC350146
Registered in England and Wales.
Katrina Williams FCA CTA TEP
David Williams FCA FCCA

Locke Williams Associates LLP
Blackthorn House, St Pauls Square
Birmingham B3 1RL T: 0121 262 3980

National Governance Association

**Statement of Financial Activities
for the Year Ended 31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable activities		2,856,564	276,578	3,133,142	3,086,068
Other trading activities	2	7,924	-	7,924	21,530
Investment income	3	2,527	-	2,527	791
Total		<u>2,867,015</u>	<u>276,578</u>	<u>3,143,593</u>	<u>3,108,389</u>
 EXPENDITURE ON					
Charitable activities	5				
Charitable activities		<u>3,212,239</u>	<u>276,578</u>	<u>3,488,817</u>	<u>2,805,837</u>
 NET INCOME/(EXPENDITURE)		(345,224)	-	(345,224)	302,552
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>841,846</u>	<u>825</u>	<u>842,671</u>	540,119
 TOTAL FUNDS CARRIED FORWARD		<u><u>496,622</u></u>	<u><u>825</u></u>	<u><u>497,447</u></u>	<u><u>842,671</u></u>

The notes form part of these financial statements

National Governance Association

Balance Sheet 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	13	21,995	-	21,995	30,647
CURRENT ASSETS					
Stocks	14	9,787	-	9,787	6,870
Debtors	15	557,135	-	557,135	375,851
Cash at bank and in hand		<u>723,836</u>	<u>825</u>	<u>724,661</u>	<u>1,022,727</u>
		1,290,758	825	1,291,583	1,405,448
CREDITORS					
Amounts falling due within one year	16	(816,131)	-	(816,131)	(593,424)
NET CURRENT ASSETS		<u>474,627</u>	<u>825</u>	<u>475,452</u>	<u>812,024</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>496,622</u>	<u>825</u>	<u>497,447</u>	<u>842,671</u>
NET ASSETS		<u><u>496,622</u></u>	<u><u>825</u></u>	<u><u>497,447</u></u>	<u><u>842,671</u></u>
FUNDS	18				
Unrestricted funds				496,622	841,846
Restricted funds				<u>825</u>	<u>825</u>
TOTAL FUNDS				<u><u>497,447</u></u>	<u><u>842,671</u></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 4 July 2023 and were signed on its behalf by:



Bobby Thandi - Trustee

National Governance Association

**Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(289,884)</u>	<u>116,652</u>
Net cash (used in)/provided by operating activities		<u>(289,884)</u>	<u>116,652</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(10,709)</u>	<u>(21,477)</u>
Interest received		<u>2,527</u>	<u>791</u>
Net cash used in investing activities		<u>(8,182)</u>	<u>(20,686)</u>
 Change in cash and cash equivalents in the reporting period		 <u>(298,066)</u>	 95,966
Cash and cash equivalents at the beginning of the reporting period		<u>1,022,727</u>	<u>926,761</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>724,661</u></u>	 <u><u>1,022,727</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 2023**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23	31.3.22
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(345,224)	302,552
Adjustments for:		
Depreciation charges	19,361	17,590
Interest received	(2,527)	(791)
Increase in stocks	(2,917)	(2,179)
(Increase)/decrease in debtors	(181,284)	74,240
Increase/(decrease) in creditors	<u>222,707</u>	<u>(274,760)</u>
Net cash (used in)/provided by operations	<u>(289,884)</u>	<u>116,652</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.22	Cash flow	At 31.3.23
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,022,727</u>	<u>(298,066)</u>	<u>724,661</u>
	<u>1,022,727</u>	<u>(298,066)</u>	<u>724,661</u>
Total	<u><u>1,022,727</u></u>	<u><u>(298,066)</u></u>	<u><u>724,661</u></u>

National Governance Association

Notes to the Financial Statements for the Year Ended 31 March 2023

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 2023

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 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. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2020 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable 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.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Employee 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

	31.3.23	31.3.22
	£	£
Advertising	<u>7,924</u>	<u>21,530</u>

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Bank interest receivable	<u>2,527</u>	<u>791</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.23	31.3.22
Activity	£	£
Membership fees	1,540,031	1,415,915
Project income	6,300	26,027
Training and consultancy income	1,273,663	1,325,081
Publications income	33,654	48,120
Grants	-	7,713
Miscellaneous income	2,916	4,510
NLG income	<u>276,578</u>	<u>258,702</u>
	<u>3,133,142</u>	<u>3,086,068</u>

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

	31.3.23	31.3.22
	£	£
HMRC - coronavirus job retention scheme	<u>-</u>	<u>7,713</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>2,387,981</u>	<u>1,100,836</u>	<u>3,488,817</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>1,057,280</u>	<u>43,556</u>	<u>1,100,836</u>

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

Management

	31.3.23 Charitable activities £	31.3.22 Total activities £
Salaries	184,116	156,482
Social security	22,589	18,220
Pensions	12,868	10,634
Office rent and services	143,438	153,198
Marketing and publicity	59,911	33,342
Insurance	8,068	5,851
Professional development	16,155	19,930
Office expenses	134,020	101,832
IT equipment and expenses	451,133	104,090
Bank charges	7,381	8,928
(Recoverable)/Irrecoverable VAT	(1,760)	(1,181)
Depreciation of tangible and heritage assets	<u>19,361</u>	<u>17,590</u>
	<u>1,057,280</u>	<u>628,916</u>

Expenditure for the year on website design and maintenance was £351,169, which is exceptional, in so much as its size and its nature, incurred in the planned investment in the new website. Additionally £10,560 was expended in the preceding year.

Governance costs

	31.3.23 Charitable activities £	31.3.22 Total activities £
Trustees' expenses	3,075	2,688
Auditors' remuneration	4,800	4,920
Professional fees	17,616	3,947
Board expenses	3,797	12,196
Clerk to the Board	<u>14,268</u>	<u>7,800</u>
	<u>43,556</u>	<u>31,551</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

7. NET INCOME/(EXPENDITURE)

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

	31.3.23	31.3.22
	£	£
Auditors' remuneration	4,800	4,920
Depreciation - owned assets	<u>19,361</u>	<u>17,591</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

During the year ended 31 March 2023 7 trustees (2022 - 8) were directly reimbursed £3,075 for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the NGA (2022 - £2,688).

9. STAFF COSTS

	31.3.23	31.3.22
	£	£
Wages and salaries	1,712,524	1,468,191
Social security costs	176,541	140,742
Other pension costs	<u>114,642</u>	<u>94,697</u>
	<u>2,003,707</u>	<u>1,703,630</u>

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

	31.3.23	31.3.22
	<u>49</u>	<u>49</u>
Head count		

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

	31.3.23	31.3.22
£60,001 - £70,000	<u>1</u>	-
£70,001 - £80,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>1</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	2,691,479	394,589	3,086,068
Other trading activities	21,530	-	21,530
Investment income	791	-	791
Total	<u>2,713,800</u>	<u>394,589</u>	<u>3,108,389</u>
 EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>2,412,073</u>	<u>393,764</u>	<u>2,805,837</u>
 NET INCOME	301,727	825	302,552
 RECONCILIATION OF FUNDS			
Total funds brought forward	540,119	-	540,119
 TOTAL FUNDS CARRIED FORWARD	<u>841,846</u>	<u>825</u>	<u>842,671</u>

11. FUNDS RECEIVED AS AGENT

As part of the contractual arrangements with the DfE, to design and deliver a programme to implement the recommendations for NLG Reform, the charity administers funds under the contract for payment to suppliers. The charity does not have discretion about the use to which these funds received are put and acts only in accordance with the instructions or directions of the DfE.

Therefore to present the appropriate substance of these transactions, these funds are not included as income or expenditure in the Statement of Financial Activities.

Under the terms of the arrangement, there is a timing difference between the receipt and payment of these funds, details of which are:

	31.3.23	31.03.22
	£	£
Funds received as agent in the year	450,577	127,349
Funds paid out in the year	<u>(424,377)</u>	<u>(22,599)</u>
	26,200	<u>104,750</u>
Funds held 31 March 2022 (included in accruals in note 16)	104,750	
Funds held 31 March 2023 (included in accruals in note 16)	<u>130,950</u>	

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

12. 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 2023 amounted to £114,642 (2022 - £94,967) and outstanding contributions as at 31 March 2023 amounted to £15,961 (2022 - £11,989).

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2022	4,495	65,773	70,268
Additions	-	10,709	10,709
At 31 March 2023	4,495	76,482	80,977
DEPRECIATION			
At 1 April 2022	3,754	35,867	39,621
Charge for year	267	19,094	19,361
At 31 March 2023	4,021	54,961	58,982
NET BOOK VALUE			
At 31 March 2023	474	21,521	21,995
At 31 March 2022	741	29,906	30,647

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

14. STOCKS

	31.3.23	31.3.22
	£	£
Books and publications for resale	9,787	6,870

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	412,286	289,940
Accrued income	8,508	6,202
Prepayments	136,341	79,709
	557,135	375,851

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade creditors	376,350	159,010
Social security and other taxes	88,873	52,911
Other creditors	14,759	10,787
Accruals	154,039	154,639
Deferred income	<u>182,110</u>	<u>216,077</u>
	<u>816,131</u>	<u>593,424</u>
Deferred income		
Deferred at 1 April	216,077	587,400
Released to income in the year	(216,077)	(552,400)
Additionally deferred in the year	<u>172,885</u>	<u>181,077</u>
Deferred at 31 March	<u>172,885</u>	<u>216,077</u>
Deferred income comprises:		
Membership	73,135	95,160
Professional & Development	<u>99,750</u>	<u>120,917</u>
	<u>172,885</u>	<u>216,077</u>

17. LEASING AGREEMENTS

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

	31.3.23	31.3.22
	£	£
Within one year	91,170	89,613
Between one and five years	<u>45,370</u>	<u>136,540</u>
	<u>136,540</u>	<u>226,153</u>

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

18. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	At 31.3.23 £
Unrestricted funds			
General fund	841,846	(345,224)	496,622
Restricted funds			
ASCL - joint publication	825	-	825
TOTAL FUNDS	<u>842,671</u>	<u>(345,224)</u>	<u>497,447</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2023**

18. 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	2,867,015	(3,212,239)	(345,224)
Restricted funds			
DfE - National Leaders of Governance (NLG) support	276,578	(276,578)	-
TOTAL FUNDS	<u>3,143,593</u>	<u>(3,488,817)</u>	<u>(345,224)</u>

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	540,119	301,727	841,846
Restricted funds			
ASCL - joint publication	-	825	825
TOTAL FUNDS	<u>540,119</u>	<u>302,552</u>	<u>842,671</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,713,800	(2,412,073)	301,727
Restricted funds			
HMRC - coronavirus job retention scheme	7,713	(7,713)	-
DfE - National Leaders of Governance (NLG) support	386,051	(386,051)	-
ASCL - joint publication	825	-	825
	<u>394,589</u>	<u>(393,764)</u>	<u>825</u>
TOTAL FUNDS	<u>3,108,389</u>	<u>(2,805,837)</u>	<u>302,552</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2023

18. MOVEMENT IN FUNDS - continued

Purpose of funds

General fund.

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

Restricted fund : HMRC coronavirus job retention scheme

This fund represents grants claimed under the Government's covid-19 job retention scheme for employees who required being placed on furlough during the year.

Restricted fund : DfE - National Leaders of Governance

This fund represents the income and associated expenditure on staff costs and overheads in carrying out the contractual arrangements with the DfE, to design and deliver a programme to implement the recommendations for NLG Reform.

ASCL - joint publication

This fund represents income to be spent in funding a joint publication on the three Pillars of Leadership.

19. ULTIMATE CONTROLLING PARTY

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

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

National Governance Association

Detailed Statement of Financial Activities for the Year Ended 31 March 2023

	31.3.23 £	31.3.22 £
INCOME AND ENDOWMENTS		
Other trading activities		
Advertising	7,924	21,530
Investment income		
Bank interest receivable	2,527	791
Charitable activities		
Membership fees	1,540,031	1,415,915
Project income	6,300	26,027
Training and consultancy income	1,273,663	1,325,081
Publications income	33,654	48,120
Grants	-	7,713
Miscellaneous income	2,916	4,510
NLG income	276,578	258,702
	<u>3,133,142</u>	<u>3,086,068</u>
Total incoming resources	3,143,593	3,108,389
EXPENDITURE		
Charitable activities		
Salaries	1,528,408	1,311,709
Social security	153,952	122,522
Pensions	101,774	84,063
Training and consultancy expenses	341,751	354,431
Project costs	40,571	85,816
Conferences and regional meeting expenses	37,610	24,696
Members' magazine expenses	154,953	146,232
Other publication costs	22,523	12,912
Representation expenses	1,791	425
Business development costs	4,648	2,564
	<u>2,387,981</u>	<u>2,145,370</u>
Support costs		
Management		
Salaries	184,116	156,482
Social security	22,589	18,220
Pensions	12,868	10,634
Office rent and services	143,438	153,198
Marketing and publicity	59,911	33,342
Insurance	8,068	5,851
Professional development	16,155	19,930
Office expenses	134,020	101,832
IT equipment and expenses	451,133	104,090
Bank charges	7,381	8,928
Carried forward	1,039,679	612,507

This page does not form part of the statutory financial statements

National Governance Association

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2023**

	31.3.23 £	31.3.22 £
Management		
Brought forward	1,039,679	612,507
(Recoverable)/Irrecoverable VAT	(1,760)	(1,181)
Depreciation of fixtures & fittings	267	267
Depreciation of computer equipment	19,094	17,323
	1,057,280	628,916
 Governance costs		
Trustees' expenses	3,075	2,688
Auditors' remuneration	4,800	4,920
Professional fees	17,616	3,947
Board expenses	3,797	12,196
Clerk to the Board	14,268	7,800
	43,556	31,551
 Total resources expended	3,488,817	2,805,837
 Net (expenditure)/income	<u>(345,224)</u>	<u>302,552</u>

This page does not form part of the statutory financial statements

Accounts

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2022
for
National Governance Association**

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

National Governance Association

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National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

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 2022. 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. NGA is the school and trust governance expert organisation, which represents and supports governors, trustees and governance professionals 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/governance professionals, 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) and the Framework for Ethical Leadership in Education (trust; wisdom; kindness; justice; service; courage; optimism) we champion fairness and opportunity for all young people, equality, diversity and inclusion for all, and the importance of place. We aim to be creative, visionary and agile.

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 each of our strategic priorities and 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 the trustees to ensure that our strategy and activities remain focused on our stated purposes. We have referred the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Key achievements and successes during the period include the following:

The annual survey of NGA members carried out in autumn 2021 showed again that the key elements of the standard membership package - the Knowledge Centre (membership area of the website), "Governing Matters" magazine, and the weekly e-newsletter sent to members each Friday during term-time - continue to be well received. Virtual events are rated well in the survey with webinars remaining a popular part of our offer. There is also continued high satisfaction with the priced publications, "Welcome to Governance", "The Chair's Handbook" and Welcome to a Multi- Academy Trust".

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.

Webinars and online events have increased in volume this year and have continued to attract good sized audiences. The events schedule saw 57 webinars and online events. The post-event views of the webinars online provide a continuing audience. To date, we have seen almost 15,000 views on YouTube of all webinars compared to 6847 attendees for the live broadcast.

The Governing Chatters podcast audience is slowly growing, with more than 5,600 downloads since we started and more than 2,700 downloads this financial year. The podcast is now available on all major podcast apps which has helped to increase reach.

A reduced emphasis on COVID-19 in 2021/22 allowed us to devote more time resources to other areas and in particular renew our focus on governance professionals and building our substantial and wide collection of resources designed those governing at all levels in a MAT.

Over the course of 2021/22, numerous guidance, information and model documents have been developed and added to the new governance professionals' area of our website. Some of this content has been designed to cater for different types of governance professional role, as well as their role promoting effective governance practice, their CPD requirements and professional networking.

Other highlights amongst our new and significantly updated resources include relaunched questions and guidance for governing board self-evaluation, refreshed versions of our governor skills audits and a collection of resources designed to support governing boards to fulfil their role monitoring their school or trust's curriculum.

Some of our content has been the result of collaboration with partners in the sector, such as a suite of guidance on arts and cultural education with Arts Council England; careers guidance with the Careers and Enterprise Company; and headteacher development guidance with HeadsUp4HTs and a guide to parent engagement with Parentkind.

We undertook all our other usual business. In May we undertook the annual governance survey 2021, publishing three themed reports in the autumn. It forms the only significant data on the experiences of those who govern our schools and trust and is used by many others, including the Department for Education.

In November we held our annual conference and AGM face to face for the first time since 2019. It was wonderful to see our members again face to face.

NGA has continued to strive to be at the front of the curve on the conversation and practice of multi academy trust (MAT) governance, with a MAT project group meeting monthly and driving forwards key actions including new guidance, events and how we react to the needs of MAT trust boards specifically. We have written a joint publication on MAT mergers, and published a number of new MAT specific guidance pieces including MAT budgeting, management accounts, local governance and central leadership structures to name a few. We have also published a comprehensive, evidence based thought piece on local governance in MATs and been very influential in driving forwards the DFE's inclusion of the need for local governance in the schools white paper. Our virtual events for those volunteering continue to be well attended, for example, the MAT network has continued to gather MAT trustees, execs and governance professionals on a termly basis to hear updates from NGA and outside experts.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

Our MAT related content published during this period included:

- A guide to MAT mergers for leaders and trustees
- A guide to MAT governance structures and the role of the local tier
- A guide to reviewing central leadership structures in a MAT
- A Chief Executive Officer (CEO) template job description (developed with ForumStrategy);
- A guide to budget setting and management accounts in a MAT
- A new edition of Welcome to a Multi-Academy Trust

Our termly Governance Leadership Forums have very much now become business as usual after a first successful year, providing governance and executive leaders in similar school structures with a format to share experiences and good practice, but also hear about key issues, such as sustainability or the move to trusts, as they affect their school's or trust's situation. Specific forums are provided for local authority maintained schools, single academy trust (SATs), MAT trustees, and Local academy committees.

NGA continued to highlight the important role of governance professionals through our work in this area this year. The research report, 'Governance professionals: 2021 and beyond' was published in June 2021 and launched at the summer term network meeting. The Outstanding Governance Awards received numerous high quality nominations for the new category of Lead Governance Professional and the winners are among many governance professionals involved in the work being undertaken to develop a career pathway. An area of the NGA website dedicated to governance professionals has been developed and contains guidance, templates and resources for those in the role. A suite of Learning Link induction modules has also been published: 'Introduction to clerking'; and additional further modules on clerking panels and clerking in different contexts.

Through our work we have been instrumental in informing and influencing policy, practice and guidance changes. NGA continues to be represented at many Department for Education (DfE) meetings, both at round-tables and bi-laterals. We are represented on several DfE stakeholder groups, including the Covid stakeholder advisory group, Exams and assessment Advisory Group, the Advisory Group on Governance, the School Academy Funding Group and the Academies Finance and Assurance Steering Group. We were represented on a number of DfE working groups including Flexible Working Advisory Group, Mental Health in Action Group, Governance Support Working Group. This work was only one strand of our work on making staff CPD a central plank of school improvement, which has been visible through our seminars, our magazine and new guidance.

NGA responded to all relevant formal consultations including on the School Teachers' Review Body (STRB) 2022, Ofqual: Arrangements for non-exam assessment and fieldwork requirements for students entering qualifications 2022, Keeping children safe in education 2021, Initial teacher training (ITT) market review 2021, Equality and Human Rights Commission, strategic plan for 2022-2025, Fair school funding for all: completing our reforms to the National Funding Formula - September 2021, proposed reforms to local authority school improvement funding and the Times Education Commission 2022.

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 are working with Education & Employers to provide a copy of "Welcome to Governance" to newly appointed governors successfully matched with a school governing board by the DfE funded Inspiring Governance programme.

To improve awareness, knowledge and understanding of the role of governance in schools and trusts, the NGA relaunched its Visible Governance in Schools campaign to run throughout the 2021/22 academic year. The campaign celebrates the power of governance, the people that volunteer for the role and the value that good governance brings to the school system. It also aims to improve the education system's and public's knowledge and understanding of the role. We have invested in some consultancy to kick the campaign back off and have been working on a new animation drawing attention to the role of governors and trustees to raise awareness.

In September 2021 we held our biennial awards - the only national education awards to recognise the contribution of governors, trustees and governance professionals. These are an opportunity to share best practice in school and trust governance and demonstrate the positive contribution that good governance makes to the school system and the education of children and young people. The 2021 awards formed part of NGA's Visible Governance campaign. We were delighted to celebrate the exceptional practice and achievements of 23 governing boards and governance professionals at the awards ceremony in September at the House of Commons.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

Governing board diversity has been a priority for NGA for several years. This year we expanded the campaign to cover three strands: diversity and inclusion on boards; the board's role in ensuring diversity and inclusion in schools and trusts including for leaders, staff and pupils; and NGA's own internal approach to equality, diversity and inclusion (EDI). Most significantly this year, we conducted research and published a 'state of the nation' report in June on increasing participation in school and trust governance. This report explored volunteer recruitment and retention through the lens of the experiences and views of governors and trustees from Black, Asian or minority ethnic backgrounds and young volunteers (aged under 40) alongside data from the NGA annual survey 2021 and a review of research from other sectors. Alongside this report we updated resources including our 'right people around the table' guidance and our skills audit to provide practical ways of improving board diversity. We also led an update to the statement of intent on equality, diversity and inclusion in education, setting out our commitments to action alongside 18 other education sector organisations. We meet regularly with the other representative organisations in the sector to exchange learning and build on each other's impact.

We have continued to deliver our training and consultancy services this year with a choice of remote or face to face delivery. We have been able to offer trustees and governors up and down the country access to our Leading Governance development programmes and other training sessions. This work continues to provide a useful insight to the guidance needed for governing boards to help them improve and for those who are joining or growing multi academy trusts.

This year, NGA were successful in winning the Department for Education tender to deliver the National Leaders of Governance service. By early autumn 2021 NGA successfully recruited over 60 National Leaders of Governance and began delivering NLG support to trust and governing boards as part of the programme.

We continue to deliver and continuously improve our e-learning service "Learning Link" to governors, trustees and governance. By the end of 2021/22 47% of schools (including academies) subscribed to Learning Link. We have 42,089 registered users, an increase of 6,231 on the previous year, and our income increased this year by over £100,000, much of which is reinvested in new module development and growing the Learning Link team, with the addition of a junior content development support officer in December.

As well as updating our current modules, 18 new modules were developed and released during 2021/22, including modules on Ethical leadership, Management of workload and wellbeing as well as 16 new modules to support clerks and governance professionals.

97% of users who have completed these new modules would recommend them to others, while 93% say that their governance knowledge has increased as a result of completing them.

Learning Link users were also surveyed in February this year. 97% of respondents reported they would be likely or very likely to recommend the service to others. 88% of respondents reported that their governance practices had improved as a result of using Learning Link.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

Due to increasing number of members and Learning Link subscribers we were able to further increase our staff team with the addition of a Website Officer. We had our first full year with our Governance Development Team in post. NGA has continued to adapt our ways of working this year, adopting a flexible hybrid working model to deal with the ongoing challenges due to Covid 19, and a recognition that many staff desired a hybrid working model.

The board would like to thank the staff group for their continued hard work and support during a successful year. Staff continue to go above and beyond and have shown tremendous flexibility and adaptability this year as we moved into hybrid working. The board are also very proud of the support for governance within our staff team with many governing themselves.

FINANCIAL REVIEW

Principal funding sources

We should 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.

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 NGA 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 provide reliable services over the longer term. NGA 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 £397,594. The Board reconsiders the level of any legal requirements in the event of any potential winding-up of the NGA on an annual basis.

As at 31 March 2022 the amount of reserves were £842,671 (compared to £540,119 at 31 March 2021) of which £811,199 were free reserves (compared to £513,358 at 31 March 2021). Free reserves are reserves which do not include restricted funds, or reserves tied up in tangible fixed assets of £30,647. At 31 March 2022, free reserves represented 26% of annual income. NGA have ringfenced surplus reserves for capital expenditure in the 2022-2023 financial year, setting a deficit budget. The ringfenced reserves will be used to improve overall services for NGA members.

Financial review

The Statement of Financial Activities for the year ended 31 March 2022 shows total incoming resources of £3,108,389 (2021 £2,694,690) and total resources expended of £2,805,837 (2021 £2,377,608), generating net incoming resources of £302,552 (2021 £317,082)

Membership subscriptions, our principle source of income, increased by 9.5% from £1,292,909 to £1,415,915. The increase was due to a combination of an increase in membership numbers during the year ended 31 March 2021 as well as an increase in the price of both individual and standard membership.

Our current fees, including for our e-learning, are considerably more affordable for schools than other national providers - this is important to us.

We have continued to have less expenditure on travel to attend face to face meetings for staff as well as board expenses as many meetings continue to be held remotely.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

FUTURE PLANS

NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers in order to retain members. While we wish to reach governing boards that are not currently engaged with our work in order to improve governance, this must 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 under its Articles of Association.

In the event of the NGA 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 Board of Directors contains 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 2022.

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.

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 website contains past and forthcoming papers, relevant policies and other useful resources.

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. The board's meeting are supported by the company secretary who has been externally appointed.

The Directors meet five times during the year as a full board to confirm a strategy 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.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

Board development

In 2022, an annual Board Development Day has been added to the Trustees working calendar at the start of each autumn term. This step has been taken in recognition of the importance of regular whole board training to ensure trustees remain focussed on their core mission and have the necessary skills and knowledge to be effective in their role. The training will be provided by external experts in the charity governance field.

Increasing diversity

The NGA worked hard to increase the diversity of candidates standing for election to the board in autumn of 2021 with targeted communications to networks working on diversity as well as our own, and the communications worked well.

External Review of Governance

This year the Board has commissioned its 3 yearly External Review of Governance. As for any Board, this process was an excellent way to review what the Board does, how it does it and, most importantly, why it does it a particular way. The results of the review confirm that the Board continues to function effectively and provide both support and challenge to the organisation.

A specific challenge on making more space for generative governance within the Board's work has led to the addition of 2 new meetings to the Board's year. These meetings will differ from the formal board meetings referred to above and will present opportunities for looking to the longer term. The Board is also formalising performance management for Trustees and Board self-evaluation processes in the form of Annual Conversations. These will take place for individual trustees, the Chair, and the Board as a whole.

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 the financial statements. There were no trustees' remuneration or other benefits for the year ended 31 March 2022.

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.

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.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

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

Tim Brock
Alastair Cowen
Howard Davies
Nigel Fitzpatrick MBE
Duncan Haworth MBE
Lynn Howard
Lawayne Jefferson
Anthea Kenna
Helen Stockill (resigned 4.10.21)
Bobby Thandi (appointed 27.11.21)
Rachel Wilson

Trustee attendance at Board Meetings

Lynn Howard – Attended 5 of 5.
Anthea Kenna – Attended 5 of 5.
Nigel Fitzpatrick – Attended 5 of 5.
Lawayne Jefferson – Attended 4 of 5. Apologies 1.
Duncan Haworth – Attended 5 of 5.
Alastair Cowen – Attended 5 of 5.
Howard Davies – Attended 4 of 5. Apologies 1.
Tim Brock – Attended 4 of 5. Apologies 1.
Rachel Wilson – Attended 4 of 5. Apologies 1.
Helen Stockhill – Attended 2 of 2.
Bobby Thandi – Attended 2 of 2.

Senior Statutory Auditor

David Williams FCA FCCA

Auditors

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

Company secretary

Lara Angell-Wood

National Governance Association

Report of the Trustees for the Year Ended 31 March 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Chief executive

Emma Knights OBE

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.

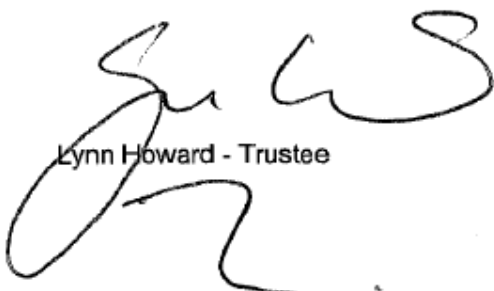
In so far as the trustees are aware:

- 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 6 October 2022 and signed on its behalf by:



Lynn Howard - 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 2022 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.



TRUSTED ACCOUNTING SOLUTIONS



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Registered in England and Wales.
Katrina Williams FCA CTA TEP
David Williams FCA FCCA

Locke Williams Associates LLP
Blackthorn House, St Pauls Square
Birmingham B3 1RL T: 0121 262 3980

**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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We concentrated on those laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, the Charities SORP (FRS 102 and UK tax legislation). Our audit tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management and with third parties, where relevant.



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

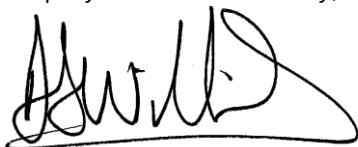
As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and checking the authorisation of expenditure as part of our substantive testing, using analytical review to identify any significant or unusual transactions and evaluating whether there was evidence of bias by the trustees or management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

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
c/o Blackthorn House
St Pauls Square
Birmingham
West Midlands
B3 1RL

24 October 2022



TRUSTED ACCOUNTING SOLUTIONS



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Registered in England and Wales.
Katrina Williams FCA CTA TEP
David Williams FCA FCCA

Locke Williams Associates LLP
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National Governance Association

**Statement of Financial Activities
for the Year Ended 31 March 2022**

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable activities		2,691,479	394,589	3,086,068	2,675,438
Other trading activities	2	21,530	-	21,530	17,867
Investment income	3	791	-	791	1,385
Total		2,713,800	394,589	3,108,389	2,694,690
 EXPENDITURE ON					
Charitable activities	5				
Charitable activities		2,412,073	393,764	2,805,837	2,377,608
 NET INCOME		301,727	825	302,552	317,082
 RECONCILIATION OF FUNDS					
Total funds brought forward		540,119	-	540,119	223,037
 TOTAL FUNDS CARRIED FORWARD		841,846	825	842,671	540,119

The notes form part of these financial statements

National Governance Association

Balance Sheet 31 March 2022

	Notes	Unrestricted fund £	Restricted funds £	31.3.22 Total funds £	31.3.21 Total funds £
FIXED ASSETS					
Tangible assets	13	30,647	-	30,647	26,761
CURRENT ASSETS					
Stocks	14	6,870	-	6,870	4,691
Debtors	15	375,851	-	375,851	450,091
Cash at bank and in hand		<u>1,021,902</u>	<u>825</u>	<u>1,022,727</u>	<u>926,761</u>
		1,404,623	825	1,405,448	1,381,543
CREDITORS					
Amounts falling due within one year	16	(593,424)	-	(593,424)	(868,185)
NET CURRENT ASSETS		<u>811,199</u>	<u>825</u>	<u>812,024</u>	<u>513,358</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>841,846</u>	<u>825</u>	<u>842,671</u>	<u>540,119</u>
NET ASSETS		<u>841,846</u>	<u>825</u>	<u>842,671</u>	<u>540,119</u>
FUNDS	18				
Unrestricted funds				841,846	540,119
Restricted funds				<u>825</u>	<u>-</u>
TOTAL FUNDS				<u>842,671</u>	<u>540,119</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 6 October 2022 and were signed on its behalf by:



Alastair Cowen - Trustee

National Governance Association

**Cash Flow Statement
for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
Cash flows from operating activities			
Cash generated from operations	1	<u>116,652</u>	<u>279,209</u>
Net cash provided by operating activities		<u>116,652</u>	<u>279,209</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,477)	(13,056)
Interest received		<u>791</u>	<u>1,385</u>
Net cash used in investing activities		<u>(20,686)</u>	<u>(11,671)</u>
Change in cash and cash equivalents in the reporting period		95,966	267,538
Cash and cash equivalents at the beginning of the reporting period		<u>926,761</u>	<u>659,223</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,022,727</u></u>	<u><u>926,761</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 2022**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.22	31.3.21
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	302,552	317,082
Adjustments for:		
Depreciation charges	17,590	12,334
Interest received	(791)	(1,385)
(Increase)/decrease in stocks	(2,179)	2,897
Decrease/(increase) in debtors	74,240	(38,135)
Decrease in creditors	(274,760)	(13,584)
Net cash provided by operations	<u>116,652</u>	<u>279,209</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>926,761</u>	<u>95,966</u>	<u>1,022,727</u>
	<u>926,761</u>	<u>95,966</u>	<u>1,022,727</u>
Total	<u>926,761</u>	<u>95,966</u>	<u>1,022,727</u>

National Governance Association

Notes to the Financial Statements for the Year Ended 31 March 2022

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 2022

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 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. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2020 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable 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.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Employee 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

	31.3.22	31.3.21
	£	£
Advertising	<u>21,530</u>	<u>17,867</u>

3. INVESTMENT INCOME

	31.3.22	31.3.21
	£	£
Bank interest receivable	<u>791</u>	<u>1,385</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.22	31.3.21
Activity	£	£
Membership fees	1,415,915	1,292,909
Project income	26,027	181,499
Training and consultancy income	1,325,081	1,162,667
Publications income	48,120	21,767
Grants	7,713	15,061
Miscellaneous income	4,510	1,535
NLG income	<u>258,702</u>	<u>-</u>
	<u>3,086,068</u>	<u>2,675,438</u>

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

	31.3.22	31.3.21
	£	£
HMRC - coronavirus job retention scheme	<u>7,713</u>	<u>15,061</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>2,145,370</u>	<u>660,467</u>	<u>2,805,837</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>628,916</u>	<u>31,551</u>	<u>660,467</u>

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

Management

	31.3.22 Charitable activities £	31.3.21 Total activities £
Salaries	156,482	235,109
Social security	18,220	26,159
Pensions	10,634	16,391
Office rent and services	153,198	136,854
Marketing and publicity	33,342	23,218
Insurance	5,851	6,620
Professional development	19,930	5,157
Office expenses	101,832	89,444
IT equipment and expenses	104,090	82,128
Bank charges	8,928	6,508
Office improvements	-	5,596
(Recoverable)/Irrecoverable VAT	(1,181)	(4,242)
Depreciation of tangible and heritage assets	<u>17,590</u>	<u>12,334</u>
	<u>628,916</u>	<u>641,276</u>

Governance costs

	31.3.22 Charitable activities £	31.3.21 Total activities £
Trustees' expenses	2,688	-
Auditors' remuneration	4,920	4,740
Professional fees	3,947	6,984
Board expenses	12,196	2,196
Clerk to the Board	<u>7,800</u>	<u>7,800</u>
	<u>31,551</u>	<u>21,720</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

7. NET INCOME/(EXPENDITURE)

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

	31.3.22	31.3.21
	£	£
Auditors' remuneration	4,920	4,740
Depreciation - owned assets	<u>17,591</u>	<u>12,334</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 nor for the year ended 31 March 2021.

Trustees' expenses

During the year ended 31 March 2022 8 trustees (2021 - none) were directly reimbursed £2,688 for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the NGA (2021 - £nil).

9. STAFF COSTS

	31.3.22	31.3.21
	£	£
Wages and salaries	1,468,191	1,283,756
Social security costs	140,742	122,055
Other pension costs	<u>94,697</u>	<u>86,079</u>
	<u>1,703,630</u>	<u>1,491,890</u>

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

	31.3.22	31.3.21
	<u>49</u>	<u>41</u>
Management and administration		

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

	31.3.22	31.3.21
	<u>1</u>	<u>1</u>
£70,001 - £80,000		

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	2,660,377	15,061	2,675,438
Other trading activities	17,867	-	17,867
Investment income	<u>1,385</u>	<u>-</u>	<u>1,385</u>
Total	2,679,629	15,061	2,694,690
EXPENDITURE ON			
Charitable activities			
Charitable activities	2,357,547	20,061	2,377,608
	<u> </u>	<u> </u>	<u> </u>
NET INCOME/(EXPENDITURE)	322,082	(5,000)	317,082
RECONCILIATION OF FUNDS			
Total funds brought forward	218,037	5,000	223,037
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD	<u><u>540,119</u></u>	<u><u>-</u></u>	<u><u>540,119</u></u>

11. FUNDS RECEIVED AS AGENT

As part of the contractual arrangements with the DfE, to design and deliver a programme to implement the recommendations for NLG Reform, the charity administers funds under the contract for payment to suppliers. The charity does not have discretion about the use to which these funds received are put and acts only in accordance with the instructions or directions of the DfE.

Therefore to present the appropriate substance of these transactions, these funds are not included as income or expenditure in the Statement of Financial Activities.

Under the terms of the arrangement, there is a timing difference between the receipt and payment of these funds, details of which are:

	31.3.22
	£
Funds received as agent in the year	127,349
Funds paid out in the year	<u>(22,599)</u>
Funds held at 31 March 2022 (included in accruals in note 16)	<u><u>104,750</u></u>

12. 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 2022 amounted to £95,972 (2021 - £88,079) and outstanding contributions as at 31 March 2022 amounted to £11,989 (2021 - £10,601).

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

13. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2021	4,495	44,296	48,791
Additions	<u>-</u>	<u>21,477</u>	<u>21,477</u>
At 31 March 2022	<u>4,495</u>	<u>65,773</u>	<u>70,268</u>
DEPRECIATION			
At 1 April 2021	3,486	18,544	22,030
Charge for year	<u>268</u>	<u>17,323</u>	<u>17,591</u>
At 31 March 2022	<u>3,754</u>	<u>35,867</u>	<u>39,621</u>
NET BOOK VALUE			
At 31 March 2022	<u>741</u>	<u>29,906</u>	<u>30,647</u>
At 31 March 2021	<u>1,009</u>	<u>25,752</u>	<u>26,761</u>

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

14. STOCKS

	31.3.22	31.3.21
	£	£
Books and publications for resale	<u>6,870</u>	<u>4,691</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	289,940	356,793
Other debtors and accrued income	6,202	12,383
Prepayments	<u>79,709</u>	<u>80,915</u>
	<u>375,851</u>	<u>450,091</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade creditors	159,010	150,522
Social security and other taxes	52,911	36,400
Other creditors	10,787	9,399
Accruals	154,639	84,464
Deferred income	<u>216,077</u>	<u>587,400</u>
	<u>593,424</u>	<u>868,185</u>
Deferred income		
Deferred at 1 April	587,400	643,969
Released to income in the year	(552,400)	(491,329)
Additionally deferred in the year	<u>181,077</u>	<u>434,760</u>
Deferred at 31 March	<u>216,077</u>	<u>587,400</u>
Deferred income comprises:		
Membership income deferred to commence on 1 April	95,160	99,972
Learning Link income deferred to commence on 1 April	24,977	156,647
Training income deferred - performance during 2022/2023	34,704	20,694
Leading Governance income deferred - performance during 2022/2023	35,000	308,837
Self funded clerks/chairs - performance during 2022/2023	23,731	-
Other income deferred - events taking place during 2022/2023	<u>2,505</u>	<u>1,250</u>
	<u>216,077</u>	<u>587,400</u>

17. LEASING AGREEMENTS

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

	31.3.22	31.3.21
	£	£
Within one year	89,613	87,007
Between one and five years	<u>136,540</u>	<u>226,153</u>
	<u>226,153</u>	<u>313,160</u>

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

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

18. MOVEMENT IN FUNDS

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	540,119	301,727	841,846
Restricted funds			
ASCL - joint publication	-	825	825
TOTAL FUNDS	<u>540,119</u>	<u>302,552</u>	<u>842,671</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,713,800	(2,412,073)	301,727
Restricted funds			
HMRC - coronavirus job retention scheme	7,713	(7,713)	-
DfE - National Leaders of Governance (NLG) support	386,051	(386,051)	-
ASCL - joint publication	825	-	825
	<u>394,589</u>	<u>(393,764)</u>	<u>825</u>
TOTAL FUNDS	<u>3,108,389</u>	<u>(2,805,837)</u>	<u>302,552</u>

Comparatives for movement in funds

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	218,037	322,082	540,119
Restricted funds			
Arts Council - Cultural Learning e- module	5,000	(5,000)	-
TOTAL FUNDS	<u>223,037</u>	<u>317,082</u>	<u>540,119</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2022

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,679,629	(2,357,547)	322,082
Restricted funds			
Arts Council - Cultural Learning e-module	-	(5,000)	(5,000)
HMRC - coronavirus job retention scheme	15,061	(15,061)	-
	<u>15,061</u>	<u>(20,061)</u>	<u>(5,000)</u>
TOTAL FUNDS	<u>2,694,690</u>	<u>(2,377,608)</u>	<u>317,082</u>

Purpose of funds

General fund.

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

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.

Restricted fund : HMRC coronavirus job retention scheme

This fund represents grants claimed under the Government's covid-19 job retention scheme for employees who required being placed on furlough during the year.

Restricted fund : DfE - National Leaders of Governance

This fund represents the income and associated expenditure on staff costs and overheads in carrying out the contractual arrangements with the DfE, to design and deliver a programme to implement the recommendations for NLG Reform.

ASCL - joint publication

This fund represents income to be spent in funding a joint publication on the three Pillars of Leadership.

19. ULTIMATE CONTROLLING PARTY

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

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2022**

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2022.

National Governance Association

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	31.3.22 £	31.3.21 £
INCOME AND ENDOWMENTS		
Other trading activities		
Advertising	21,530	17,867
Investment income		
Bank interest receivable	791	1,385
Charitable activities		
Membership fees	1,415,915	1,292,909
Project income	26,027	181,499
Training and consultancy income	1,325,081	1,162,667
Publications income	48,120	21,767
Grants	7,713	15,061
Miscellaneous income	4,510	1,535
NLG income	258,702	-
	3,086,068	2,675,438
Total incoming resources	3,108,389	2,694,690
EXPENDITURE		
Charitable activities		
Salaries	1,311,709	1,048,647
Social security	122,522	95,896
Pensions	84,063	69,688
Training and consultancy expenses	354,431	285,194
Project costs	85,816	5,970
Conferences and regional meeting expenses	24,696	24,069
Members' magazine expenses	146,232	160,617
Other publication costs	12,912	24,022
Representation expenses	425	432
Business development costs	2,564	77
	2,145,370	1,714,612
Support costs		
Management		
Salaries	156,482	235,109
Social security	18,220	26,159
Pensions	10,634	16,391
Office rent and services	153,198	136,854
Marketing and publicity	33,342	23,218
Insurance	5,851	6,620
Professional development	19,930	5,157
Office expenses	101,832	89,444
IT equipment and expenses	104,090	82,128
Bank charges	8,928	6,508
Carried forward	612,507	627,588

This page does not form part of the statutory financial statements

National Governance Association

Detailed Statement of Financial Activities for the Year Ended 31 March 2022

	31.3.22 £	31.3.21 £
Management		
Brought forward	612,507	627,588
Office improvements	-	5,596
(Recoverable)/Irrecoverable VAT	(1,181)	(4,242)
Depreciation of fixtures & fittings	267	267
Depreciation of computer equipment	17,323	12,067
	628,916	641,276
Governance costs		
Trustees' expenses	2,688	-
Auditors' remuneration	4,920	4,740
Professional fees	3,947	6,984
Board expenses	12,196	2,196
Clerk to the Board	7,800	7,800
	31,551	21,720
Total resources expended	2,805,837	2,377,608
Net income	302,552	317,082

This page does not form part of the statutory financial statements

Accounts

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2021
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

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National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

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 2021. 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 governance professionals 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) and the Framework for Ethical Leadership in Education (trust; wisdom; kindness; justice; service; courage; optimism) we champion fairness and opportunity for all young people, and equality, diversity and inclusion for all. We aim to be creative, visionary and light on our feet.

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 each of our strategic priorities and 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 the trustees to ensure that our strategy and activities remain focused on our stated purposes.

We have referred the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

How our activities deliver public benefit

All of our charitable activities focus on our ability to encourage and maintain good school governance through the provision of information, advice and support to school governors, trustees and governing professionals, including clerks.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

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 2020 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 adapted quickly to the challenges faced with due to Covid 19. We quickly moved all of our staff to remote working and have continued to deliver membership services to a high level throughout the pandemic. To support governors, trustees and governance professionals in this period we opened the GOLDline advice service to all boards, regardless of membership, who needed information and advice about responding to the impact of the pandemic on their school/trust, and we published COVID information sheets outside our membership wall.

We quickly changed the format of our events, moving to webinars and virtual events in order to support members given that face to face events weren't possible. Our first webinar on "Virtual governance" was well received and appreciated by people across the governance community who required support on how to continue governing effectively while being remote. This was followed by fifteen further webinars on a wide range of topics from safeguarding to the reopening of schools. Webinars were also open to non-members in order to impact important information in this period with recordings available to all.

We also introduced our new "Governing Chatters" podcasts during lockdown, with our first podcast "Governing through Covid 19". We delivered 10 further podcasts during this financial year on topics ranging from "Ethical Leadership" to "Making pupil wellbeing a priority".

Supporting governing boards in their response to the COVID-19 (Covid) pandemic was a significant priority during 2020/21. We listened to the feedback, questions and experiences shared by boards through our newsletter and focus groups; represented the governance community in several DfE stakeholder groups and ministerial meetings; and put a governance lens on all the education news and developments as well as sharing practical experience and tips on adapting to virtual governance through blogs. Highlights include:

- Creating a Covid information hub in the Knowledge Centre, with open access for all who needed it;
- Producing information sheets on the rapidly changing information - from dealing with the initial threat, responding to the closure of schools to most pupils and then a range of topics including supporting schools to deal with bereavement, the role of boards in the safe re-opening of schools, carrying out the staffing functions of the governing board remotely, Ofsted visits, monitoring including of remote education, and parental communication and engagement
- Guidance on continuing the business of governing boards and holding meetings virtually;
- Provided joint guidance with ASCL and NAHT on the conduct of schools/trusts on professional and organisational matters in light of Covid;
- Providing clear and timely guidance on the governing board's role and responsibilities in the phased reopening of schools for more pupils at a time of uncertainty, both to our members and in the national press and broadcast media
- Conducting a snapshot survey of just over 2,350 primary school governors on plans for further opening of schools with the BBC - this attracted headline online and broadcast coverage and was picked up by other national media
- Following the survey, NGA wrote to the secretary of state urging the government to drop its ambition to have all primary children return to school for a month before the summer holidays; and this change happened

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

- Lobbying on 2020 exam results, calling on the government to reconsider its approach and instead use student centre assessed grades, and submitting a set of joint proposals alongside ASCL, NAHT, NEU and NASUWT to the government aiming to make summer 2021's GCSEs and A levels as fair as possible; and since maintaining dialogue with Ofqual and the DfE;
- Consulted on Ofsted's approach to their proposed autumn term and later visits to schools;
- Publishing joint research report with Ofsted - Governing in unprecedented times - showing how boards rapidly adapted to new challenges posed by Covid

NGA has continued this year to be at the front of the curve on the conversation and practice of multi academy trust (MAT) governance. We have written new guidance this year on the role of members and executive pay, and resources including model schemes of delegation and a model role description for governance professionals. We ran several virtual meetings for MAT governance volunteers and professionals to share practice, network and hear updates from NGA and outside experts. We also updated our 2019 Moving MATs forward report to MAT Moving Forward in March 2021, exploring progress on some of the key issues in MAT governance over the past two years.

We also launched a new set of events for members, our termly Governance Leadership Forums. These virtual networks provide governance and executive leaders in similar school structures with a forum to share experiences and good practice. Different specific forums were planned for local authority maintained schools, single academy trust (SATs), MAT trustees, and Local academy committees. The first SAT forum was successfully held in this financial year.

NGA continued to highlight the important role of governance professionals through Clerking Matters and reviewed our own membership support for them. We recruited a Clerking Development Manager to ensure all our offers, including Learning Link, is high quality and as comprehensive as possible. We carried out a significant survey of governance professionals in February, for a research report released in 2021/22. Our Clerks Network took place in December and we held our very popular annual Clerks Conference in March 2021 virtually, allowing governance professionals from up and down the country to attend more easily.

Through our work we have been instrumental in informing and influencing policy, practice and guidance changes. NGA continues to be represented at many Department for Education (DfE) meetings, both at round-tables and bi-laterals. Three of the key DfE current groups on which we are represented are the COVID Stakeholder Advisory Group, the Advisory Group on Governance, the School and Academy Funding Group and the Academies Finance and Assurance Steering Group. We were represented on a number of DfE working groups including Flexible Working Advisory Group, Mental Health in Action Group, Governance Support Working Group. NGA was a member of the expert group set up by the DfE to review the national standards for headteachers, which were presented to NGA members by the DfE on their date of publication in October 2020. This work was only one strand of our work on making staff CPD a central plank of school improvement, which has been visible through our seminars, our magazine and new guidance.

NGA responded to all relevant formal consultations including on Summer 2021 Exams arrangements, Keeping Children Safe in Education revisions and to the School Teachers' Review Body.

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 completed our work with Education & Employers in March 2021 for whom we had been delivering support for new volunteers successfully matched with a school governing board by the DfE funded Inspiring Governance programme.

To improve awareness, knowledge and understanding of the role of governance in schools and trusts, the NGA relaunched its Visible Governance in Schools campaign in January, to run throughout 2021. The campaign celebrates the power of governance, the people that volunteer for the role and the value that good governance brings to the school system. It also aims to improve the education system's and public's knowledge and understanding of the role.

NGA continued to be one of the organisations driving the use of the Framework for Ethical Leadership in Education, coordinating the pathfinder project with over 300 schools and trusts involved, which came to an end in January 2021 with a report published and then an ethical leadership audit tool added to Learning Link.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

NGA established a diversity and equalities advisory group which met in August 2020, making public commitments to action to improve the diversity of boards, especially as regards ethnicity, and then a joint steering group with BAMEed on the role of governing boards in race equality. We published guidance and eLearning on 'Equality and diversity: responsibilities, culture and impact' in September 2020, and carried out focus groups for volunteers from underrepresented backgrounds, which informed a state of the nation report published in 2021/22. This year we continued the Everyone on Board campaign and the Young Governors' Network.

We also amended our delivery of training and consultancy services this year, due to the necessity for remote delivery. NGA updated our training and consultancy materials in order to continue to deliver our sessions to a high standard with this new model of delivery. By amending our model we were able to offer governors up and down the country access to our Leading Governance and other training programmes. This work continues to provide 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.

We continue to deliver and continuously improve our e-learning service "Learning Link" to governors, trustees and governance professionals. By the end of 2020/21 45% of schools (including academies) subscribe to Learning Link. We have 35,858 users, an increase of 5,000 on the previous year, and our income increased this year by just over £100,000, much of which is reinvested in improvements. As well as updating our current modules, ten new modules were developed:

- Governance visits to schools
- Minimising exclusions
- Governance monitoring: A tool to drive improvement
- Setting performance objectives for executive leaders
- Equality and diversity: A practical guide for governors and trustees
- Recruiting a senior executive leader
- Holding to account: How to question and challenge
- Holding to account: How to conduct a courageous conversation
- Using integrated curriculum and financial planning
- Creating a new vision for your school or trust

98% of users are satisfied with our new modules and platform.

NGA has had another strong year of delivery for the Leading Governance chairs, board and clerks development programme. The funded programme came to an end in March 2021, while NGA will continue to support participants who began their programme before March 2021 until December 2021. We have had 232 clerks on the programme this year and 384 participants on the chairs/board development programme.

Due to increasing membership and Learning Link numbers we were able to further increase our staff team with the addition of a Knowledge Centre Manager and Clerking Development Manager. We also set up our new Governance Development Team from early 2021 recruiting five new Regional Leads to work more closely with local governance partners across England.

The board would like to thank the staff group for their continued hard work and support during an incredibly challenging year. Staff continue to go above and beyond, and shown tremendous flexibility and adaptability this year. The board are also very proud of the support for governance within our staff team with many governing themselves.

FINANCIAL REVIEW

Principal funding sources

We should 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.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

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 provide reliable services over the longer term. NGA 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 £397,594. The NGA's Board reconsiders the level of any legal requirements in the event of any potential winding-up of the NGA on an annual basis.

As at 31 March 2021 the amount of reserves were £540,119 (compared to £223,037 at 31 March 2020) of which £513,358 were free reserves (compared to £191,998 at 31 March 2020). Free reserves are reserves which do not include restricted funds, or reserves tied up in tangible fixed assets of £26,761. At 31 March 2021, free reserves represented 19% of annual income.

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 assessing the risks, priorities and its judgement that NGA continues as a going concern.

Financial review

The Statement of Financial Activities for the year ended 31 March 2021 shows total incoming resources of £2,694,690 (2020 £2,554,535) and total resources expended of £2,377,608 (2020 £2,505,284-), generating net incoming resources of £317,082 (2020 £49,251).

Membership subscriptions, our principle source of income, increased by some 9% during the year ended 31 March 2021 from £1,183,790 to £1,292,909. The increase was due to a combination of an increase in membership numbers during the year ended 31 March 2021 as well as an increase in the price of both individual and standard membership.

Our current fees, including for our e-learning, are considerably more affordable for schools than other national providers - this is important to us.

At the beginning of the pandemic, NGA was cautious with our finances, as we wanted to ensure sustainability at a time of so uncertainty. As the year progressed and as NGA was not able to run our usual face to face events, this led to a significant decrease in expenditure on venues, catering, travel, accommodation and subsistence this year. The pandemic also led to a decrease in expenditure on travel to attend face to face meetings for staff as well as board expenses as all NGA board meetings were held remotely this year. In addition, the usual expenses related to running our offices in Birmingham have decreased as well. As a result we have ended the financial year much better than expected. In the upcoming years this surplus will be used to safely re-open our office in Birmingham, to invest further in our website and to ensure we meet our financial reserves target.

FUTURE PLANS

NGA will prioritise continuing to provide excellent support and services to existing members & Learning Link customers in order to retain members. While we wish to reach governing boards that are not currently engaged with our work in order to improve governance, this must 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.

The trustees in their virtual meetings throughout the year considered the effect of Covid 19 on the services and the financial sustainability of NGA. The pandemic was taken into account when assessing the risks, priorities and its judgement that NGA continues as a going concern.

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

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 under its Articles of Association.

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

Recruitment and appointment of new trustees

The Board of Directors contains 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 2021.

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. The board's meeting are supported by the company secretary who has been externally appointed.

The Directors meet five times during the year as a full board to confirm a strategy 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 NGA worked hard to increase the diversity of candidates standing for election to the board in autumn of 2020 with targeted communications to networks working on diversity as well as our own, and the communications resulted in more candidates than ever before. However, after the election results, in December the newly elected board's composition as regards race had not improved and the board is therefore considering using co-option as it has done in the past to improve its diversity.

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 the financial statements. There were no trustees' remuneration or other benefits for the year ended 31 March 2021.

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 2021

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 (resigned 28.11.20)
Ian Courtney MBE (resigned 28.11.20)
Alastair Cowen
Nigel Brent Fitzpatrick MBE
Tim Brock (appointed 28.11.20)
David Harries (resigned 28.11.20)
Howard Davies (appointed 28.11.20)
Peter Duncan Haworth MBE
Lynn Howard
Lawayne Jefferson
Anthea Kenna (appointed 28.11.20)
Nicolette Lamont (resigned 28.11.20)
Katie Paxton (resigned 9.2.21)
Helen Stockill (appointed 28.11.20)
Rachel Wilson

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

National Governance Association

Report of the Trustees for the Year Ended 31 March 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Company secretary

Emma Myers

Chief executive

Emma Knights OBE

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.

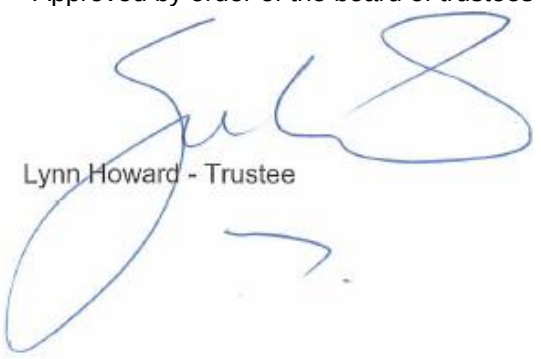
In so far as the trustees are aware:

- 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 14 July 2021 and signed on its behalf by:



Lynn Howard - 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 2021 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.



TRUSTED ACCOUNTING SOLUTIONS



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Registered in England and Wales.
Katrina Williams FCA CTA TEP
David Williams FCA FCCA

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Locke Williams Associates LLP
Blackthorn House, St Pauls Square
Birmingham B3 1RL T: 0121 262 3980

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

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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to these risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.



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

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of third parties where appropriate.

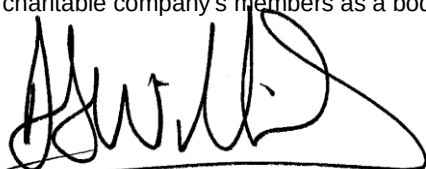
There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and checking the authorisation of expenditure as part of our substantive testing, using analytical review to identify any significant or unusual transactions and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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: 14 July 2021



TRUSTED ACCOUNTING SOLUTIONS



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Katrina Williams FCA CTA TEP
David Williams FCA FCCA

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National Governance Association

**Statement of Financial Activities
for the Year Ended 31 March 2021**

	Notes	Unrestricted fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	4				
Charitable activities		2,660,377	15,061	2,675,438	2,505,946
Other trading activities	2	17,867	-	17,867	45,911
Investment income	3	1,385	-	1,385	2,678
Total		2,679,629	15,061	2,694,690	2,554,535
 EXPENDITURE ON					
Charitable activities	5				
Charitable activities		2,357,547	20,061	2,377,608	2,505,284
 NET INCOME/(EXPENDITURE)		322,082	(5,000)	317,082	49,251
 RECONCILIATION OF FUNDS					
Total funds brought forward		218,037	5,000	223,037	173,786
 TOTAL FUNDS CARRIED FORWARD		540,119	-	540,119	223,037

The notes form part of these financial statements

National Governance Association (Registered number: 03549029)

**Balance Sheet
31 March 2021**

	Notes	Unrestricted fund £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
FIXED ASSETS					
Tangible assets	12	26,761	-	26,761	26,039
CURRENT ASSETS					
Stocks	13	4,691	-	4,691	7,588
Debtors	14	450,091	-	450,091	411,956
Cash at bank and in hand		926,761	-	926,761	659,223
		1,381,543	-	1,381,543	1,078,767
CREDITORS					
Amounts falling due within one year	15	(868,185)	-	(868,185)	(881,769)
NET CURRENT ASSETS		513,358	-	513,358	196,998
TOTAL ASSETS LESS CURRENT LIABILITIES		540,119	-	540,119	223,037
NET ASSETS/(LIABILITIES)		540,119	-	540,119	223,037
FUNDS	17				
Unrestricted funds				540,119	218,037
Restricted funds				-	5,000
TOTAL FUNDS				540,119	223,037

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 14 July 2021 and were signed on its behalf by:



Alastair Cowen - Trustee

National Governance Association

**Cash Flow Statement
for the Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>279,209</u>	<u>152,187</u>
Net cash provided by operating activities		<u>279,209</u>	<u>152,187</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(13,056)</u>	<u>(23,024)</u>
Interest received		<u>1,385</u>	<u>2,678</u>
Net cash used in investing activities		<u>(11,671)</u>	<u>(20,346)</u>
Change in cash and cash equivalents in the reporting period		267,538	131,841
Cash and cash equivalents at the beginning of the reporting period		<u>659,223</u>	<u>527,382</u>
Cash and cash equivalents at the end of the reporting period		<u><u>926,761</u></u>	<u><u>659,223</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 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.21	31.3.20
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	317,082	49,251
Adjustments for:		
Depreciation charges	12,334	5,142
Interest received	(1,385)	(2,678)
Decrease in stocks	2,897	968
Increase in debtors	(38,135)	(113,070)
(Decrease)/increase in creditors	(13,584)	<u>212,574</u>
Net cash provided by operations	<u>279,209</u>	<u>152,187</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20	Cash flow	At 31.3.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>659,223</u>	<u>267,538</u>	<u>926,761</u>
	<u>659,223</u>	<u>267,538</u>	<u>926,761</u>
Total	<u>659,223</u>	<u>267,538</u>	<u>926,761</u>

National Governance Association

Notes to the Financial Statements for the Year Ended 31 March 2021

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 2021

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.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Employee 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

	31.3.21	31.3.20
	£	£
Advertising	<u>17,867</u>	<u>45,911</u>

3. INVESTMENT INCOME

	31.3.21	31.3.20
	£	£
Bank interest receivable	<u>1,385</u>	<u>2,678</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.3.21	31.3.20
Activity	£	£
Membership fees	1,292,909	1,183,709
Project income	181,499	197,386
Training and consultancy income	1,158,864	1,059,996
Publications income	21,767	49,937
Grants	15,061	10,000
Miscellaneous income	<u>5,338</u>	<u>4,918</u>
	<u>2,675,438</u>	<u>2,505,946</u>

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

	31.3.21	31.3.20
	£	£
Arts Council	-	10,000
HMRC - coronavirus job retention scheme	<u>15,061</u>	<u>-</u>
	<u>15,061</u>	<u>10,000</u>

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Charitable activities	<u>1,714,612</u>	<u>662,996</u>	<u>2,377,608</u>

6. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Charitable activities	<u>639,080</u>	<u>23,916</u>	<u>662,996</u>

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

Management

	31.3.21 Charitable activities £	31.3.20 Total activities £
Salaries	235,109	257,624
Social security	26,159	28,116
Pensions	16,391	15,889
Office rent and services	136,854	107,163
Marketing and publicity	23,218	24,857
Insurance	6,620	6,403
Professional development	5,157	17,251
Office expenses	87,248	81,660
IT equipment and expenses	82,128	83,059
Bank charges	6,508	6,535
Office improvements	5,596	17,299
(Recoverable)/Irrecoverable VAT	(4,242)	-
Depreciation of tangible and heritage assets	<u>12,334</u>	<u>5,142</u>
	<u>639,080</u>	<u>650,998</u>

Finance

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

No tax is payable in respect of this year, non-charitable trading income is below small trading exemption limits.

National Governance Association

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

6. SUPPORT COSTS - continued Governance costs

	31.3.21 Charitable activities £	31.3.20 Total activities £
Trustees' expenses	733	6,390
Auditors' remuneration	4,740	4,740
Auditors' remuneration for non-audit work	-	1,200
Professional fees	6,984	14,033
Board expenses	2,196	6,119
Clerk to the Board	9,263	8,305
	<u>23,916</u>	<u>40,787</u>

7. NET INCOME/(EXPENDITURE)

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

	31.3.21 £	31.3.20 £
Auditors' remuneration	4,740	4,740
Taxation advisory services	-	1,200
Depreciation - owned assets	<u>12,334</u>	<u>5,142</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

During the year ended 31 March 2021 no trustees (2020 - 8) were directly reimbursed for expenses incurred such as travel, subsistence and telephone whilst performing duties on behalf of the NGA (2020 - £6,390).

9. STAFF COSTS

	31.3.21 £	31.3.20 £
Wages and salaries	1,283,756	1,206,380
Social security costs	122,055	112,957
Other pension costs	86,079	81,304
	<u>1,491,890</u>	<u>1,400,641</u>

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

	31.3.21	31.3.20
Management and administration	<u>41</u>	<u>39</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

9. STAFF COSTS - continued

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

	31.3.21	31.3.20
£70,001 - £80,000	<u><u>1</u></u>	<u><u>1</u></u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Charitable activities	2,495,946	10,000	2,505,946
Other trading activities	45,911	-	45,911
Investment income	<u>2,678</u>	<u>-</u>	<u>2,678</u>
Total	2,544,535	10,000	2,554,535
 EXPENDITURE ON			
Charitable activities			
Charitable activities	<u>2,490,328</u>	<u>14,956</u>	<u>2,505,284</u>
 NET INCOME/(EXPENDITURE)	54,207	(4,956)	49,251
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>163,830</u>	<u>9,956</u>	<u>173,786</u>
 TOTAL FUNDS CARRIED FORWARD	<u><u>218,037</u></u>	<u><u>5,000</u></u>	<u><u>223,037</u></u>

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 2021 amounted to £86,080 (2020 - £81,304) and outstanding contributions as at 31 March 2021 amounted to £10,601 (2020 - £10,281).

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2020	4,495	31,240	35,735
Additions	<u>-</u>	<u>13,056</u>	<u>13,056</u>
At 31 March 2021	<u>4,495</u>	<u>44,296</u>	<u>48,791</u>
DEPRECIATION			
At 1 April 2020	3,219	6,477	9,696
Charge for year	<u>267</u>	<u>12,067</u>	<u>12,334</u>
At 31 March 2021	<u>3,486</u>	<u>18,544</u>	<u>22,030</u>
NET BOOK VALUE			
At 31 March 2021	<u>1,009</u>	<u>25,752</u>	<u>26,761</u>
At 31 March 2020	<u>1,276</u>	<u>24,763</u>	<u>26,039</u>

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

13. STOCKS

	31.3.21 £	31.3.20 £
Books and publications for resale	<u>4,691</u>	<u>7,588</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21 £	31.3.20 £
Trade debtors	356,793	330,068
Other debtors and accrued income	12,383	1,000
Prepayments	<u>80,915</u>	<u>80,888</u>
	<u>450,091</u>	<u>411,956</u>

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.21	31.3.20
	£	£
Trade creditors	150,522	154,576
Social security and other taxes	36,400	35,813
Other creditors	9,399	9,079
Accruals	84,464	38,332
Deferred income	<u>587,400</u>	<u>643,969</u>
	<u>868,185</u>	<u>881,769</u>
 Deferred income		
Deferred at 1 April	643,969	455,381
Released to income in the year	(491,329)	(455,381)
Additionally deferred in the year	<u>434,760</u>	<u>643,969</u>
 Deferred at 31 March	<u>587,400</u>	<u>643,969</u>
 Deferred income comprises:		
Membership income deferred to commence on 1 April	99,972	90,940
Learning Link income deferred to commence on 1 April	156,647	165,635
Training income deferred - performance during 2021/2022	20,694	9,360
Leading Governance income deferred - performance during 2021/2022	308,837	378,034
Other income deferred - events taking place during 2021/2022	<u>1,250</u>	<u>-</u>
	<u>587,400</u>	<u>643,969</u>

16. LEASING AGREEMENTS

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

	31.3.21	31.3.20
	£	£
Within one year	87,007	82,511
Between one and five years	<u>226,153</u>	<u>313,160</u>
	<u>313,160</u>	<u>395,671</u>

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

National Governance Association

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2021**

17. MOVEMENT IN FUNDS

	At 1.4.20 £	Net movement in funds £	At 31.3.21 £
Unrestricted funds			
General fund	218,037	322,082	540,119
Restricted funds			
Arts Council - Cultural Learning e-module	5,000	(5,000)	-
TOTAL FUNDS	<u>223,037</u>	<u>317,082</u>	<u>540,119</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,679,629	(2,357,547)	322,082
Restricted funds			
Arts Council - Cultural Learning e-module	-	(5,000)	(5,000)
HMRC - coronavirus job retention scheme	15,061	(15,061)	-
	<u>15,061</u>	<u>(20,061)</u>	<u>(5,000)</u>
TOTAL FUNDS	<u>2,694,690</u>	<u>(2,377,608)</u>	<u>317,082</u>

Comparatives for 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 2021

17. MOVEMENT IN FUNDS - continued

Comparative 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>

Purpose of funds

General fund.

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

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.

Restricted fund : HMRC coronavirus job retention scheme

This fund represents grants claimed under the Government's covid-19 job retention scheme for employees who required being placed on furlough during the year.

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 2021.