

Charity registration number 1191796

Company registration number CE024207 (England and Wales)

THE NEW SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

THE NEW SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	M Norbury	(Appointed 2 November 2021)
	H Lungany	(Appointed 12 July 2022)
	L Dempsey	(Appointed 2 November 2021)
	J Searjeant	
	L Budd	
	Dr K Gribble	(Appointed 19 January 2023)
	T Howarth	(Appointed 19 January 2023)
	I Haji	(Appointed 19 January 2023)
Charity number	1191796	
Company number	CE024207	
Registered office	St Mary's Lodge 149 Central Hill London SE19 1RT	
Auditor	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE	

THE NEW SCHOOL

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THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report and financial statements for the year ended 31 August 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Director welcome letter

After the whirlwind of The New School's first year, as Director it's a relief to look back on 2021-22 as a year when we were able to build on our strong start and settle into building and evolving our model, without the disruption of Covid closures.

It was brilliant to welcome our families and teachers back after the summer holidays, and meet new faces as our second cohort of young people started school, taking us to 74 young people. We grew into a secondary provision, as our oldest young people became Year 7, although still within a mixed age Class 3. We also successfully recruited two new co-headteachers. Like many around the country, for some young people there was a notable impact on their mental health after the pandemic. It was a reminder that an educational model like ours with a strong focus on wellbeing and social and emotional learning, while being crucial for all young people, is a vital necessity for some. Co-creating with the whole staff team what an inclusive educational offer looks like on the ground is an evolving process, which increases complexity but also the reward.

It is testament to the whole team's hard work that, after our first ever inspection, Ofsted awarded us a rating of 'Good'. More importantly, it is the passion and commitment of our whole school community, parents, teachers and staff, which has enabled young people to continue to thrive at The New School this year. Thank you for your enthusiastic support.

Nottingham University's independent evaluation proved that our young-person-centred model works in improving wellbeing and building social, emotional and educational ('learning how to learn') skills. Releasing the report was a key step in our wider mission to evolve the conversation within the education system in the UK to better listen and respond to young people's needs. Similarly, we were delighted to welcome teachers and researchers to our first Professionals Day, which offered a chance to learn more about our approach, including hearing from some of the young people themselves, and to network with others interested in changing the status quo. This was just the start of a wider programme of dissemination which we now need to undertake.

The first year of The New School was about proving that it's possible to do things differently. This second year we have focused on building on what we've learnt, refining our approach, and starting to share our success with others. Looking ahead, the challenge is not only to continue to evolve and grow our model of education inside the school, but to enable more children, beyond our own young people, to benefit from our innovation.

I'm looking forward to the next step on our journey!

Best wishes,
Lucy

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Chair welcome letter

I am delighted to be celebrating my second year as a trustee of The New School, and my first full year as Chair. When we started, I was inspired by Lucy's vision of a pioneering educational charity which could catalyse an inclusive new approach to mainstream education, outside the suffocating straightjacket of standardised academic testing. A year on, I am proud to be part of an established and flourishing school community. We are giving every young person a powerful sense of agency - the will and the ability to positively influence their own lives and the world around them.

We welcomed a new trustee over the course of the year - Hamish Lungany - who brings a wealth of experience to our board. This year we have also said goodbye to some of the founding trustees who were so instrumental in getting The New School up and running. I want to thank Freya Aquarone (my predecessor as Chair), Debbie-Ann McKenzie-Arday, Leonard Turton and Christina Lartey for their passion and commitment.

Beyond the huge successes within the school itself, our focus as a board over the last year has continued to be on how we can make our model financially sustainable and replicable. We have built some strong relationships with supportive local authorities – the London boroughs of Lambeth and Southwark are both funding places at the school for children with SEND. Subsequently we have also begun to develop relationships with trust and foundations to diversify our funding streams. However, we remain reliant on the generosity of philanthropic funders to keep The New School's doors open – and influence the education system more widely. We have not yet reached the sustainable financial model which is vital to ensure that the sector can more readily and widely adopt a model of education which prioritises young people's wellbeing and life chances. This continues to be our greatest challenge.

Over the last two years, our confidence as trustees, as a school staff team, and parents has grown enormously, further boosted by our positive Ofsted inspection and the impressive results of the independent evaluation by Nottingham University. Myself and the board are excited to embark on the next stage of The New School's mission. If you would like to get involved, as a partner, collaborator or someone who wants to apply our learning elsewhere, do get in touch.

Best wishes,
Mark

Who we are

"We can support all young people to know themselves, to understand others, and to believe they have something to offer the world. But it has to start with every young person having a voice and a sense of purpose."

Lucy Stephens, Founder and Director, The New School

The New School is a pioneering educational charity. Our in-action research model, in the form of an independent school currently serves 74 young people from Reception - Year 7, from our local community in South East London. We do not charge fees, because education needs to be available to all.

We focus on giving every student a powerful sense of agency - the will and the ability to positively influence their own lives and the world around them. At our school, young people themselves can shape what and how they are taught. Our aim is to support our young people to develop the social, emotional and educational skills that they need for happy and fulfilled lives.

Over the last two years, we have created a thriving school community which demonstrates how to put these principles into action. Our efforts are paying off, as we see happy young people who love coming to school and enjoy learning. However, our vision reaches beyond the number of young people who can attend The New School. We are working in collaboration with supportive local authorities to make our approach part of the mainstream educational offer. We believe all young people and families should be able to choose a school like ours.

"We just wanted our daughter to be going in every day to a place that helps her to be happy, healthy - and curious. At The New School we have found that place." (Family survey)

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

What we do

The problem

Mainstream education's focus on passing standardised tests and narrow curricula doesn't acknowledge the true potential of children. Large class sizes lead to a disciplinarian approach to behavioural issues. Many children are excluded and research shows that this more often happens to those living in poverty, those with family problems, mental health issues or SEND. Exclusion leads to poor educational attainment as children missing lessons miss out on learning.

To create the freedom needed to offer a more personalized approach which works for more young people, we need to redefine what success looks like. We need to set a new outcomes framework which focuses on personal development and wellbeing. The current funding system doesn't allow for this innovation – so we are working to establish a new one.

“The New School is a nurturing environment where my children have agency over their learning. A good variety of subjects and classes are offered to inspire and spark curiosity. The teachers develop real, meaningful relationships with the children and communicate in a respectful way. My children feel heard and valued.” (Family survey)

The solution

The New School exists to challenge the educational system in the UK to better listen and respond to young people's needs. Our vision is a unique whole-school solution which takes a democratic and inclusive approach, centring young people's voices and giving them agency in decisions which affect them. Our focus is on strong, respectful relationships between teachers and young people, using the principles of restorative justice. This model results in fewer exclusions and greater success, particularly for disadvantaged young people.

“There has been a holistic change in every part of my daughter's life since the start of The New School. 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. Many of my friends and family commented that she seemed a different child.” (Family survey)

Our impact

In September 2021 we welcomed children back for their second year at The New School, expanding our age range as our oldest cohort progressed to Year 7. It was a great relief to be able to keep the school open all year, and support the young people to cope with the after-effects of the pandemic disruption the previous year. We finished the year with all young people making good progress academically across the year - 97% in maths, 88% reading, 84% writing.

Our demographic

Our young people come from a variety of backgrounds (2021/22 analysis)

- BAME 53%
- Female 48% Male 52%
- Eligible for free school meals 26%
- Additional needs (SEND) 26%
- Previously homeschooled 75%

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Our impact measurement

We have established a comprehensive impact framework and set up data measurement practices to monitor our progress. Our aim is that young people leave our school with a strong sense of personal agency - the academic, social and emotional skills needed to act with a sense of purpose to fulfill their goals and interests. We are continuing to work to embed our use of data to inform our practice, ensure young people make progress and to evolve our school model to maximise impact for young people.

Our evaluation research

We have commissioned an ethnographic piece of research with University College London (UCL) to start in Year 3, to build on the independent evaluation undertaken by University of Nottingham during our first year. This research will start in January 2023, and will help us to understand the activities undertaken as active ingredients that lead to a change in young people's wellbeing. This work will enable us to create a toolkit of inclusive practice that can be disseminated to local authorities and other schools and practitioners to start to evolve learning and education. This is critical to our ability to scale through replication.

We are also looking to undertake a piece of work with Probono Economics, building on the independent cost benefit analysis calculations by the University of Nottingham, to understand the wider system savings that can be made with a focus on young people's wellbeing. This piece of work will create an invest-to-save case and/or social return on investment model, which will demonstrate to local authorities that money spent on providing education in the style of The New School will lead to savings on other services, such as specialist mental health and SEN support, for which there will be less need.

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.

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.

***"The New School is a nurturing environment where my children have agency over their learning. ...The teachers develop real, meaningful relationships with the children and communicate in a respectful way. My children feel heard and valued."* (Family survey)**

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Our supporters

Opening The New School was a bold decision, stepping outside the parameters of the current government funding system to commit to providing innovative, child-centred education for all, without charging fees. It was only possible due to the generosity of people who believed in our mission and wanted to be part of our journey. Two years on, the school is flourishing. We have proved that that initial belief was well-founded; we have demonstrated that, without the constraints of the standardised testing, accountability and performance framework, we can offer young people a nurturing environment and make a positive impact in their lives. We have shown that every penny invested is well-spent, and leading to savings elsewhere in the public sector. Despite this, we have yet not managed to secure the long-term funding we need to sustain the school and our model. Without charitable donations, our future is not secure. Thank you to those who are already contributing, to keep our doors open and our team spreading the word about democratic education. If you believe in our mission, please consider supporting us with a one-off or regular gift.

Financial review

The New School has been backed by £2.15m of philanthropic start-up funding to date from one key partner who shares our ambition to evolve education and to find ways to bring innovative funding mechanisms to the sector. The New School has some level of commitment for the next two years, to be drawn down against other statutory and foundation support as The New School works to embed a new way of funding schools alongside local authority strategy. In the second year, The New School has £71,089 of statutory funding from local authorities and £1,051,246 from other donations. 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 twelve months from September 2021 to August 2022 for School activities of £1,146,108. The principal source of income comes from donations accounting for 91.7% of the School's income. Local Authority grants account for 6.2% 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.

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 £3,000, to help fund the EHCP assessments for pupils. The second donation was for £2,600 to run the school's breakfast club. Local Authority funding is restricted to the terms of the contract for relevant pupils.

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Going Concern

In their assessment of going concern, the Trustees regularly review the cash flow forecast of the school for the current academic year and the cash 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 meeting, the actual costs incurred and the predicted expenditure is reviewed in line with the budget for the year and there is 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 provide. We are also applying to Southwark local authority to be accepted onto their Alternative Provision framework, to be used as a mechanism for co-creating a new financial approach with the local authority.

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.

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.

Reserves Policy

The New 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 2022, the School had £131,271 in general reserves of which £3000 was restricted. The free reserves, calculated as reserves, less fixed assets, less designated funds, amounts to £93,893.

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 every 6 weeks or more often if needed. Three trustees, including the Director who is also a trustee, and the finance lead are all members of this committee.

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 £92,898 at 31 August 2022). The Trustees will review this target in the third academic year, September 2022 to August 2023, to determine if a long-term policy to grow reserves can be established.

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.

THE NEW SCHOOL

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

The charity is a Charitable incorporated organisation (CIO).

Charity number: 1191796

Country of incorporation: United Kingdom

Country of registration: England and Wales

Registered office and operational address: The New School, 149 Central Hill, London, SE19 1RT

Email: office@thenewschool.org.uk

Website: www.thenewschool.org.uk

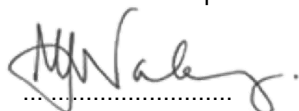
The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Norbury	(Appointed 2 November 2021)
H Lungany	(Appointed 12 July 2022)
L Dempsey	(Appointed 2 November 2021)
J Searjeant	
D McKenzie-Arday	(Resigned 1 November 2022)
L Budd	
Dr K Gribble	(Appointed 19 January 2023)
T Howarth	(Appointed 19 January 2023)
I Haji	(Appointed 19 January 2023)

Auditor

In accordance with the company's articles, a resolution proposing that Baxter & Co be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees.



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M Norbury

Trustee

Date: 26 May 2023

THE NEW SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees, who are also the directors of The New School for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE NEW SCHOOL

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

Opinion

We have audited the financial statements of The New School (the 'charity') for the year ended 31 August 2022 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 August 2022 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 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 charity 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 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.

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 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 in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

THE NEW SCHOOL

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE NEW SCHOOL

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Hallsworth FCA (Senior Statutory Auditor)

for and on behalf of Baxter & Co

Chartered Certified Accountants

Statutory Auditor

Lynwood House

Crofton Road

Orpington

Kent BR6 8QE

30 May 2023

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Baxter & Co is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE NEW SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	1,045,646	76,689	1,122,335	335,796	6,000	341,796
Other trading activities	4	23,773	-	23,773	1,863	-	1,863
Total income		<u>1,069,419</u>	<u>76,689</u>	<u>1,146,108</u>	<u>337,659</u>	<u>6,000</u>	<u>343,659</u>
Expenditure on:							
Charitable activities	5	<u>1,041,089</u>	<u>73,689</u>	<u>1,114,778</u>	<u>237,718</u>	<u>6,000</u>	<u>243,718</u>
Net income for the year/ Net movement in funds		28,330	3,000	31,330	99,941	-	99,941
Fund balances at 1 September 2021		<u>99,941</u>	<u>-</u>	<u>99,941</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at 31 August 2022		<u><u>128,271</u></u>	<u><u>3,000</u></u>	<u><u>131,271</u></u>	<u><u>99,941</u></u>	<u><u>-</u></u>	<u><u>99,941</u></u>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE NEW SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	9		5,614		7,485
Tangible assets	10		31,764		36,221
			<u>37,378</u>		<u>43,706</u>
Current assets					
Debtors	11	54,503		51,573	
Cash at bank and in hand		76,105		60,859	
		<u>130,608</u>		<u>112,432</u>	
Creditors: amounts falling due within one year	12	(36,715)		(56,197)	
Net current assets			93,893		56,235
Total assets less current liabilities			<u>131,271</u>		<u>99,941</u>
Income funds					
Restricted funds	14		3,000		-
Unrestricted funds			128,271		99,941
			<u>131,271</u>		<u>99,941</u>

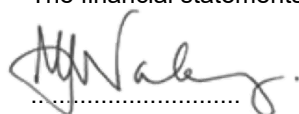
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 26 May 2023



M Norbury
Trustee

Company registration number CE024207

THE NEW SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	19		19,934		115,490
Investing activities					
Purchase of intangible assets		-		(9,356)	
Purchase of tangible fixed assets		(4,688)		(45,275)	
Net cash used in investing activities			(4,688)		(54,631)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			15,246		60,859
Cash and cash equivalents at beginning of year			60,859		-
Cash and cash equivalents at end of year			76,105		60,859

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

The New School is a private company limited by guarantee incorporated in England and Wales. The registered office is St Mary's Lodge, 149 Central Hill, London, SE19 1RT.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 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 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.

All expenditure is inclusive of irrecoverable VAT.

1.6 Intangible fixed assets other than goodwill

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.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	5 years straight line
----------	-----------------------

1.7 Tangible fixed assets

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 measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	5 years straight line
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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 the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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.

- 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.
- 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	1,045,646	5,600	1,051,246	333,386	6,000	339,386
Grants	-	71,089	71,089	2,410	-	2,410
	<u>1,045,646</u>	<u>76,689</u>	<u>1,122,335</u>	<u>335,796</u>	<u>6,000</u>	<u>341,796</u>

4 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
Catering income	16,278	1,538
Fundraising	6,496	325
Other income	999	-
Other trading activities	<u>23,773</u>	<u>1,863</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

5 Charitable activities

	2022 £	2021 £
Staff costs	626,186	108,828
Depreciation and impairment	11,016	10,925
Educational supplies	9,074	1,327
Insurance	11,923	280
Telephone & internet costs	6,969	952
Postage & stationery costs	3,106	494
Technology costs	2,495	217
Premises costs	71,286	4,116
Professional fees	193,689	65,950
Catering	14,987	2,237
Subscriptions	1,480	94
Rent	132,584	22,097
Staff development	13,553	1,778
Other direct costs	5,436	7,923
	<u>1,103,784</u>	<u>227,218</u>
Share of support costs (see note 6)	5	-
Share of governance costs (see note 6)	10,989	16,500
	<u>1,114,778</u>	<u>243,718</u>
Analysis by fund		
Unrestricted funds	1,041,089	237,718
Restricted funds	73,689	6,000
	<u>1,114,778</u>	<u>243,718</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

6 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Bank charges	5	-	5	-
Audit fees	-	7,500	7,500	13,750
Accountancy	-	3,489	3,489	2,750
	<u>5</u>	<u>10,989</u>	<u>10,994</u>	<u>16,500</u>
Analysed between Charitable activities	<u>5</u>	<u>10,989</u>	<u>10,994</u>	<u>16,500</u>

Governance costs includes payments to the auditors of £7,500 (2021- £13,750) for audit fees.

7 Trustees

One or more of the Trustees has been paid remuneration or has received other benefits from employment within the Charity. Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

L Budd (Director)

- Remuneration: £25,000 - £30,000 (2021 - £nil)
- Employer's pension contributions: £0 - £5,000 (2021 - £nil).

No expenses were paid to Trustees in the year (2021 - £nil).

8 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Teaching and administration	17	15
Management	<u>3</u>	<u>1</u>
Total	<u>20</u>	<u>16</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

8	Employees	(Continued)	
	Employment costs	2022	2021
		£	£
	Wages and salaries	565,362	101,637
	Social security costs	48,183	5,409
	Other pension costs	12,641	1,782
		<u>626,186</u>	<u>108,828</u>

There were no employees whose annual remuneration was more than £60,000.

The total remuneration and benefits received by key management personnel (including employer pension contributions and employer national insurance contributions) during the year was £130,472 (2021 - £16,863).

9	Intangible fixed assets	Software
		£
	Cost	
	At 1 September 2021 and 31 August 2022	<u>9,356</u>
	Amortisation and impairment	
	At 1 September 2021	1,871
	Amortisation charged for the year	<u>1,871</u>
	At 31 August 2022	<u>3,742</u>
	Carrying amount	
	At 31 August 2022	<u>5,614</u>
	At 31 August 2021	<u>7,485</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets

	Computers £
Cost	
At 1 September 2021	45,275
Additions	4,688
	<u>49,963</u>
At 31 August 2022	<u>49,963</u>
Depreciation and impairment	
At 1 September 2021	9,054
Depreciation charged in the year	9,145
	<u>18,199</u>
At 31 August 2022	<u>18,199</u>
Carrying amount	
At 31 August 2022	<u>31,764</u>
At 31 August 2021	<u>36,221</u>

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	(1)	59
Other debtors	1,152	315
Prepayments and accrued income	20,206	18,053
	<u>21,357</u>	<u>18,427</u>
	<u>21,357</u>	<u>18,427</u>
Amounts falling due after more than one year:		
Other debtors	33,146	33,146
	<u>33,146</u>	<u>33,146</u>
Total debtors	<u>54,503</u>	<u>51,573</u>

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		13,560	7,963
Deferred income	13	450	-
Trade creditors		4,834	5,209
Other creditors		2,872	2,446
Accruals		14,999	40,579
		<u>36,715</u>	<u>56,197</u>

13 Deferred income

	2022 £	2021 £
Other deferred income	450	-
	<u>450</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	450	-
	<u>450</u>	<u>-</u>
Movements in the year:		
Deferred income at 1 September 2021	-	-
Resources deferred in the year	450	-
	<u>450</u>	<u>-</u>
Deferred income at 31 August 2022	450	-
	<u>450</u>	<u>-</u>

Deferred income relates to trip income in advance of £450 (2021 - £nil).

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 September 2021	Incoming resources	Resources expended	Balance at 31 August 2022
	£	£	£	£	£	£
LA grant income	-	-	-	71,089	(71,089)	-
Donations	6,000	(6,000)	-	5,600	(2,600)	3,000
	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>	<u>76,689</u>	<u>(73,689)</u>	<u>3,000</u>

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 31 August 2022 are represented by:						
Intangible fixed assets	5,614	-	5,614	-	7,485	7,485
Tangible assets	31,764	-	31,764	-	36,221	36,221
Current assets/(liabilities)	17,204	76,689	93,893	-	56,235	56,235
	<u>54,582</u>	<u>76,689</u>	<u>131,271</u>	<u>-</u>	<u>99,941</u>	<u>99,941</u>

16 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 £12,641 (2021 - £1,782) were made to the pension scheme with contributions of £2,520 (2021 - £1,376) outstanding at the balance sheet date.

17 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	<u>66,292</u>	<u>132,584</u>

The leases for land and buildings run until 2026, with an option on either side to break the lease in 2022, subject to serving a break notice at least six months before the break date.

THE NEW SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

18 Related party transactions

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

Donation income of £4,000 (2021 - £nil) was received from M. Norbury, the chair of Trustees.

Donation income of £20,500 (2021 - £nil) was received from other related parties.

19 Cash generated from operations	2022 £	2021 £
Surplus for the year	31,330	99,941
Adjustments for:		
Depreciation and impairment of tangible fixed assets	11,016	10,925
Movements in working capital:		
(Increase) in debtors	(2,930)	(51,573)
(Decrease)/increase in creditors	(19,932)	56,197
Increase in deferred income	450	-
Cash generated from operations	19,934	115,490

20 Analysis of changes in net funds

The charity had no debt during the year.