

THE NEW SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2021

THE NEW SCHOOL

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 AUGUST 2021

Trustees

Mark Norbury, Chair (appointed 2 November 2021)
Laura Dempsey (appointed 2 November 2021)
James Searjeant (appointed 10 October 2020)
Debbie-Ann McKenzie-Arday (appointed 10 October 2020)
Lucy Stephens (appointed 10 October 2020)

Charity registered number

1191796

Principal office

St Mary's Lodge, 149 Central Hill, London, SE19 1RT

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

Bankers

Metro Bank, One Southampton Row, London, WC1B 5HA

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2021

The Trustees present their annual report together with the audited financial statements for the period to 31st August 2021.

The charity was incorporated on 14 October 2020 but did not commence operations until 1 June 2021. The previous operation of the school was conducted within the New School CIC before the assets of that entity were donated to this charity on 1 June 2021.

The Trustees confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

Director welcome letter

We were delighted to open our school doors for the first time in September 2020, albeit in the strangest of years with a global pandemic. It was a year of growth, development, adjustment and resilience from the whole staff team, and I'm really proud of what we've achieved in such a short time.

We exist because we want to challenge the educational system in the UK to better listen and respond to young people's needs - and to innovate fearlessly to meet those needs. The New School's educational model is still evolving but in our first year we have developed systems and processes that are strong on accountability and impact but which also retain the flexibility to pivot and adjust to meet the needs of our young people and families. We have learned that creating an alternative model of education in action is not easy, but we believe it is possible.

We are working with local authorities with the aim of developing a new financial model that unites public and private investment. We want to build partnerships with other schools and leaders in education, to share learning and, ultimately, find a new way for many more schools to finance innovative school models that prioritise young people's voice and choice in their education.

Over the next year we want to continue developing our work in school around young people's voice and refine our self-directed learning pedagogy that builds key skills of agency, intrinsic motivation, and ownership over the learning process. Outside of school, our top priority is to continue building relationships with our local authorities to meet our aim of a sustainable fundraising strategy over the next 5 years.

It has been a true privilege to work alongside The New School team this year. Every staff member is so committed to influencing the education system in a way that empowers young people to have a voice in their own education and prioritises their wellbeing. In 2021/22 we look forward to building on this momentum inside our school, and in the broader education sector, with fellow professionals, policy makers and funders.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Welcome from the Chair

Thank you for your interest in The New School. I am delighted to have become Chair of the organisation in November 2021.

What the team has already created is extraordinary. In 2020/21 Lucy, the inspiring founder, and her team opened a highly innovative independent school during a global pandemic. Not only did they open it – it was heavily oversubscribed. We opened with 46 students in our first year and there are now 72 students enjoying the rich emotional and social learning The New School offers.

The University of Nottingham conducted an independent evaluation of the learning, progression and performance of the students over the course of the year. Particular highlights have been across our four educational outcomes: on self-efficacy, after just three terms 71% of students believed they could do most things if they tried - a dramatic positive shift; on self-esteem, 94% of families think their child(ren) can express and develop their personal attitudes and values at The New School; on educational engagement, 95% of students have improved how they relate to and learn with their peers; on life satisfaction, 82% of students agreed that their life was going well (compared to 61% two terms previously).

This is a massive credit to the whole teaching team and everyone who supports them. The core education and operational success was matched by good management of our budget. Happily, it also led to a good Ofsted inspection in the current academic year.

There is much to be proud of – at the same time, we know we still have a long way to go if we are to demonstrate the long term power of our educational model and ethos in transforming young lives, and change the education system as a result. Over the coming year, we have some exciting milestones along the way.

We are going to grow into secondary provision (which will further develop our self-direction, agency and personalised learning framework and tools). We are expanding our work with local authorities, which is critical to our financial sustainability and our theory of change through adoption by statutory education commissioners. We are deepening our thought leadership with UCL and other academic partners. We will also build our influence in the education system through networks such as the Fair Education Alliance.

We always welcome interest from partners – whether to collaborate, learn, invest or support us. We look forward to working with you to change children and young people's lives over the coming years.

Who we are

“To challenge the values of education and to change the outcomes for every young person, we have to change the rules of the system.”

Lucy Stephens, Founder and Director, The New School

The New School is a pioneering educational charity. Our independent primary school currently serves 72 young people from our local community in South East London. We do not charge fees, because education needs to be available to all.

Our ethos and principles put the young person at the heart of the design, decisions and delivery of their schooling – ensuring we best look after their whole development and wellbeing.

Our aim is to showcase a pedagogical approach to education that builds young people's voice into the design and delivery, and in doing so develops future facing 21st century skills through young people's growing agency and also their wellbeing. Our vision is to use our impact to challenge the current educational narrative, learning from and with our local authorities, to situate our innovative educational offer within the mainstream system as a statutory choice for young people and families.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

"They [young people] are able to be themselves, to voice their opinions and to, most importantly, have fun. I want them to be exploring their interests, learning through their environment, and to be happy and fulfilled." (Family survey)

What we do

The problem - all government funded schools must subscribe to standardised testing and performance measures, which skew teaching and learning to the test, and do not value or recognise the importance of wellbeing and young people's sense of personal agency in their education. Consequently, mainstream schools often struggle to connect and to find time to understand difficult behaviour as a symptom of a young person's mental and emotional state as well as their social circumstances – which has huge implications for the young people, their families and the wider community.

To innovate and create a system that works for everyone, we need to step outside the current outcomes framework – which means we also need to step outside the current funding system.

"the supportive, flexible and empowering culture has step-changed her confidence, and she looks forward to going to school, where she is growing as a person as well as learning" (Family survey)

The solution - The New School is developing, measuring and researching a new publicly fundable model of education through the creation of an inclusive, democratic school community, promoting social justice and fostering positive wellbeing. We aim to help young people flourish and achieve through self-directed learning and to foster a strong sense of agency. This is achieved via four overarching, and overlapping, strategies:

1. Democratic education. This entails the use of teaching methods that provide young people with choices over what and how they study. These include an individualised curriculum, self-directed time, the use of flexi-schooling, and the use of teaching approaches which involve children in decisions about what and how they will study.
2. Relational practice. This requires the development of sustained supportive relationships. It is achieved through small class sizes, the use of democratic approaches to teaching which allows for student choice and self-direction, restorative practice in which young people are treated with respect and supported to resolve conflict in a constructive manner, and a collective management system which allows young people to have a voice in decision making.
3. Sociocracy. This is a method of managing organisations, such as schools, that includes both adults and young people in making decisions about the way it operates. This is achieved through 'sociocracy circles', in which participants share their views with each other and make collective decisions. Circles are used throughout the school involving staff, parents, and young people in decision-making.
4. Restorative practice, and the associated community accountability policy. This is an approach to managing conflict in which all parties involved can speak and reach an appropriate resolution. This enables all voices to be heard and holds people to account for their actions, but also provides a non-confrontational way to address harmful and damaging behaviours while avoiding blame and punitive methods of discipline.

We are developing our educational offer over a three stage system approach: firstly; testing, iterating, and enhancing high quality personal learning, secondly; working closely with teachers, parents, researchers and local authorities to refine and share our unique approach and, thirdly; integrating more closely with our local community to, over time, create an educational offer that supports young people to thrive across their whole lives - in their health, relationships and careers - not just to pass exams.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

"We have a thing called a restorative circle. It is this thing where you get the two people, one who is annoyed about what the other person did and the other one who did it, and one person says their side of the story and the other person says their side. So yes, it is a bit like that. One person listens to what the other person says, and the other person listens to what the other person says. Then we find a way to make a solution from that [if you can't find a solution then] you keep working at it." Young person age 9.

Our impact

The New School opened in September 2020, despite the best efforts of Covid. We passed our Ofsted inspection in December 2021 with a rating of 'Good', and were delighted with the great feedback on our model, particularly our focus on personal development. The school continues to be hugely oversubscribed.

Our demographic

Our young people come from a variety of backgrounds (2020/21 analysis)

- BAME 40%
- Female 43% Male 57%
- Eligible for free school meals 30%
- Additional needs (SEND) 24%
- Previously homeschooled 75%
- All scored in the lowest 20% regarding feelings about school at the beginning of the year; relatively low levels of preparedness for learning (all in lowest 25%) and sadly, also for learner self-worth.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Our impact measurement

We have established a comprehensive impact framework and set up data measurement practices to monitor our progress. Young people leave our school with a strong sense of personal agency.

Self - esteem Through teaching strategies which allow learners to follow their own interests and enthusiasm, children have been able to produce work in which they take pride. This and the sense of belonging from their active involvement in school life has enhanced how they feel about themselves.	A third of young people scored in the lowest 25% for self-esteem when they arrived at The New School and over the first year over half experienced positive change in self esteem (55%) The evaluation found that 94% of families believe that their child(ren) can express and develop their personal attitudes and values at TNS. <i>"Huge growth in confidence as well as progress across all academic subjects." (Family survey)</i>
Self - efficacy Young people's improved self-esteem has contributed to their improved confidence as learners.	The youngest students scored in the lowest 20% regarding feelings about school at the beginning of the year and in the lowest 25% for preparedness for learning. By the end of the year 77% of young people had achieved at least one of their learning goals and after just months of being at The New School, 71% of KS2 students believed they could do most things if they tried – a dramatic positive shift. <i>"Something I am proud of. My newspaper article. I was the first person in the whole class to finish ... my teacher she said, 'today I am going to make copies of them'."</i>
Educational engagement Young people are willing to engage in learning due to the culture of respect, support and independence as well as the strong school community.	Young people are happy to attend and the overall attendance rate of 94% is a huge achievement. Between the autumn and summer terms teachers reported that, 85% of students improved their purposeful attention at school, 92% of students participate more constructively, and 95% improved how they relate to and learn with their peers. Almost three quarters (74%) of young people experienced an improvement in their response to learning. This perception was mirrored by learning progress; all students made progress in phonics and 98% made progress in reading. 76% made progress in all of reading, writing and maths.
Wellbeing & life satisfaction Most students have high levels of life satisfaction - a noted improvement for children who had suffered from stress and emotional problems in previous schools.	In the spring term, 61% of KS2 young people agreed to some extent that their life was 'better than most kids', increasing to 73% in the summer term. By the end of the academic year 82% of KS2 young people agreed that their life was going well. <i>"There has been a holistic change in every part of my daughter's life since the start of TNS. Once she became happy at school and felt listened to and a valued member of the school the rest of life became so much happier." (Family survey)</i>

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Our first year evidence baseline shows a great breadth of progress in our four key outcomes. We are evolving our approach for routinely monitoring outcomes through the introduction of new outcome indicators and a reporting dashboard. Moving forward we are working to embed how we use data to inform our practice and evolve our school model to maximise impact for young people.

Our evaluation research

We commissioned an independent evaluation with the University of Nottingham to help us better understand our impact.

The main benefit identified in this evaluation was to the wellbeing of children and their families. Given current concerns about poor wellbeing in children and the resulting effects of this on their future mental health and life chances, investment in The New School presents a chance for early intervention for children and young people that can have lifelong effects.

Independent cost benefit analysis calculations by the University of Nottingham show that the benefits of the school to young people, their parents and society are already exceeding the running costs of the school. For the 2020-21 academic year for every £1 invested The New School provided a monetisable benefit of £2.40 (N.B. this was the best fit in a range from 1.06:1 (low) to 3.46:1 (high)). It should also be emphasised that not all benefits can be assigned a financial value and there are a great many which are incalculable. This demonstrates a significant contribution after only one year of work.

Projections of future growth of the school suggest that benefits will grow much quicker than costs. Once the school reaches full occupancy (planned to be 120 young people in the 2025-26 academic year) the same calculations estimate that the benefit-cost ratio will be 3.88:1 (this is the best fit in a range from 1.70:1 (low) to 5.58:1 (high)).

Our wider strategic impact

During our first year of operation our focus was on establishing the school and our educational model, and learning about the ways we can have a positive impact and evolve our offer through commissioning an independent evaluation. However, longer term we aspire to challenge the educational mainstream to be more innovative and think differently about how we educate young people in the UK and we are proud that we were able to begin that important work this year. Firstly, we held a webinar with Sir Norman Lamb, Lord Dennis Stevenson, and Pupil Power, looking at mental health and wellbeing in education, which attracted several hundred attendees. Secondly, we caught the attention of the national press in The Guardian, in a piece entitled, 'A community of equals': the private school with no fees, set up by a south London teacher'. Thirdly, we have begun to make connections within the broader community with local organisations such as the Rio Ferdinand Foundation, who we supported with their Hope 2020 campaign, and national organisations such as the Losing Control network and the Good Society Forum who both invited us to speak at virtual panel debates and workshops. We look forward to expanding this important work with the community in our second year and beyond.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Looking forward to next year:

We have several organisational goals including recruiting additional trustees from diverse backgrounds and with diverse skills. We will continue to build on our growing relationships with key local authorities, focusing our attention on strengthening our financial stability through this, as well as further developing relationships with key supporters. We will review our impact and evaluation work, and develop a data infrastructure that allows us to easily track our OKRs.

We will co design our operational work around the recommendations from the University of Nottingham evaluation and share the findings from the evaluation more widely with key stakeholders and the education sector.

"In all the mainstream schools that I have worked in the focus on relationships and kindness was really only the 'tip of the iceberg', but, at TNS, all staff respect and believe in relationship building, respect and integrity." (Teacher interview)

Our supporters

The New School is extremely grateful to all the families and wider supporters who have donated to our "Future Proofing The New School" fundraising campaign this year - especially those ongoing regular donors - we really appreciate your support. The number of emails of support we receive is huge, and to know that so many people believe in our ambition gives us a massive boost and the impetus to keep going. Establishing a new, more innovative, more young person-centred model of education within our current education system is far from easy - and there is no guarantee of success - but we know that it is the least that our young people need and deserve, and with your support we plan to continue this important work long into the future.

Structure, governance and management

Governing document

The New School is a Charitable Incorporated Organisation (CIO) registered under the charity number 1191796. It is governed by the CIO Constitution which sets out the charity's objects and how it is to be administered.

The purpose of The New School is the advancement of education for the public benefit through the provision of a school for children up to the age of 16, through the conduct of research into all aspects of the education and care of those children and the publication and dissemination of the useful results of such research.

The board of trustees governs the charity, meeting on a quarterly basis for full board meetings and remains the ultimate decision-making body. There are additional sub-committees to undertake more detailed work - Finance and Risk circle which meets monthly, and Strategy and Business Development circle which meets every 6 weeks. The sub-committees review the main risks to the organisation and establish mitigating actions to minimise those issues, providing recommendations to the board. Operationally staff are involved in decision-making for example, contracts, and operational circles make recommendations to the board of trustees on operational matters.

The Trustees consider that they, together with the Director and Co Heads, comprise the key management personnel of the School. The trustees have a remuneration policy for key management and all personnel and that the trustees review this annually as part of the budget process.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Appointment of trustees

The New School trustees are appointed based on the skills they bring to the organisation in terms of the ongoing strategy and operations of the charity. The New School aims to reach a wide and diverse pool of talent and skills to support the charity and have appointed board recruiters with this aim in mind. Board members are appointed after an interview by incumbent Board members and upon receipt of CV, cover letter, references and DBS check. The final decision is made by the Board. New trustees must complete safeguarding training, and trustee induction training.

We currently have a small board, strong on educational delivery, as well as business strategy and social investment. Further development of the board is a priority for 2021-22, to ensure robust financial governance and risk management, as well as enabling key links to policy, local government, local community, and fundraising.

Trustees

The Trustees that served during the period were as follows:

Mark Norbury, Chair (appointed 2 November 2021)
Laura Dempsey (appointed 2 November 2021)
James Searjeant (appointed 10 October 2020)
Debbie-Ann McKenzie-Arday (appointed 10 October 2020)
Lucy Stephens (appointed 10 October 2020)
Freya Aquarone (appointed 10 October 2020, resigned 2 November 2021)
Leonard Turton (appointed 10 October 2020, resigned 30 June 2021)
Christina Lartey (appointed 10 October 2020, resigned 17 January 2021)

Financial review

The New School has been backed by £2m of philanthropic start-up funding, to be spread over two academic years starting in September 2020, from one key partner, who shares our ambition to create a new model of education in the UK that achieves better outcomes for children. Initially the school operated as The New School CIC while waiting to be granted Charitable status. On 1 June 2021 net assets were transferred from the CIC to the charity to the amount of £92,812.

The New School also secured statutory income for individual young people at the school, who Local Authorities recognise we are better able to support than mainstream provision. There is a small amount of individual donor gifts. As an independent school, we are unique in this sector in that we do not charge fees for pupils. Lunches are paid for by parents, though pupils who would be entitled to free school meals in the state sector are provided with free meals by the School.

The financial statements show net incoming resources for the three months from June to August 2021 for School activities of £343,659, including the amount of £92,812 relating to the net assets donated from The New School CIC. The principal source of income comes from donations accounting for 98.6% of the School's income. Local Authority grants account for 0.8% of the School's income in this period.

As an educational charity, we enjoy tax exemption on our educational activities provided all funds are spent on our charitable aims. We are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We pay tax as an employer through the national insurance contributions we make. We make contributions to Nest pension scheme based on the requirements of the Pensions Regulator for automatic enrolment of all staff.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

Restricted Activities

Nearly all of the School's income is unrestricted for use. However, the School received two donations in the year that were restricted. One donation was for £5,000 to help fund the research work analysing the school's teaching model. The second donation was for £1,000 to provide for staff training to develop further the teaching methods the school employs.

Public benefit

The trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

Reserves Policy

The School's primary objective in creating reserves is to set aside resources to meet its short-term financial obligations. As a start-up organisation, the trustees recognise the need to set a prudent reserves target until such time as the School can move from a primarily philanthropic funding model to a more diverse and sustainable model.

The Trustees policy is to hold at least one month's expenditure of staff costs and rental costs (£64,000). At the balance sheet date 31 August 2021, the School had £99,941 in general reserves. All of these reserves are unrestricted funds. The free reserves, calculated as reserves less fixed assets less designated funds, amounts to £56,235.

The Trustees regularly review the School's finances, budgets and spending against the budget, with the assistance of the Finance and Risk Committee which meets monthly. Two trustees, the Director who is also a trustee, the finance lead and the strategic operations lead are all members of this committee.

The Covid pandemic has reminded all schools of the necessity of creating reserves to mitigate the impact of variable grant income. The Trustees have indicated that in the short term the School would like to work towards holding reserves to cover all costs for a month (average of £80,110 at 31 August 2021). The Trustees plan to review this target in the second academic year, September 2021 to August 2022, and establish a long-term policy to grow reserves.

Going Concern

In their assessment of going concern, the Trustees have set up the Finance and Risk Committee to meet monthly to review the cash flow forecast of the School for the current academic year and the cashflow forecast for the following academic year. This gives a clear view of the immediate needs of the School and the medium term projections for the School's funding requirements.

At each monthly meeting, the actual costs incurred and the predicted expenditure is reviewed in line with the budget for the year and a discussion of how to cover unexpected expenses or how to use any surplus that may be forecast for the year. Where expenses are deemed to be too high, steps to mitigate spending would be taken to reduce or curtail non-essential expenditure.

This review is passed to the Strategic and Business Development Committee so that its team can understand how to target and source immediate and longer term funding needs. The School is working to secure increased funding from Local Councils and is currently progressing with meetings and presentations with four councils who have indicated a willingness to consider the type of educational provision the School provides.

The longer term funding and resource requirements for the School are updated annually and the trustees have reviewed the budgets for academic years September 2023 to August 2024, September 2024 to August 2025 and September 2025 to August 2026.

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TRUSTEES' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2021

The Trustees have considered various scenarios with regards to how to fund the School to ensure adequate resources are available to continue to provide educational services to its beneficiaries for the foreseeable future. Therefore, the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Approved by order of the members of the board of Trustees on 3rd May 2022 and signed on their behalf by:



Mark Norbury
Chair of Trustees

THE NEW SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW SCHOOL

Opinion

We have audited the financial statements of The New School (the 'charity') for the Year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021 and of its incoming resources and application of resources 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 Charities Act 2011.

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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity'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.

THE NEW SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW SCHOOL (CONTINUED)

Other information

The other information comprises the information included in the 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. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

THE NEW SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW SCHOOL (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NEW SCHOOL (CONTINUED)

Crowe U.K. LLP

Crowe U.K. LLP

Darren Rigden
Statutory Auditor

Riverside House
40 - 46 High Street
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Kent
ME14 1JH

Date:

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE NEW SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE PERIOD ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Income from:				
Donations and legacies	5	335,796	6,000	341,796
Other trading activities	6	1,863	-	1,863
Total income		337,659	6,000	343,659
Expenditure on:				
Charitable activities	7	237,718	6,000	243,718
Total expenditure		237,718	6,000	243,718
Net movement in funds		99,941	-	99,941
Reconciliation of funds:				
Net movement in funds		99,941	-	99,941
Total funds carried forward		99,941	-	99,941

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 18 to 27 form part of these financial statements.

THE NEW SCHOOL

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	31 August 2021 £
Fixed assets		
Intangible assets	11	7,485
Tangible assets	12	36,221
		43,706
Current assets		
Debtors	13	51,573
Cash at bank and in hand		60,859
		112,432
Creditors: amounts falling due within one year	14	(56,197)
Net current assets		56,235
Total assets less current liabilities		99,941
Total net assets		99,941
Charity funds		
Restricted funds	15	-
Unrestricted funds	15	99,941
Total funds		99,941

The financial statements were approved and authorised for issue by the Trustees on 3rd May 2022 and signed on their behalf by:



Mark Norbury
Chair of Trustees

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2021

1. General information

The New School School is a charitable incorporated organisation incorporated in England and Wales (charity number 1191796). The principal activity is that of an independent school.

Its registered and operational address is at:-

The New School
149 Central Hill
London
SE19 1RT

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Accounting standards require the trustees to consider the appropriateness of the going concern basis when preparing the financial statements.

The Trustees consider the going concern assertion to be appropriate for the reasons outlined in the Trustees report.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The New School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.4 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Software	-	% Straight line over 5 years
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2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following basis:

Computer equipment	-	Straight line over 5
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THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.6 Debtors

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

2.7 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.

2.8 Liabilities and provisions

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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.9 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.10 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the Year.

2.11 Fund accounting

General funds are unrestricted funds which 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.

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 costs 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2021

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 5 years, based on experience.

ii) Going concern: Accounting standards require the trustees to consider the appropriateness of the going concern basis when preparing the financial statements. This requires the trustees to forecast the future trading and cash requirements of the charity along with other factors which could impact upon the business. Further information regarding the trustees assessment of going concern is found in the trustees report and accounting policy section.

5. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations	333,386	6,000	339,386
Grants	2,410	-	2,410
	<u>335,796</u>	<u>6,000</u>	<u>341,796</u>

Included in donations is an amount of £92,812 which relates to the net assets transferred from The New School CIC on 1 June 2021, the company where the operations of The New School were carried out prior to charitable status being obtained and this entity being formed.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Catering income	1,538	1,538
Fundraising	325	325
Total 2021	1,863	1,863

7. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Teaching costs	237,718	6,000	243,718
Support for schooling	-	-	-
	237,718	6,000	243,718

8. Auditor's remuneration

	2021 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	13,750
Fees payable to the Charity's auditor in respect of:	
All non-audit services not included above	2,750

THE NEW SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

9. Staff costs

	2021 £
Wages and salaries	101,637
Social security costs	5,409
Contribution to defined contribution pension schemes	1,782
	<u>108,828</u>

The average number of persons employed by the Charity during the Year was as follows:

	2021 No.
Teaching and administration	<u>16</u>

No employee received remuneration amounting to more than £60,000.

The total remuneration and benefits received by key management personnel during the year was £16,863.

10. Trustees' remuneration and expenses

During the Year, no Trustees received any remuneration or other benefit.

During the period ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Trustees.

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

11. Intangible assets

	Computer software £
Cost	
Additions	9,356
At 31 August 2021	<u>9,356</u>
Amortisation	
Charge for the year	1,871
At 31 August 2021	<u>1,871</u>
Net book value	
At 31 August 2021	<u><u>7,485</u></u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

12. Tangible fixed assets

	Computer equipment £
Cost or valuation	
Additions	45,275
At 31 August 2021	45,275
Depreciation	
Charge for the Year	9,054
At 31 August 2021	9,054
Net book value	
At 31 August 2021	36,221

13. Debtors

	31 August 2021 £
Due after more than one year	
Other debtors	33,146
	33,146
Due within one year	
Trade debtors	59
Other debtors	315
Prepayments and accrued income	18,053
	51,573

Debtors over 1 year relate to a rent deposit on the school premises.

THE NEW SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021**

14. Creditors: Amounts falling due within one year

	31 August 2021 £
Trade creditors	5,209
Other taxation and social security	7,963
Other creditors	2,446
Accruals and deferred income	40,579
	<u>56,197</u>

15. Statement of funds

Statement of funds - current Year

	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds			
General Funds - all funds	337,659	(237,718)	99,941
	<u>337,659</u>	<u>(237,718)</u>	<u>99,941</u>
Restricted funds			
Restricted Funds - all funds	6,000	(6,000)	-
	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
Total of funds	<u>343,659</u>	<u>(243,718)</u>	<u>99,941</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2021

16. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 31 August 2021 £	Total funds 31 August 2021 £
Tangible fixed assets	36,221	36,221
Intangible fixed assets	7,485	7,485
Debtors due after more than one year	33,146	33,146
Current assets	79,286	79,286
Creditors due within one year	(56,197)	(56,197)
Total	99,941	99,941

17. Pension commitments

The charity makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £1,782 were made to the pension scheme with contributions of £1,376 outstanding at the balance sheet date.

18. Operating lease commitments

At 31 August 2021 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 August 2021 £
Not later than 1 year	132,584

19. Related party transactions

There were no related party transactions in the period.