

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

CONTENTS

	Page
References and administrative details of the charity, its Trustees and advisors	3
Trustees' Report (incorporating the Chair's report)	4 – 13
Independent auditor's report	14-15
Statement of financial activities	16
Balance Sheet	17
Statement of Cashflows	18
Notes to the financial statements	19 – 29

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND
ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Trustees

Matthew Burrell	
Matthew Clements-Wheeler	
Susan Davys	resigned 7 November 2016
Marie Hatswell	
Tracey Gray, Chair	
Alexandra Hunt, Vice Chair	
Alison Jefferson	
Simon Oxenham	
Rachel Prince	
Yvonne Spencer	
Trevor Summerson	appointed 12 December 2016
Mr Toby Black	appointed 31 May 2017
Mr Gary Corban	appointed 31 May 2017
Dr Paul Armstrong	appointed 31 May 2017

Company registration number

03425492

Charity registered number

1114623

Registered Office

53 Butts Road, Coventry, West Midlands, CV1 3BH

Company Secretary

Richard Lethbridge

Chief Executive

Stephen Morales

Independent auditor

MHA MacIntyre Hudson, Rutland House, 148 Edmund Street, Birmingham, B3 2FD

Bankers

The Royal Bank of Scotland plc, 757 Attercliffe Road, Sheffield, S9 3RF

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of the National Association of School Business Management (NASBM) (the company) for the year ended 31 December 2016. The Trustees confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Chair's report

Following the successful launch of School Business Management Professional Standards, our primary focus for 2016 has been the creation of a portfolio of qualifications and CPD opportunities underpinned by these Standards.

A national qualification board was formed in January 2016, led and chaired by NASBM's CEO and with membership made up from key stakeholder groups including training providers, accrediting bodies, relevant education associations and the Department for Education. This board will preside over the future development, design and quality assurance of all School Business Leadership qualifications.

The School Business Leader qualification framework now includes apprenticeship pathways, a bridging module to achieve a graduate level qualification, new SBM diplomas at levels 4, 5 & 6, master's level qualifications in education leadership and a dedicated CFO/COO qualification.

In line with our workforce professionalisation agenda, we feel it is right that our organisational status should change to reflect a shift in focus towards the setting of standards and professional recognition. We therefore spent much of 2016 consulting with our members and other key stakeholders about our proposed move to institute status.

We have undertaken several collaborative research initiatives including work on the National Funding Formula, a review of school efficiency, international research into joined-up leadership and supported academic research with Manchester University into the evolution of the School Business Management profession over the last five years.

Finally, in 2016 we laid the foundations for a community of National Leaders of Education Business, an initiative that the Department for Education is supporting.

Tracey Gray
Chair

Structure, governance and management

a. CONSTITUTION

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26 October 1997 and amended 12 December 2016.

The company is constituted under a Memorandum of Association and registered as a charity on 12 June 2006 with charity number 1114623.

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

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

The principal objective of the company is to promote the efficiency and effectiveness of charities or the effective use of resources for charitable purposes, in particular but without limitation by the collection and dissemination of information in order to promote the highest efficiency in the strategic leadership and business leadership of, and the pursuance of strategic educational management in, educational institutions.

b. METHOD OF APPOINTMENT OR ELECTION OF TRUSTEES

The directors of the company are also charity Trustees for the purposes of charity law and under the company's Articles are known as Trustees and Directors. Under the requirements of the Memorandum and Articles of Association, the members of the Trustee Board are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting (AGM) or co-opted by existing Trustees until the earlier of the next AGM or 12 months from the date of co-option.

If any Trustee is a corporate body, it must act through a named representative whose contact details are notified to the Trustees.

A Trustee who retires at the AGM may, if willing to act, be re-elected in accordance with the Articles up to a maximum of two further consecutive terms of office and must then not seek further re-election for a period of 12 months.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Board of Trustees is made up of practising school business managers (or equivalent) and individuals with relevant professional expertise that will enhance the association's ability to deliver its core objects. Board members complete self-review assessments against relevant benchmark standards, the results of which are discussed by the Nominations Committee.

The Nominations Committee then make training and induction recommendations to the Board of Trustees in order to increase the knowledge, skills and experience of the Board as a whole.

New Trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) to familiarise themselves with the charity and the context within which it operates. These are arranged by the Chair of Trustees, the Chair of the Nominations Committee and the Chief Executive of the charity.

d. ORGANISATIONAL STRUCTURE AND DECISION-MAKING

NASBM has a Board of Trustees who meet a minimum of four times per year and are responsible for the strategic direction and policy of the charity. The Board of Trustees had ten members at the end of 2016.

A scheme of delegation is in place and day-to-day responsibility for the provision of the services rests with the Chief Executive.

The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

Aspects of the charity's work are then monitored on a routine basis by standing subcommittees of the Board of Trustees and ad hoc working parties as required.

The Trustees have determined that the process for making decisions on the pay of staff shall be delegated to a Staffing Committee. There shall be a quorum of three.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

No Trustee who is an employee of NASBM will be a member of any committee that makes decisions about the pay of other staff. The committee shall decide the pay of all staff by the effective application of the policy in all circumstances, including upon appointment, when the staffing structure changes. In the case of the Chief Executive's salary review, the two Trustees appointed to undertake the Chief Executive's appraisal will make a recommendation about performance pay where the Chief Executive is eligible.

The Chief Executive is responsible for the appraisal of all staff and the recommendation regarding performance pay decisions if relevant. However, the Chief Executive may delegate responsibility for the appraisal of staff but retain the responsibility for any associated recommendation regarding performance pay decisions or may delegate responsibility in its entirety for the appraisal of staff and the associated recommendation regarding performance pay decisions.

e. RELATED PARTY RELATIONSHIPS

In so far as it is complementary to the charity's objectives, the charity is guided by both local and national policy. The charity works closely with the Department for Education and the Education and Skills Funding Agency. The representation of local and regional groups within this group has proved invaluable to the charity in establishing improved links within the community and identifying relevant policy developments and prospective funding.

Where Trustees are conflicted due to positions held within organisations or local and/or regional groups, this conflict is recorded in the charity's register of pecuniary interests and conflicted Trustees withdraw from discussions and decisions.

Objectives and Activities

a. POLICIES AND OBJECTIVES

The Objects of the Charity are for the public benefit:

- to advance education;
- to promote the efficiency and effectiveness of charities or the effective use of resources for charitable purposes,

in particular but without limitation by the collection and dissemination of information in order to promote the highest efficiency in the strategic leadership and business management of, and the pursuance of strategic educational management in, Educational Institutions.

For the purposes of the clarifying the objects, "Educational Institutions" means any schools, academies, colleges, sixth form corporations or further education corporations conducted in accordance with the requirements of the Education Acts. "Education Acts" means the Education Acts as defined in section 578 of the Education Acts 1996 (as amended or replaced from time to time) and includes any regulations made under the Education Acts.

NASBM is the UK's leading association for school business leadership professionals and is uniquely dedicated to supporting and building the effectiveness and reputation of the profession.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

There are five strategic objectives that govern the decisions and actions pertaining to the development and operation of NASBM, outlined below. In order to ensure operational sustainability, the association must generate enough business activity and commercial revenue to cover operational expenses, accommodate new growth, and provide funds to continue to refresh and maintain services to its members. NASBM is committed to ensuring that any funding received in no way compromises impartiality.

NASBM's strategic objectives for 2017 and beyond are as follows:

1. To make the seamless and successful transition to institute status.
2. To develop a fit-for-purpose professional workforce ready and equipped to respond to the changing education landscape and increased school autonomy, and to create a community of national leaders of education business.
3. To be recognised as a professional institute which sets the standards for practice excellence so that accredited professional membership is seen as validation of high-calibre leadership and technical proficiency.
4. To offer a portfolio of CPD products and services (directly or indirectly), which enables members to meet professional standards, thus ensuring the continuous improvement of SBM practice.
5. To oversee the development of a portfolio of fit-for-purpose and high-quality qualifications.

Our strategic objectives are underpinned by the following propositions

Stewardship of a professionalised workforce by:

1. *Standards & Competencies* – developing a framework of professional standards that describes effective school business leadership and underpins the content of future training and qualifications;
2. *Curriculum & Qualifications* – working with partners to promote and further develop tailored professional qualifications and accredited awards to ensure that they better reflect the needs and aspirations of the profession and the education sector;
3. *Governance* – ensuring a central reference point for high-level effective practice, ethical behaviour and continued research and development following the government's withdrawal of funding for the National College school business leadership programme;
4. *Leadership* – promoting school business leadership as a credible profession in its own right and ensuring recognition amongst all stakeholders that appropriately qualified and experienced school business managers should be integral and equal members of school leadership teams;
5. *Talent Management* – ensuring the most able practitioners are identified and recognised through our Fellowship scheme and that they, in turn, contribute to succession planning;
6. *Succession* – creating an aspirational career pathway;
7. *Networking* – bringing the professional community together physically and virtually and promoting system leadership activities both regionally and nationally.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Developing complementary activity by:

1. working with partners to develop a better understanding of school business leadership profession roles and responsibilities with head teachers and governors;
2. developing a public relations strategy to increase awareness of NASBM and the school business leadership profession with key stakeholders, including regional, national and sector-specific media;
3. Recognising high standards of performance and achievement through an awards system;
4. running themed regional and national events supporting the profession's continuous improvement.

Improve qualifications, training and support by:

1. providing careers advice, including new entrants to the school business leadership profession, working with partners as appropriate and via our job vacancies service;
2. providing mentoring support for newly appointed school business managers/directors through our Associate Practitioner team;
3. developing support packages targeted at school business leadership professionals at different stages of their career;
4. providing or outsourcing high-quality accredited courses responding to the functional areas of the school business leadership professional standards;
5. encouraging succession by providing opportunities for members to develop leadership and communication skills and showcase their expertise by contributing to NASBM activities.

Improve information sharing and dissemination by:

1. providing relevant collateral and guides
2. hosting the EFA resources library
3. providing e-briefings, breaking news and publications;
4. providing an advice centre, offering one-to-one support and consultancy, through our Associate Practitioner team;
5. offering networking opportunities, through regional and national conferences;
6. increasing activity via social media and collaborative e-platforms.

Encourage greater engagement in national policy development and consultations by:

1. representing school business leadership professionals' interests and perspectives at meetings with policymakers and other stakeholders;
2. analysing policy developments to determine the implications for school business leadership professionals;
3. establishing more effective links with regional groups, e.g. increasing the number of regional groups affiliated to NASBM and identifying opportunities for collaborative working and engagement with national consultations;
4. creating opportunities for school business leadership professionals and regional groups to feed back to NASBM on key issues, e.g. introducing 'calls for evidence';
5. creating opportunities for school business leadership professionals to shape and lead thinking on key issues, e.g. facilitating round-table discussions and developing 'think-pieces';
6. researching effective practice in the sector and disseminating that practice to members, stakeholders and partners.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Achievements and performance

Strategic report

a. GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the association has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

b. ACHIEVEMENT AGAINST OBJECTIVES

In 2016, key achievements included:

- Securing stakeholder endorsement and subsequent approval from Companies House to move to institute status
- The creation of a national qualifications board
- A new qualifications framework
- Highest levels of attendance at our regional and national events
- Unprecedented demand for our COO/CFO qualification

We have been working closely with all existing CPD providers ensuring all new content is developed with direct reference to the professional standards. We have also been working closely with professional bodies and HEIs to develop new level 7 qualifications for aspiring senior leaders, COOs and CFOs. The formation of a national qualifications board owned and presided over by NASBM ensures ownership and governance of a coordinated approach to managing continuous improvement and CPD.

Despite ongoing investment in development activity, with no immediate financial return, we have managed expenditure such that we have been able to secure a modest surplus in 2016.

NASBM continues to take an active role in various consultations and committees at the Department for Education. In particular, NASBM is seen as an authority in efficiency, assurance and funding reform. The Chief Executive is a standing member of the Academies Finance and Assurance Steering Group. Additionally, NASBM has a place on the School and Academy Funding Group and efficiency sub-group committee. NASBM continues to deploy its leading practitioners to support various government initiatives including financial health, academy assurance, efficiency and the academies programme. The Chief Executive has also been invited to discuss policy matters with various education ministers.

NASBM has made various submissions to the Education Select Committee and responded to relevant consultations, inviting members to contribute to the wider education debate.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Financial review

a. FINANCIAL REVIEW

The financial period 1 January 2016 to 31 December 2016 saw a positive net movement in reserves of circa £8k in line with projections. 2016 resulted in a modest surplus of income over expenditure. From 2017 onwards, a year-on-year modest increase in the operating surplus is anticipated.

Significant investment in a replacement Customer Relationship Management (CRM) solution is planned for 2017, together with modest investment in the website and collateral as the organisation transitions to become an institute.

Cash reserves will settle at circa £500k for the financial period January – December 2016.

Note that this reserve level is higher than the Reserves Policy thresholds and does not present any risks to cash flow and provides opportunities for possible further development investment.

b. PRINCIPAL RISKS AND UNCERTAINTIES

RISK MITIGATION

As a third-sector organisation, NASBM has a responsibility not only to clearly articulate its strategic vision but also to highlight potential risks to these ambitions.

The Trustees maintain a register of risks to which the association is exposed, in particular those related to the reputation, operations and finances of the association, and are satisfied that systems and procedures are in place to mitigate exposure.

Operational

NASBM is committed to optimising operational effectiveness and recognises the risks associated with negligence in any of the following areas:

- systems and processes must be clear, robust and workable;
- staff structures must provide appropriate levels of competency and capacity;
- the working environment must be conducive to productivity and staff wellbeing;
- effective performance management must ensure staff engagement and career development.

Financial

Beyond its commitment to assurance, regularity and propriety, it is imperative that NASBM demonstrates high levels of financial accountability and transparency, as this is at the core of school business leadership practice.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

b. PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Financial

NASBM therefore takes very seriously its responsibility to its members for the effective safeguarding of all funds. Management information systems are reviewed on a regular basis to ensure fitness for purpose. We have engaged the services of a reputable audit firm to carry out our annual audit and assist with the annual report and in addition we have committed to periodic internal audits. The Trustees have created a finance subcommittee that presides over the detail of financial reports and periodic financial monitoring.

External

Our reputation hinges on the integrity of our communication. We must ensure we communicate authoritatively in the areas in which we are qualified to do so. This will be further underpinned as we develop our research capability. Whilst we do not have a direct national competitor, many of the associations and education service providers occasionally stray into our territory. By developing closer working relationships with key stakeholders and partners, we have been able to eradicate this overlap and ensure a sufficiently differentiated offer to mitigate against any potential duplication. We are working with regional school business leadership leaders to ensure they are clear about the distinction between NASBM as a professional body and the local support offered to their members through regional activity.

Governance

Strong governance is important in any organisation, but arguably of particular importance in the charity sector where the objects of the organisation are clearly defined and for public benefit.

It is essential that in this context Trustees discharge their governance duties with integrity and absolute impartiality. It is important that they understand the scope and limitations of their responsibility and that they hold the Chief Executive to account through effective performance management and oversight of adherence to the organisation's statutory responsibilities.

c. RESERVES POLICY

The Trustees have examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be at a minimum level sufficient to cover two months' operating costs.

NASBM Trustees wish to hold reserves at this minimal level for the following reasons:

- To fund working capital
- To fund unexpected, unforeseen and unavoidable expenditure
- To fund unanticipated shortfalls in income
- To manage short-term liabilities.

Currently 2 months' operating costs represents circa £180,000 or 14% of the total budget. Reserves at 31 December 2016 are currently within this target level.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Plans for the future

a. FUTURE DEVELOPMENTS

NASBM plans to continue the activities outlined under the 'Objectives and Activities' section of this document, enhance the current offer and embrace technological advancements. We continue to build strong relationships with all education stakeholders and we are committed to supporting the Department for Education and indeed other government agencies, irrespective of the political orientation of the government.

We are committed to improving the profile and status of school business leadership practice and ensuring that it is seen as a credible profession in its own right.

b. PUBLIC BENEFIT

NASBM is a registered charity in England or Wales, and as such, has been set up with the exclusive purposes of delivering activities and purposes for the public benefit. The activities and purposes have been carried out for the public benefit as set out in this Trustees' annual report.

The Trustees have robust regard to the guidance published by the Charity Commission on public benefit.

NASBM's core activities are described below. Activities are designed to enhance, promote and support the school business leadership profession.

NASBM's 3,000 members are derived from every government region in England and from every school type and phase including: Nursery, Infant, Primary, Secondary, Academy, Free School, Independent and international.

Our principal activities include:

- Advice and guidance
- Career support
- Professional networking
- Events and conferences
- Training and resources
- Policy review
- A voice in government consultations
- Professional Standards

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of NASBM for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 Statement of Recommended Practice;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that, in so far as they are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the charities' auditor is unaware, and
- each Trustee, having made enquiries of fellow directors and the charities' auditor that they ought individually to have taken, has taken steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by the Trustees, in their capacity as company directors, on 6 July 2017 and signed on their behalf by:



.....
Alexandra Hunt

Trustee

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION
OF SCHOOL BUSINESS LEADERSHIP**

We have audited the financial statements of National Association of School Business Management for the year ended 31 December 2016 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL ASSOCIATION
OF SCHOOL BUSINESS LEADERSHIP**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

Helen Blundell

Helen Blundell LLB FCA FCIE DChA (Senior statutory auditor)

For and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

Rutland House

148 Edmund Street

Birmingham

B3 2FD

Date: *6 July 2017*

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
INCOME FROM:					
Donations & Legacies	3	1,308	-	1,308	-
Other trading activities	4	140,798	-	140,798	122,424
Investments	5	2,776	-	2,776	3,856
Charitable activities	6	1,026,487	-	1,026,487	1,018,795
TOTAL INCOME		1,171,369	-	1,171,369	1,145,075
EXPENDITURE ON:					
Charitable activities	9	1,162,971	-	1,162,971	1,140,803
TOTAL EXPENDITURE	10	1,162,971	-	1,162,971	1,140,803
NET INCOME (EXPENDITURE) FOR THE YEAR		8,398	-	8,398	4,272
Transfer between funds		99,350	(99,350)	-	-
Total funds brought forward		167,202	99,350	266,552	262,280
TOTAL FUNDS CARRIED FORWARD		274,950	-	274,950	266,552

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derived from continuing activities.

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
INCOME FROM:					
Donations & Legacies		-	-	-	364
Other trading activities	4	122,424	-	122,424	136,877
Investments	5	3,856	-	3,856	1,761
Charitable activities	6	908,130	110,665	1,018,795	924,075
TOTAL INCOME		1,034,410	110,665	1,145,075	1,063,077
EXPENDITURE ON:					
Charitable activities	10	1,063,125	77,678	1,140,803	1,232,707
TOTAL EXPENDITURE		1,063,125	77,678	1,140,803	1,232,707
NET INCOME (EXPENDITURE) FOR THE YEAR		(28,715)	32,987	4,272	(169,630)
Total funds brought forward		195,917	66,363	262,280	431,911
TOTAL FUNDS CARRIED FORWARD		167,202	99,350	266,552	262,281

The notes on pages 19 to 28 form part of these financial statements

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

Registered Number: 03425492

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		16,719		38,262
Total Fixed Assets			16,719		38,262
CURRENT ASSETS					
Debtors	15	247,731		79,140	
Cash at bank and in hand		609,861		551,949	
Total Current Assets			857,592		631,089
Creditors: amounts falling due within one year	16	(589,994)		(389,123)	
Net Current Assets			267,598		241,966
Total assets less current liabilities			284,317		280,228
CREDITORS: amounts falling due after more than one year	17		(9,367)		(13,676)
Net Assets			274,950		266,552
CHARITY FUNDS					
Restricted Funds	18		-		99,350
Unrestricted funds	18		274,950		167,202
Total Charity Funds			274,950		266,552

The Company's 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 6 July 2017 and signed on their behalf by:



Alexandra Hunt

The notes on pages 19 to 28 form part of these financial statements.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	£
Cash used in operating activities	1	51,945	71,624
Cash flows from investing activities:			
Interest received		2,776	3,856
Proceeds from Asset Disposal		10,200	
Purchase of tangible fixed assets		<u>(3,500)</u>	<u>(17,202)</u>
Cash provided by (used in) investing activities		9,476	(13,346)
Cash flows from financing activities			
Repayment of borrowing		<u>(3,509)</u>	<u>(2,706)</u>
Cash used in financing activities		<u>(3,509)</u>	<u>(2,706)</u>
Increase in cash and cash equivalents in the year		57,912	55,572
Cash and cash equivalents at the beginning of the year	2	551,949	496,377
Total cash and cash equivalents at the end of the year	2	<u>609,861</u>	<u>551,949</u>

NOTE 1: RECONCILIATION OF OPERATING INCOME/EXPENDITURE TO NET CASH FROM OPERATING ACTIVITIES

	2016	2015
	£	£
Net income / (Expenditure) for the reporting period	8,398	4,272
<u>Adjusted for:</u>		
Investment income received	<u>(2,776)</u>	(3,856)
Loss on the sale of fixed assets	4,122	-
(Increase)/decrease in debtors	<u>(168,591)</u>	12,941
(Decrease) in creditors	200,071	51,868
Depreciation charges	<u>10,721</u>	<u>6,399</u>
Net cash provided by (used in) investing activities	<u>51,945</u>	<u>71,624</u>

NOTE 2: ANALYSIS OF CASH & CASH EQUIVALENTS

	2016	2015
	£	£
Cash in Hand & at Bank	609,861	551,949
Net cash provided by (used in) investing activities	<u>609,861</u>	<u>551,949</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

ACCOUNTING POLICIES

I The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) General information and basis of preparation

The address of the registered office is given in the charity information on page 3 of these financial statements. The nature of the charity's operations and principal activities are to:

- be the professional body, setting standards of excellence in business, for leadership and management in all schools;
- drive excellence in school business leadership and management which underpins a world-class education system.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting for 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and the UK Generally Accepted Practice as it applies from 1 January 2015.

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

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

The charity adopted SORP (FRS 102) in the prior year.

b) Preparation of the accounts on a going concern basis

The Association reported a cash inflow of £57,912 for the year. The Trustees are of the opinion that operating income and costs are secure for the immediate future of the Association for the next 12 to 18 months and that on that basis the charity is a going concern.

c) 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 company and which have not been designated for other purposes.

Designated Funds relate to training activity which complies with Trustee Board policy that any surpluses from training activities shall be set aside for the future development and delivery of educational materials and content in fulfilment of the charity's primary purpose.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

I. ACCOUNTING POLICIES (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company 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. Investment income, gains and losses are allocated to the appropriate fund.

d) Incoming resources

All incoming resources are included in the statement of financial activities when the company has entitlement to the funds, receipt is probable and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

e) Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f) Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis in the financial year following acquisition or purchase:

Fixtures and fittings – 20%–25% straight line

Computer equipment – 33% straight line

Motor vehicles – 33% straight line

g) Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

I. ACCOUNTING POLICIES (continued)

h) Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

i) Pensions

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

j) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

2. COMPANY STATUS

The company is a company limited by guarantee. The members of the company are the subscribers to the annual membership scheme plus those invited by the Trustees who indicate their willingness to be members of the company. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

3. DONATIONS & LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	1308	-	1308	-

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Advertising Income	140,798	-	140,798	122,424

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2014 £
Bank interest received	2,776	-	2,776	3,856

All investment income arises from money held in interest bearing deposit accounts.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

6. CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Membership income	316,012	-	316,012	288,774
Training programmes and conference	693,916	-	693,916	610,347
Awards income	6,338	-	6,338	48,000
Advertising	10,221	-	10,221	9,010
DfE grant	-	-	-	62,665
	1,026,487	-	1,026,487	1,018,795

7. DIRECT COSTS

Advancement of Education

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total Funds 2015 £
Conference expenses	255,119	-	255,119	239,712
Training costs	144,022	-	144,022	130,926
Awards event	2,996	-	2,996	50,000
Marketing	58,507	-	58,507	60,703
Research & Development	18,985	-	18,985	46,890
Other expenses	2,726	-	2,726	12,290
	482,355	-	482,355	540,521

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

8. SUPPORT COSTS

Advancement of Education	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Staff training costs	2,620	-	2,620	4,266
Travel, hotels and regional expenses	12,401	-	12,401	23,768
Marketing	7,074	-	7,074	14,166
Printing, postage and stationery	8,771	2,602	11,373	11,257
Legal and professional fees	26,897	-	26,897	3,352
Bank charges	1,951	-	1,951	82
Telephone	7,231	2,145	9,376	9,174
Website project	6,368	-	6,368	6,455
Rent	27,575	9,034	36,609	36,436
Rates	712	211	923	871
Repairs and maintenance	430	128	558	745
Insurance	3,291	976	4,267	6,621
Computer costs	7,466	2,215	9,681	8,950
Office equipment and maintenance	155	-	155	-
Other expenses	21,206	2,334	23,540	18,112
Governance costs:				
- Auditors' remuneration	8,100	-	8,100	5,700
- Auditors' non audit costs	-	-	-	1,794
- Other governance costs	2,718	-	2,718	3,335
- Trustees' expenses reimbursed	5,855	-	5,855	5,736
Staff expenses	1,914	-	1,914	5,922
Associate Practitioner costs	28,840	-	28,840	28,839
Accountancy	-	-	-	420
Wages and salaries	302,889	88,505	391,394	331,152
Social security (National Insurance)	28,569	8,475	37,044	31,855
Pension costs	31,032	9,205	40,237	34,875
Depreciation	10,721	-	10,721	6,399
Bad debts – written off (Note 22)	110,448	-	110,448	-
Partial VAT recovery on purchases (Note 22)	(110,448)	-	(110,448)	-
	554,786	125,830	680,616	600,281

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation costs 2016 £	Other costs 2016 £	Total costs 2016 £	Total costs 2015 £
Advancement of education	<u>468,675</u>	<u>10,721</u>	<u>683,575</u>	<u>1,162,971</u>	<u>1,140,803</u>

10. CHARITABLE ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Advancement of education	<u>482,355</u>	<u>680,616</u>	<u>1,162,971</u>	<u>1,140,803</u>

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

11. NET INCOMING/(OUTGOING) RESOURCES

This is stated after charging:

	Total Funds 2016 £	Total Funds 2015 £
Depreciation of tangible fixed assets:		
- Owned by the charity	6,582	6,399
- Held under finance leases	4,139	4,139
Pension costs	40,237	34,875

12. AUDITORS' REMUNERATION

	Total Funds 2016 £	Total Funds 2015 £
Fees payable to the company's auditor for the audit of the company's annual accounts	8,100	5,700
Fees payable to the company's auditor and its associates in respect of: All other non-audit services	-	1,794

13. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

Staff costs were as follows:

	Total 2016 £	Total 2015 £
Wages and salaries (include employee pension costs)	391,394	331,152
Social security costs	37,044	31,855
Pension costs	40,237	34,875
	<u>468,675</u>	<u>397,882</u>

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

	Total 2016 £	Total 2015 £
Headcount	13.03	10.9
Full-time equivalents	11.55	9.8

The number of higher paid employees was:

	Total 2016 £	Total 2015 £
In the band £80,001 - £90,000	1	1

Key management personnel of the charity are considered to be the Chief Executive and Operational directors. The total amount of employee benefits received by key management personnel is £212,813 in 2016 (£146,090 in 2015).

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

13. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (Continued)

During the year, no Trustee received any remuneration (2015 – £nil).

During the year, no Trustee received any benefit in kind (2015 – £nil).

10 Trustees received reimbursement of expenses amounting to £7,784 in the current year, (2015 – 10 Trustees – £9,237). These expenses are made up of the following:

	Total 2016	Total 2015
	£	£
Trustee expenses reimbursed	5,855	5,736
Hotel/meeting costs	1,929	3,501

During the year, directors Louise Hatswell, Matthew Burrell, Tracey Gray, Alex Hunt, Alison Jefferson, Simon Oxenham, Rachel Prince and Trevor Summerson benefited from free attendance at the National Conference at the cost of £503 each. Director Matthew Wheeler benefited from free attendance at Conference at the cost of £375 to the association. The £4,399 Conference Expenses have been included in the cost of the National Conference.

14. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Motor vehicle £	Total £
Cost				
At 1 January 2016	32,346	4,727	16,525	53,598
Additions	2,730	770	-	3,500
Disposals	-	-	(16,525)	(16,525)
At 31 December 2016	35,076	5,497	-	40,573
Depreciation				
At 1 January 2016	12,973	2,363	-	15,336
Charge for the year	6,943	1,575	2,203	10,721
On disposals	-	-	(2,203)	(2,203)
At 31 December 2016	19,916	3,938	-	23,854
Net Book Value				
At 31 December 2016	15,160	1,559	-	16,719
At 31 December 2015	19,373	2,364	16,525	38,262

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

15. DEBTORS

	Total 2016	Total 2015
	£	£
Due after more than one year		
Prepayments and accrued income 2018 conference	15,522	-
Due within one year		
Trade debtors	39,120	32,693
Other debtors	-	7,850
VAT debtors (Note 22)	260,536	-
Less: Provision for bad debt on VAT due (note 22)	(110,448)	-
Prepayments and accrued income	43,001	38,596
	247,731	79,140

16. CREDITORS: Amounts falling due within one year

	Total 2016	Total 2015
	£	£
Net obligations under finance leases and hire purchase contracts	3,508	2,708
Trade creditors	9,503	51,188
Other taxation and social security	12,114	10,618
VAT creditors (note 22)	150,088	-
Other creditors	2,251	2,239
Accruals and deferred income	412,530	322,370
	589,994	389,123

Deferred income arises where income has been received for a service that has not yet been fully provided by the company.

	Total £
Deferred income	
Deferred income at 1 January 2016	258,699
Resources deferred during the year	328,391
Amounts released from previous year	(258,699)
Deferred income at 31 December 2016	328,391

17. CREDITORS: Amounts falling due after more than one year

	Total 2016	Total 2015
	£	£
Net obligations under finance leases and hire purchase contracts	9,367	13,676

Total net obligations under finance leases and hire purchase contracts of £12,875 (2015: £16,384) are secured on the assets to which they relate.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

18. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer £	Carried Forward £
<u>Unrestricted funds</u>					
General Funds	167,202	951,322	(890,123)	99,350	327,751
Training & Awards(Designated)	-	220,047	(272,848)	-	(52,801)
	<u>167,202</u>	<u>1,171,369</u>	<u>(1,162,971)</u>	<u>99,350</u>	<u>274,950</u>
<u>Restricted funds</u>					
DfE Primary Cluster Grant	99,350	-	-	(99,350)	-
Total of funds	<u>266,552</u>	<u>1,171,369</u>	<u>(1,162,971)</u>	<u>-</u>	<u>274,950</u>

The purpose of the DfE Primary Cluster Grant is to support clusters of schools with the appointment of a School Business Management (SBM) professional (or equivalent bought-in service) and to encourage their effective deployment, both overseeing day-to-day operations and contributing to strategic decision-making. NASBM was appointed as the grant manager, overseeing and assessing all applications. The funding was provided directly to successful candidates by the DfE.

Training and Awards is to ringfence the income from education for provision of training and awards in the future. The designation of this fund is to ensure education surpluses are reapplied to the provision of training and education in the future.

Transfers

A transfer has been made from the DfE restricted fund. The grant sign-off has been concluded and the transfer represents overheads for which a claim was made but which had not been allocated against the restricted fund.

SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfer £	Carried Forward £
General funds	167,202	1,171,369	(1,162,971)	99,350	274,950
Restricted funds	99,350	-	-	(99,350)	-
	<u>266,552</u>	<u>1,171,369</u>	<u>(1,162,971)</u>	<u>-</u>	<u>274,950</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £	Total Funds 2015 £
Tangible fixed assets	16,719	-	16,719	38,262
Debtors due after more than one year	15,522	-	15,522	-
Current assets	842,070	-	842,070	631,090
Creditors due within one year	(589,994)	-	(589,994)	(389,123)
Creditors due in more than one year	(9,367)	-	(9,367)	(13,676)
	<u>274,950</u>	<u>-</u>	<u>274,950</u>	<u>266,552</u>

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

20. PENSION COMMITMENTS

The company operated a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £40,237 (2015: £34,875). Contributions totaling £nil (2015: £nil) were payable to the fund at the balance sheet date.

21. OPERATING LEASE COMMITMENTS

The future minimum operating lease payments are as follows:

	Land and buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Within 1 year	34,924	34,504	8,967	5,206
Between 1 and 5 years	139,696	138,016	13,450	14,073
After more than 5 years	104,772	120,764	-	-

The total value of financial commitments to the termination dates for the leases have been included; additionally, copy charges associated with the leased RISO printer have been included in the value of commitments in addition to the rental costs of the equipment.

22. VAT REGISTRATION

The company has reviewed its VAT registration position during the 2016 financial year and has confirmed the effective VAT registration date to HMRC. Debtors to the value of £260,536 have been created, with a potential bad debt position of £110,448 being provided for in the balance sheet to cover irrecoverable amounts, together with a £150,088 creditor being created as the net amount due to HMRC after allowing for recovery of VAT incurred on expenditure on a partial exemption basis.

23. RELATED PARTY TRANSACTIONS

The following related party transactions were approved during 2016.

Expenditure of £770 was paid to Bordesley Green related by virtue of Matthew Wheeler being a director. Additionally, Ringmer Community College received £405, related by virtue of Alex Hunt being a director. At 31 December 2016 no additional assets or liabilities are due in respect of related party transactions. Transactions have been conducted at arm's length.

The Articles permit payments to be made to the employers of Trustees, where the employer provides services to NASBM, and where the employee/Trustee does not benefit personally from the provision of the services.

24. CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.

NATIONAL ASSOCIATION OF SCHOOL BUSINESS MANAGEMENT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

25. FINANCIAL INSTRUMENTS

The carrying amounts of the company's financial instruments are as follows:-

	2016	2015
	£	£
Financial assets		
Measured at amortised cost	<u>39,120</u>	<u>40,543</u>
Financial liabilities		
Measured at amortised cost	<u>99,401</u>	<u>119,806</u>

Financial assets measured at amoristed cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and net obligations under finance leases and hire purchase contracts.